

# 2025/2026 Preliminary Budget

With Three Year Financial Plan

*May 2025*

School District 28 rests on the traditional lands of the Lhtako Dene.



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## 1.0 DISTRICT OVERVIEW

School District No. 28 (Quesnel) (the District) services the learning needs of over 3,000 students in the City of Quesnel. The District provides K-12 educational services in 10 elementary schools, one middle school, one alternate school and one secondary school.

All decisions made by the Quesnel Board of Education (the Board) are guided by our vision, mission and core values as determined through deep consultation with our stakeholders and community. The District's initiatives and resources are all aligned to our strategic plan, which is grounded in our foundation to support our commitment in creating a place where students love to learn by enabling each student to learn in a safe, engaging, and inclusive environment.

The District operates under the authority of the School Act of British Columbia (the School Act) as a corporation and receives over 98% of revenue from the B.C. provincial government through the Ministry of Education and Childcare (the Ministry). Any changes to provincial grants will consequently have a significant impact on the District's budget. The District is exempt from federal and provincial corporate income taxes.

**OPERATING FUND:** The operating fund includes operating grants and other revenues used to fund instructional programs, school and district administration, facilities operations, maintenance, and transportation.

**SPECIAL PURPOSE FUND:** The special purpose fund is comprised of separate funds established to track revenue and expenditures received from the Ministry and other sources that have restrictions on how they may be spent.

**CAPITAL FUND:** The capital fund includes capital expenditures related to facilities and equipment that are funded by Ministry capital grants, operating funds, and special purpose funds. An annual deficit in the capital fund that is a result of amortization expense and budgeted capital assets purchased from operating and special purpose funds exceeding the amortization of deferred capital revenue plus budgeted local capital revenue as permitted under the Accounting Practices Order of the Ministry.

In accordance with the School Act, school districts in the province must approve a balanced budget for the upcoming fiscal year and submit it to the Ministry by June 30. As required by the Ministry and Public Sector Accounting Standards (PSAB), the District tracks and reports revenue and expenditures under three separate funds: the operating fund, the special purpose fund, and the capital fund.

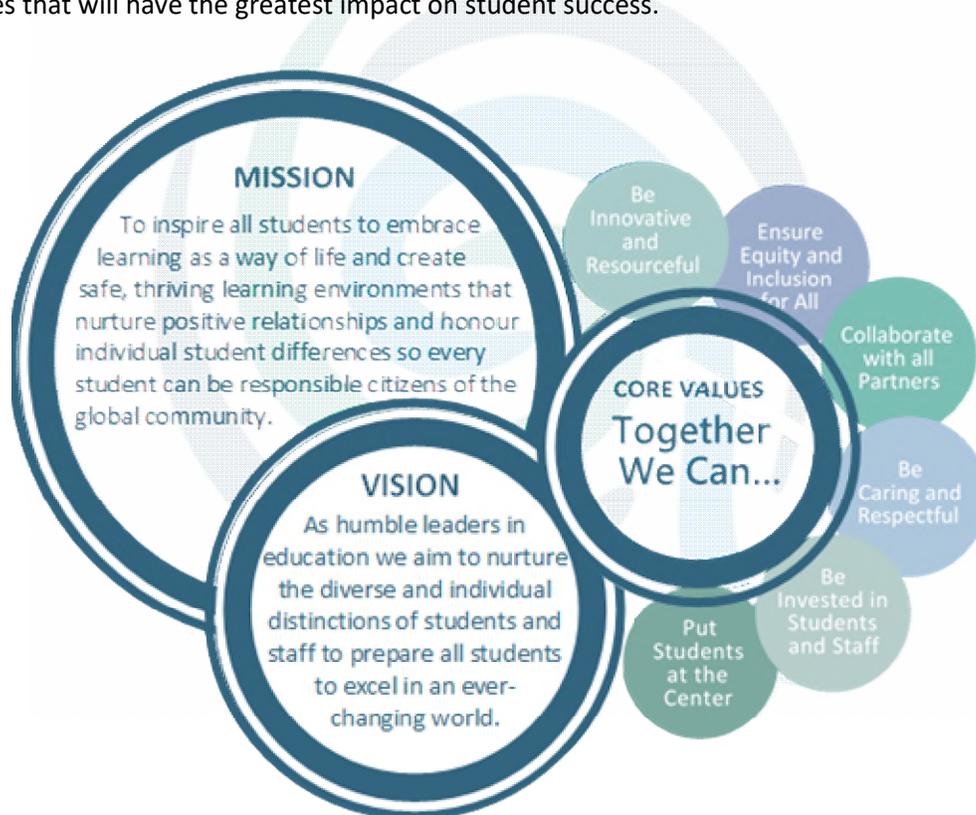
## STRATEGIC PLAN - Alignment

In 2022, the Board approved its 4-year strategic plan which defines the priority directions of the Board based on extensive consultation and collaboration with partners within our system and from outside our system. The Strategic Plan reminds us of our primary responsibility; student success. With student success at the center, the Board has set priority areas of:

