



## Staff Report to the Committee of the Whole

April 1, 2026

### SUPERINTENDENT'S BUDGET RECOMMENDATIONS

Adrian Johnson, Secretary Treasurer

#### BACKGROUND

Over the past three months, the Board has heard from students, District Parent Advisory Council (DPAC), the Indigenous Education Advisory Committee (IEC), union representatives and the Superintendent on budget priorities.

The [Budget Process 2026-2027](#) page on the SD22 website provides a chronology of engagements and links to reports summarising the information received.

The Board discussed what they have heard and considered revenue changes and cost pressures at the March 11, 2026, Regular Board Meeting.

On March 12, the Province confirmed funding rates will remain the same for next year. The Province will confirm additional funding to cover wage increases for staff later in the Spring.

The Superintendent has prepared these budget recommendations based on the information gathered and the available funding. These recommendations lead to a balanced budget, with operating revenues equal to expected expenditures.

Category	Impact
Added funding	\$ 2,347,000
Offset by:	
Increase in expenses due to cost pressures	\$ 1,486,000
Net increase in resources	\$ 861,000
<b>Net change</b>	<b>\$ 0</b>

The Superintendent presents the recommended changes outlined in this paper for the Board's consideration. Staff will consider the Board's feedback and distribute a survey on the changes for further community feedback. Staff will then present a draft proposed budget for the Board's consideration at the April 15, 2026, Regular Board meeting.

The School Act requires the Board to submit a balanced budget for the 2026/27 school year to the Ministry of Education and Child Care (MECC) before June 30, 2026. The submitted budget is referred to as the 2026/27 Original Budget.



The Board's work plan allows for the first and second reading of the 2026/27 Original Budget Bylaw at the April 15 Regular Board Meeting, followed by the third reading at the May 14, 2026, Regular Board Meeting.

## FUNDING CHANGES

Forecasts are that enrolment will decline and the number of designated students will remain as they currently are, resulting in the following operating grant changes.

<b>Operating grant changes</b>	<b>Amount \$</b>	<b>Commentary</b>
<b>Reduction in enrollment-based funding</b>	- \$ 541,000	Current forecasts are that SD22 will have sixty fewer students next year.
<b>Increase in supplement for unique geographic factors</b>	\$ 99,000	This represents a 1.6% increase in the funding associated with SD22's geographic factors.
<b>Increase in designation (inclusion) funding (more revenue)</b>	\$ 817,000	SD22 will receive \$817,000 more in funding next year should SD22 have the same number of designated students as are currently enrolled.
<b>Additional funding for teacher collective agreement implementation</b>	\$ 1,972,000	Staff expect to receive more funding due to teacher collective agreement requirements.  Staff presented a report to the Board in the December Regular Board meeting regarding Provincial funding distributions. The report identified that SD22 receives about \$4 million less than average from grants that are not distributed based on student need. The Board may now be able to access some of this funding, closing some of that \$ 4 million gap. This is a preliminary estimate, and there is a risk that no further funding will materialize, which this document considers in the section on Key Assumptions and Risk.
<b>Forecast increase in operating grant</b>	<b>\$ 2,347,000</b>	

## COST PRESSURES

The March 11, 2026, Staff Report to the Board of Education showed cost pressures known at the time.

The following table summarizes cost pressures, updated for information received since the March 11 Board Meeting.

<b>Cost pressure</b>	<b>Forecast amount \$</b>	<b>Commentary</b>
<b>Deficit in unrestricted funds from 2025/26 amended budget</b>	\$ 368,000	The current year budget ( <a href="#">2025/26 amended budget</a> ) has expenditures greater than revenues, primarily due to increases to assumptions regarding average teacher salary.
<b>Non-unionized wage increases</b>	\$ 375,000	The Provincial Government has yet to commit to funding wage increases for non-unionized staff next school year. This assumes a 3% wage increase for non-unionized staff, consistent with that negotiated with the teachers' union.
<b>Benefit costs</b>	\$ 750,000	Estimated increase in extended health and dental premium costs for next year, based on projections from the benefit administrator.  Given current trends, it is likely that actual costs will increase by less than this. However, increases in statutory benefit costs (CPP, EI, WCB) are not yet know and may potentially offset any positive variance.
<b>Teacher grid movements</b>	\$ 250,000	An estimate of the impact on average teacher salary based on the assumption that the average teacher will have more experience and education from this year to next.
<b>Interest revenue</b>	\$ 100,000	Interest rates declined during this year, and that decline may continue. This will decrease investment income.
<b>Calendar changes (Cost reduction)</b>	- \$ 357,000	There will be four fewer days of instruction next year, resulting in a reduction in staff costs. This is a one-year only cost reduction.
<b>Forecast total cost pressures</b>	<b>\$ 1,486,000</b>	

## RECOMMENDED BUDGET CHANGES

The Superintendent recommends the following operational changes which result in a balanced budget and help further student success.