<p><b>Equity and Engagement</b> Seeking equitable outcomes for all students</p>	<p><b>Supportive Spaces</b> Ensuring safe, welcoming school sites where all students can build a strong sense of belonging</p>
<p><b>Cultural Collaboration</b> Ensuring meaningful and respectful relationships and collaboration with Indigenous partners</p>	<p><b>Intentional Innovation</b> Building the collective capacity of all staff through tireless recruitment and a focus on retention</p>



Using these key indicators to contemplate each budget request and each recommendation made, this budget aligns with the direction of the Board and provides what we believe to be fiscally responsible and is targeted on resources that will have the greatest impact on student success.



## 2.0 BUDGET PROCESS AND CONSULTATION

We strive to ensure that budget input and resource allocations are connected to and aligned with our strategic plan – this model is an integral part of the District’s operating culture. All budget decisions made by the District are guided by our vision and values and specifically guided by the following principles:

### ALIGNMENT TO OUR STRATEGIC PLAN

priorities implemented must be aligned with the District’s strategic directions;

### FISCALLY RESPONSIBLE

proposed changes reflect prudent spending and balance new priorities with identified efficiencies;

### MAXIMIZE RETURNS

priorities implemented must balance results and investments to maximize returns on student learning outcomes;

### FUTURE ORIENTED

proposed change are thoughtful and stand the test of time rather than being reactionary in nature.

In order to achieve these principles, we remain committed to the following as part of our budget process:

- providing timely and accurate budget information;
- receiving budget input and feedback;
- prioritizing budget requests for the upcoming budget year;
- allocating available resources to best meet requests that align with the vision, goals and objectives; and
- communicating the outcomes effectively for transparent accountability.

The consultation process has been a two-way dialogue between the Board and its stakeholders to define priorities for the future. It has allowed for valuable input into the District’s direction and decision making. The table below provides the budget process for the 2024/25 year and the various opportunities for stakeholder engagement:



February 14, 2025	Submission of three-year enrolment to Ministry of Education
February 19, 2025	Approval of the 2024/25 amended budget
March 14, 2025	Ministry of Education Funding announcement for 2025/26
April 2, 2025	Initial Budget review with District managers
April 8, 2025	District Leadership Team - Base Budget review and Request for Consideration
April 10, 2025	Partner Group - Base Budget review and Request for Consideration
April 16, 2025	In-Camera Board Meeting – Base Budget review and Requests for Consideration
April 22, 2025	Public Meeting - Base Budget review and Request for Consideration
April 23, 2025	Final Budget review with District managers
April 28, 2025	Indigenous Education Council -Base Budget review and Request for Consideration
May 7, 2025	In-Camera Superintendent Budget recommendations for 2025/26
May 14, 2025	Complete 1 <sup>st</sup> , 2 <sup>nd</sup> and 3 <sup>rd</sup> and final reading of budget bylaw

There were multiple avenues to interact and share feedback in advance of the Board’s decision on the preliminary budget passed in mid-May.

### 3.0 STUDENT ENROLMENT

The District is funded primarily through an operating grant received from the Ministry. The operating grant is based on student enrolment which is compiled through a data collection process in September, February, May and July. The District receives a fixed amount per full-time equivalent student (FTE). The District also receives supplementary grants for students who are identified as having unique needs and for other demographic and geographical factors.

The District is starting to see declining for the next few years. The enrolment information presented below is based on actual full-year enrolment (regular, alternate, distributed learning, and non-graduated adult learners) for 2021/22, 2022/23, 2023/2024 actual enrolment for September and February and estimated for May for 2024/25 and forecasted enrolment for 2025/26 to 2026/27.



## 4.0 OPERATING FUND BUDGET

The base budget over the next three years is estimated to be in a deficit. For the 2025/26 school year, the deficit is \$189,141, followed by \$354,000 and \$328,000 in the 2025/26 and 2026/27 school years, respectively. The base budget makes the following assumptions/adjustments:

- Collective agreement wage: no increases (and related funding) in 2025/26 and 2026/27 as bargaining will need to occur;
- Reversal of one-time savings and surplus asks from the previous year;

The three-year financial plan for the operating budget is included in section 4.5.

### 4.1 Operating Fund Revenue

Provincial grants anticipated from government sources represent approximately 99% of the District's revenue sources for 2025/26. The remaining revenue is comprised of sources such as facility rentals, interest revenue and miscellaneous income.

The operating grants increased by \$0.4 million, this increase was due to wage increases per collective agreement changes with the Quesnel and District Teachers Association and CUPE 4990 from the previous round of bargaining.



## 4.2 Operating Fund Expense

The most significant portion of the District’s expenses is salaries and benefits, which comprises 90% of the District’s operating budget. The remaining 10% goes to services, supplies and capital asset purchases. In the 2025/26 school year, **SALARIES AND BENEFITS ARE ESTIMATED TO REMAIN THE SAME** due to collective bargaining in progress.

In 2025/26, services and supplies budgets have been increased to reflect costs increases for contracted services and supplies.

(in thousands)	23/24 Actual	24/25 Amended Budget	25/26 Preliminary Budget
<b>Wages</b>			
Teachers	17,111	17,347	17,319
Support Staff	4,568	5,923	6,442
Educational Assistants	3,195	2,589	2,740
Principals and Vice Principals	3,132	3,260	3,259
Substitutes	1,693	1,622	938
Other Professionals	1,270	1,436	1,436
<b>Benefits</b>			
Employee Benefits	6,993	7,588	7,574
<b>Total Salaries and Benefits</b>	<b>37,962</b>	<b>39,765</b>	<b>39,708</b>

Full Time Equivalent (FTE)	Actual Budget	
	24/25	25/26
Principals	20	20
Teachers	197	195
Support	130	130
Education Assistants	69	64
Exempt	14	14
<b>Total FTE</b>	<b>430</b>	<b>423</b>

Projections for 2025/26 and 2026/27 assume there will be some increase in known cost areas.

### 4.3 Priorities Support in 2025/26 School Year

Operating Fund	Ongoing (\$)	One Time (\$)	Total (\$)
<b>Equity &amp; Engagement</b>		<b>16,000</b>	16000
Transportation Bus Tablets			
Bus Drivers Training			
<b>Intentional Innovation</b>		<b>24,400</b>	24400
Manager of HR - Recruitment			
HR Training Platform			
<b>Supportive Spaces</b>	<b>21,600</b>	<b>285,400</b>	<b>307,000</b>
Wellness Budget			
4th Inclusion Bus			
2.0 LA/RT Teachers			
OT Increase 0.1 FTE			
<b>Cultural Collaboration</b>	<b>58,000</b>		<b>58,000</b>
Nazko YCW - Perm			
<b>Total Operating Requests</b>	<b>79,600</b>	<b>325,800</b>	<b>405,400</b>

The District is committed to prioritizing spending on the classroom. It is the responsibility of the Board to ensure all facilities provide for safe, successful learning environments and this requires significant investment; however, the District prioritizes spending on educational staffing and resources.

## Equity and Engagement

Extensive consultation and review of the District's FESL data are consistent in demonstrating a need to remain focused on supporting literacy development, specifically in primary years. The Professional Learning Grant for literacy will help the district focus on this goal and build professional learning for staff. Along with ongoing training for educational staff, training and tools for transportation staff is an important part of our strategy. As a result, the Board has approved continued training for bus drivers to meet the diverse needs of students.

## Intentional Innovation

The challenges of recruitment and retention are evident in the world around us. The district continues to pursue innovative ways to support the recruitment of new staff and to retain those we already have. Part of the district's strategy to address this complex issue was the hiring of the Human Resource Manager of Recruitment, a repurposing of budget that was originally used on recruitment fairs. We were not seeing success in this strategy. The Board has approved another year of this promising approach/position along with a continuation of the HR platform required to provide timely statutory training for staff.

## Supportive Spaces

The District continues to see significant increases in students with exceptional needs as represented on the District's 1701 report but also in vulnerability. The District has always been proud to maintain exceptionally high ratios of Learning Assistance and Resource Teachers allowing for both indirect and direct service to students. The District's ability to support rich, direct service has reduced; however, the District is working to maintain this priority with the addition of Resource and Learning Assistance teachers. In order to support the increasing transportation needs for students with diverse needs, the board has approved an additional accessibility bus run. The Board is also keenly aware of the impact staff has on students, and the correlation between staff who are well and the positive impact that has on students. As a result, the Board has approved a small wellness budget specific to supporting staff wellness.