<b>Operational Change</b>	<b>Budget impact</b>	<b>Resources</b>
Add supports with a goal of closing the achievement gap between students with diverse needs and all other students.  Feedback received from CUPE, VTA, DPAC and leadership staff also recommends more resources in this area as a priority.	\$ 817,000	Add more non-enrolling staff focussed on direct supports for students with diverse needs, including SBRTs and education assistants.
Maintain class sizes for elementary students, keeping close to provincial averages.	- \$ 600,000	Net reduction of four elementary divisions

Operational Change	Budget impact	Resources
<p>Maintain class sizes for secondary students, keeping close to provincial averages</p>	<p>\$ 280,000</p>	<p>Add fourteen blocks</p>
<p>Increase support for staff, students, and educational leadership at VSS and Seaton.</p> <p>This year, VSS and Seaton have 1,104 and 1,065 students, respectively (headcount, including international students). Each school has a Principal and a Vice Principal (PVP). Staff at the schools have raised the concern that the high student to PVP ratio makes it challenging for PVPs to address all emerging matters as they arise.</p> <p>To corroborate that concern, the Secretary Treasurer compared enrolment and PVP allocations at other secondary schools in the province. All thirteen secondary schools with between 926 and 1,000 students have three PVPs.</p> <p>Allocating more time for PVPs enables better support for students and school staff. It also enables more educational leadership time to implement strategic improvements at schools to further improve student success and close achievement gaps.</p>	<p>\$ 180,000</p>	<p>Add a school-based Vice Principal position at VSS and at Seaton with 0.5 FTE non-teaching time each.</p>
<p>Continue to upgrade school shops (wood shops, automotive shops etc.) to ensure they have the equipment needed to meet curricular requirements within a safe environment.</p> <p>The facilities department completed a recent renovation of the Charles Bloom wood shop using facility department funds.</p> <p>The Board currently allocates \$30,000 a year to local capital for this purpose, which is not all spent. Next year, there will be about \$120,000 available from existing local capital funds to continue to improve curriculum resources in school shops.</p>	<p>\$ 0</p>	<p>The Board can achieve this with existing resources.</p>
<p>Inflationary increases for non-discretionary items. (for example, utilities, software licensing, NOYFSS and Whitevalley service contracts).</p> <p>The Board last increased school supply budgets in the 2019/20 school year. Since then, inflation has increased costs by about 24%. However, discussions with PVP and a review of unspent school budget balances at the end of last school year suggests that</p>	<p>\$ 184,000</p>	<p>Maintain existing non-discretionary resources.</p>

Operational Change	Budget impact	Resources
<p>other needs, such as inclusion, are a greater priority for increased allocation of resources.</p> <p>Budget feedback showed concerns about inequities in opportunity for schools with a larger population of vulnerable students. Staff are exploring ways of addressing that inequity within existing budgets.</p>		
<b>Total impact of operational changes</b>	<b>\$ 861,000</b>	

## NON-ENROLLING TEACHERS

The Board heard budget feedback from CUPE on the importance of counselling supports. The VTA also noted the need for counselling supports and School Based Resource Teachers (SBRTs).

The new Collective Agreement (CA) negotiated between the Province and the BC Teachers' Federation (BCTF) provides, [in the words of the BCTF](#), 'more counsellors, learning assistance teachers, and special education resource teachers to give students the support they need to succeed'

The new CA achieves this by reducing the required student to teacher ratio for these positions, meaning more teachers for the same number of students. The reduction in the ratio is incremental, achieving the greatest number of teachers in the last year, year four of the CA.

The Board recognized the importance of this support in previous years and went significantly further in its provision of support. The following table shows current student : teacher ratios for non-enrolling positions in comparison to the ratios required in the new CA.

Category	Future CA ratio	Required FTE (year 4 of CA)	Current FTE	Difference
<b>Counsellors</b>	1 counsellor for every 513 students	17.2	19.7	2.5
<b>SBRT and Learning Assistance Teachers (LAT) (blended)</b>	1 SBRT for every 320 students, 1 LAT for every 452 students (local language, provincial requirement is 480)	47.2	63.7	16.5

The proposed budget changes will improve these ratios further with the addition of more SBRTs.

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## KEY ASSUMPTIONS AND RISKS

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### FUNDING

The most significant risk is whether SD22 will receive additional funding for collective agreement implementation. These changes assume the Board will receive nearly \$2 million. Should the funding not materialize, staff still expect to be able to have sufficient reserves and operating flexibility to avoid entering deficit. The Board would, however, be left with minimal reserves and need to make substantial budget changes for subsequent years.

It is also possible that the Board will receive more funding than assumed.

The cost pressures noted in this board paper do not reflect the impact of wage increases for unionized staff. This budget anticipates that the Province will fully fund the cost of unionized wage increases and so assumes no net cost pressure.