## Cultural Collaboration

Equitable outcomes for Indigenous students are a key priority for the District. Indigenous students access district-wide supports and services as well as additional supports recommended from a collaborative Indigenous Education Council. Council recommends specific supports informed by District data and in the District's "How are we Doing Report?" As seen in the report, Indigenous students are seeing equitable outcomes in many courses until completion in grade 12 where we see Indigenous student completion rates fall off in comparison to non-Indigenous students. The newly formed IEC has recommended the addition of a permanent Youth Care Worker to support the social-emotional needs of students in elementary schools. The initial assignment for this position will be Nazko Elementary.

## 4.4 Contingency Reserve

The Board is responsible to protect the District from extraordinary financial items which would negatively disrupt District operations and the continuity of learning for students. To mitigate these risk areas, the Board maintains a contingency reserve from its available operating surplus.

Per Board Policy 603, the contingency reserve can be up to 3.5% of operating expenses. The District's level of contingency reserve for planning purposes is \$1.3 million. It is anticipated by the end of the 2024/25 school year that the operating reserves will be \$2.1 million. The differential between the expected ending reserve balance of \$2.1 million and the \$1.3 million contingency reserve represents amounts available to support planning for operations spanning future school years, anticipated unusual expenses identified by the board and/or for expenses which must be reserved due to the nature of constraints on the funds.



## 4.5 Operating Budget Three-Year Plan

Below is a three-year projection of the operating fund revenue and expenses by object. This projection is based on factors that are known to the District at the time, and contain assumptions that the District will maintain current service levels and programs. Assumptions made in building the three-year plan are included in the respective areas of Section 4.0 and also include the following:

- Projected changes to revenue and staffing due to changes in enrolment;
- Estimated changes to employee salaries and benefits;
- Estimated changes to services, supplies and utilities due to inflation; and
- Adjustments for one-time revenue or expenditures included in the prior year budget.

After factoring efficiencies and priorities into the base budget, the District is estimating that a funding shortfall of \$594,000 will have to be addressed in 2025/26. This is estimated to be followed by budget funding shortfalls of approximately \$434,000 for 2026/27, and \$408,000 for 2027/28.

In thousands	2022/23 Actual	2023/24 Actual	2024/25 Amended Budget	2025/26 Preliminary Budget	2025/26 Projection	2026/27 Projection
<b>Provincial Grants - ECC</b>						
Operating Grant, Ministry of Education	36,609	40,475	42,080	42,115	41,287	40,548
Other Ministry of Education Grants	2,148	1,399	1,111	662	662	662
<b>Other Revenue</b>						
Rentals and Leases	190	188	197	179	185	185
Investment Income	291	361	400	400	200	200
Miscellaneous	43	91	30	30	30	30
<b>Total Operating Revenue</b>	<b>39,281</b>	<b>42,514</b>	<b>43,818</b>	<b>43,386</b>	<b>42,364</b>	<b>41,625</b>
<b>Operating Expenses</b>						
Salaries and Benefits	34,996	37,962	39,765	39,360	38,586	37,895
Services and Supplies	3,813	4,001	4,517	4,215	4,132	4,058
<b>Total Operating Expenses</b>	<b>38,809</b>	<b>41,963</b>	<b>44,282</b>	<b>43,575</b>	<b>42,718</b>	<b>41,953</b>
<b>Capital Purchases and Other</b>	<b>(332)</b>	<b>(170)</b>				
<b>Surplus (Deficit), for the year</b>	<b>140</b>	<b>381</b>	<b>(464)</b>	<b>(189)</b>	<b>(354)</b>	<b>(328)</b>
<b>Requests</b>						
Ongoing Priorities				(80)	(80)	(80)
One-Time Priorities				(325)		
Use of Prior Year Appropriated Surplus to balance	(140)	(381)	464	594	434	408
<b>Total Operating Surplus (Deficit), for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Operating Surplus (Deficit), beginning of the year</b>						
Operating Surplus (Deficit), beginning of the year	2,052	2,192	2,573	2,109	1,326	892
Use of Prior Year Appropriated Surplus to balance	140	381	(464)	(594)	(434)	(408)
<b>Operating Surplus (Deficit), end of the year</b>	<b>2,192</b>	<b>2,573</b>	<b>2,109</b>	<b>1,326</b>	<b>892</b>	<b>484</b>

## 5.0 Special Purpose Fund

The special purpose fund is comprised of separate funds established to track revenue and expenditures received from the Ministry and other sources that have restrictions on how they may be spent and are therefore not available for expenditures in the operating fund. Amounts are deferred when received and recognized as revenue when the related expenditures are incurred.

The District has the following special purpose funds:

- Classroom Enhancement Fund (CEF)
- Community LINK
- Learning Improvement Fund (LIF)
- Annual Facility Grant
- First Nation Student Transportation
- Strong Start
- Ready, Set, Learn
- Official Languages in Education French Programs (OLEP)
- Feeding Future Fund
- Early Care & Learning (ECL)
- Apprentice Program
- Breakfast Clubs of Canada
- Scholarships and Bursaries
- School Generated Funds
- Literacy Professional Learning Fund
- Mental Health Grant

The following represents a few highlights of the work that is funded from these special programs:

### Classroom Enhancement Fund

This funding relates to the ratification of the Memorandum of Agreement pursuant to the Letter of Understanding No.17, to the 2013-2019 BCPSEA-BCTF Provincial Collective Agreement that resolves all matters related to the implementation of the Supreme Court of Canada decision from the fall of 2016. This fund was established to address the additional teacher and corresponding overhead costs throughout the province associated with the memorandum. For 2025/26, the District has been provided a preliminary CEF allocation of \$2,262,300 to fund 17.144 FTE teachers and \$244,606 in overhead funding. Adjustments to the District's allocations may be made once the final fall 2025 staffing is known.

### Community LINK

This funding is designed to support the academic achievement and social functioning of vulnerable students. Total funding for 2025/26 will be \$568,856 and is projected to remain unchanged for future years. This fund is used for social-emotional supports for vulnerable learners through 11 Youth Care Workers.

## Learning Improvement Fund

This fund was established by the Province for the purpose of providing additional resources, specifically targeted to support complex classes that present challenging learning conditions. The 2025/26 funding of \$145,583 is used for increased hours of work for EAs as has consistently been done over the past number of years. As the LIF has not increased in line with the increases to collective agreement wage increase, this special purpose fund continues to face pressure.

## Feed Futures Fund

This was a new fund two years ago which relates to addressing the immediate need of feeding students and help reduce the challenges of rising food cost for families who need it most. For the 2025/26 year the District's allocation is \$402,072.

## Literacy Professional Learning Fund

The purpose of this grant is to help schools to access additional training and education Programs for teachers and support staff in the area of literacy. A grant of \$238,867 was received to be spent by June 30, 2027.

In thousands	2022/23 Actual	2023/24 Actual	2024/25 Amended Budget	2025/26 Preliminary Budget	2026/27 Projection	2027/28 Projection
Provincial Grants - ECC	3,896	4,562	4,427	4,451	4,123	4,123
Other Revenue	715	767	808	675	675	675
<b>Total Operating Revenue</b>	<b>4,611</b>	<b>5,329</b>	<b>5,235</b>	<b>5,126</b>	<b>4,798</b>	<b>4,798</b>
Salaries and Benefits	3,200	3,668	3,933	3,212	3,212	3,212
Services and Supplies	1,383	1,600	1,740	1,528	1,586	1,586
<b>Total Operating Expenses</b>	<b>4,583</b>	<b>5,268</b>	<b>5,673</b>	<b>4,740</b>	<b>4,798</b>	<b>4,798</b>
<b>Deferred Revenue Change</b>	<b>28</b>	<b>61</b>	<b>(438)</b>	<b>386</b>	<b>-</b>	<b>-</b>

# 6.0 CAPITAL FUND

The capital fund includes capital expenditures related to facilities (purchases and enhancements) and equipment that are funded by the Ministry capital grants, land capital, local capital, operating funds and special purpose funds. On an annual basis, the District prepares a Five-Year Capital Plan and submits it for funding consideration to the Ministry. The plan identifies capital funding needs for existing and new facilities.

The following are current capital projects supported by the provincial government.

### Carson Elementary School

The ministry has approved as much as \$61.2 million for the replacement Carson Elementary school which was impacted by landslide in April 2021; construction is underway.

### Other Capital Funded Projects

Annual facilities grant funds are used throughout the District to address ongoing maintenance and improvement needs at schools. Planned spending for the capital component in 2025/26 is \$1,077,829.

Additional funding for capital projects in 2025/26 is detailed below.

Facility Name	Project Description	Bylaw Funding
<b>Carson Elementary</b>	Replacement School	50,038,118
<b>Ecole Red Bluff Lhtako</b>	Exterior Wall Systems Upgrades	\$1,190,000
<b>Bouchie Lake Elementary</b>	Carbon Neutral Capital Program – Energy Upgrades	\$500,000
<b>Maintenance</b>	Carbon Neutral Capital Program – Electrical Upgrade	\$75,000
<b>Elementary Schools</b>	Food Infrastructure Program – Kitchen Equipment	\$24,000