The Province has yet to confirm whether it will fund wage increases for non-unionized staff in 2026-27. The cost pressures noted in this Board paper assume it will not, with a cost impact of \$375,000.

The International program continues to do well, and on current trends will realize a profit of at least \$500,000 this year. These budget changes assume no profit from the international program.

As in previous years, operating funding is dependent on enrolment. There is a risk that enrolment will be less than forecast. Management prepared the revenue forecast using a conservative approach for enrolment projection.

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### EXPENDITURES

Over the past few years, the Board has experienced notable variances in benefit costs, sick leave costs, and average wage assumptions. These have generally amounted to less than 1% of total operating costs. This is a small percentage; however, a 1% variance is about \$1.3 million.

The budget changes reflect a one-time cost saving of \$357,000 because of fewer instructional days next school year. The 2027-28 budget will need to reflect an equivalent cost saving to balance.

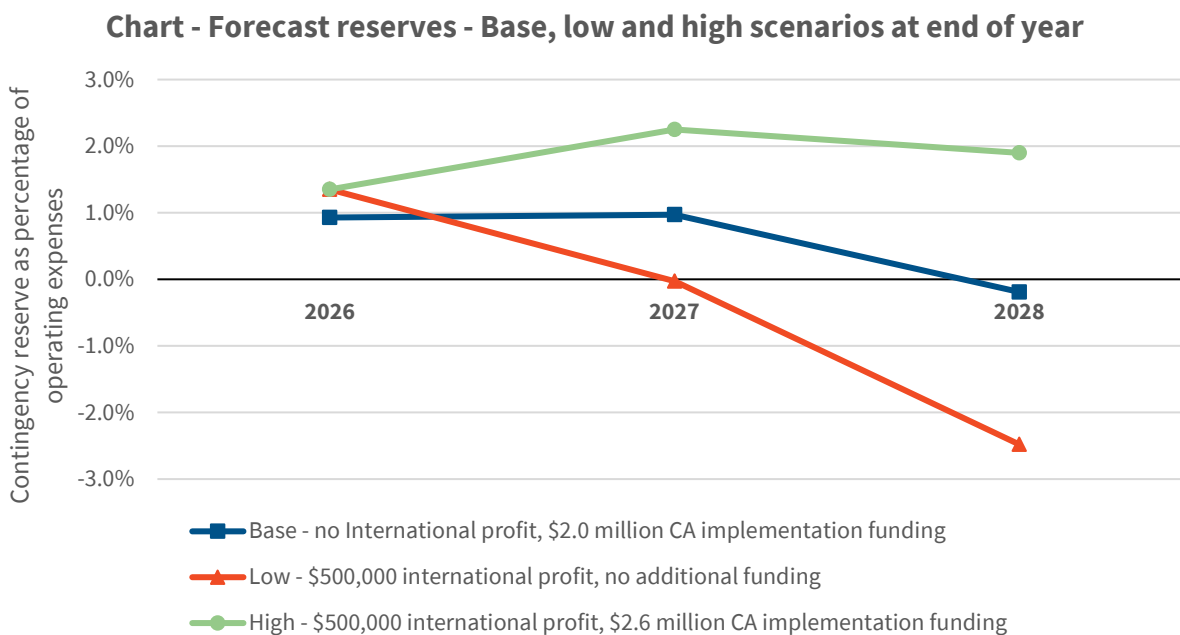
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### PROJECTED RESERVES

The proposed budget's reliance on unconfirmed funding creates a significant risk. The chart below plays out what could occur in the pessimistic, low case scenario of that risk materializing.

To aid in striking the right balance between pessimism and optimism, the chart also plays out a more optimistic, high case scenario.

These scenarios all assume there are no other expenditure variances.



### Base case

The base case uses the assumptions reflected in these Superintendent's budget recommendations. It assumes \$2.0 million of added funding associated with Collective Agreement implementation and does not allow for any profit from the international program. In this scenario, the Board's reserves remain at about 1% of operating expenses at the end of next school year.

Current projections are that enrolment will decrease by a further 100 students for the 2027/28 school year. The Board would need to find significant cost reductions for the 2027/28 budget.

### Low case

The low case scenario assumes no added Collective Agreement implementation funding.

The Board will fully consume its contingency reserve next year should this unfortunate scenario materialize. This leaves the Board with a very challenging budget next year, but not a deficit.

The International Student Program is having a strong year financially and is almost fully enrolled for next year. This low case forecast does assume a \$500,000 profit from the International Program this current school year and in future years.

### High case

Staff expect that \$2.6 million of CA implementation funding may be available. Should this be possible, and the International Student Program continues to perform as expected, the Board will achieve its goal of keeping a contingency reserve of 2% of operating expenses at the end of the 2026/27 school year, and the following year as well.