



# Sooke School District 2023-2026 Financial Plan

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## TERRITORIAL ACKNOWLEDGEMENT

We acknowledge the traditional territories of the Coast Salish: T'Sou-ke Nation and Sc'ianew Nation and Nuuchah-nulth: Pacheedaht Nation. We also recognize some of our schools reside on the traditional territory of the Esquimalt Nation and Songhees Nation.

## EXECUTIVE SUMMARY

The Sooke School District Board of Education is pleased to present this Financial Plan identifying the resources required to deliver on our Strategic Plan 2021-2025. It is a multi-year view of the District's financial budget and highlights the estimated revenues and expenditures for the next three fiscal years (2023 to 2026).

Our budget narrative can be summarized as a growing budget that meets our base operational requirements while being challenged by the growing capital needs of our District. Based on extensive consultations with our partner and stakeholder groups, the District's priorities for the remainder of the Strategic Plan continue to be:

- Early learning;
- Diversity, equity and inclusion
- Mental health and wellness; and
- Growth

The District is one of the fastest growing school districts in the province. The following plan simplifies the complex financial requirements of an organization serving almost 13,000 students through the services of over 2,000 employees in the communities of Sooke, Port Renfrew, Metchosin, Highlands, Langford and Colwood.

More about the District including the traditional territories, the Board of Education, and the Strategic Plan can be found on our website at [www.sd62.bc.ca](http://www.sd62.bc.ca).

Consistent with our Strategic Plan, this document has been created by listening to our community's needs while managing within a finite amount of resources.



## HOW DOES THE BOARD CREATE THE BUDGET?

The Board has established a comprehensive budget process that ensures:

- The priorities of the Strategic Plan are properly funded;
- A transparent process that includes partner and public input through communication and consultation;
- Decisions are reported back to the public and partner groups; and
- Compliance with the School Act, collective agreements, Board policy, and other regulatory requirements.

## BUDGET TIMELINES

As per the School Act, the Board must adopt an annual budget on or before June 30 of each year for the next fiscal year. The District starts the budget process in early January with the first reading of the budget planned for April. Through the Resources Committee, a special Committee of the Whole meeting in April, public Board Meetings, and communication through the District website and social media, the process is transparent and provides multiple consultation opportunities for partner and public input.

Month	Executive	Leadership Team	Resource Committee	Board Meetings
January	Confirm Budget process and timelines	Jan 4 – review the budget process and timelines	Jan 10 – review and input on process & timelines	Jan 24 – Approve Budget Development Process
February	Confirm 23/24 (Year 3) Operational Plan work	Feb 1 – Identify proposed costs for Operational Plan	Feb 14 – Review & input on draft Operational Plan work	Feb 28 – Review & input on draft Operational Plan; Stakeholder Presentations (Feb 21)
March	Draft Budget based on Operational Plan	Mar 1 – Review and prioritize activities on the Operational Plan	Mar 8 – Review & input on draft Operational Plan priorities	Mar 14 – Review & input on draft Operational Plan priorities
April	Finalize Budget for presentation	Apr 5 – Review and input on draft Budget	Apr 11 – Review and input on draft Budget	April 18 – Committee of the Whole April 25 – 1 <sup>st</sup> reading of the Budget
May	Tweak Budget (if applicable)	May 3- Review revised Budget (if applicable)	May 9 – Review and input on revised Budget (if applicable)	May 23 – 2 <sup>nd</sup> and 3 <sup>rd</sup> readings of the Budget

# BUDGETING STRATEGIC PRIORITIES

With the Strategic Plan as the guiding document, staff consulted with the District’s partners and public and developed a list of priorities that will remain the focus of our financial plan. The budget priorities that emerged through these touch points were identified as:

PRIORITIES	ACTIONS
Mental Health and Wellness	Continue to implement the Healthy Schools, Healthy People Framework (Engagement Objective 4)
Diversity, Equity and Inclusion	Begin to implement audit recommendations for diversity, equity and inclusion (Learning Objective 1)
Early Learning	Early learning and childcare programs - (1) Continue to build a strategy to ensure early learning programs are effective pathways for transition to school; and (2) Build community partnerships (Learning Objective 2)
Growth	Implement cyber security and privacy policies in partnership with Curriculum, Inclusive Education, and Safe School objectives (Growth Objective 3)



# BUDGET FUND TYPES

The District's Budget is comprised of three separate Funds: Operating Fund, Special Purpose Fund, and Capital Fund. The District's total budget bylaw amount includes expenses and asset purchases from all funds. The Operating Fund is where the majority of the District's expenses are reported and is driven by domestic and international student enrolment.

## OPERATING FUND

### Revenue

- Operating Grant Revenue
- International Revenue
- Other Revenue

### Expenditures

- Instruction
- District Administration
- Operations and Maintenance
- Transportation

## SPECIAL PURPOSE FUND

- Classroom Enhancement Fund (CEF)
- Annual Facilities Grant (AFG)
- School Food Programs
- Community Link
- Academies
- School Generated Funds

## CAPITAL FUND

- New Schools
- School Enhancement Programs (HVAC, Roofing Upgrades)
- Seismic Mitigation Projects
- Bus Purchases
- Playgrounds
- Land Purchases

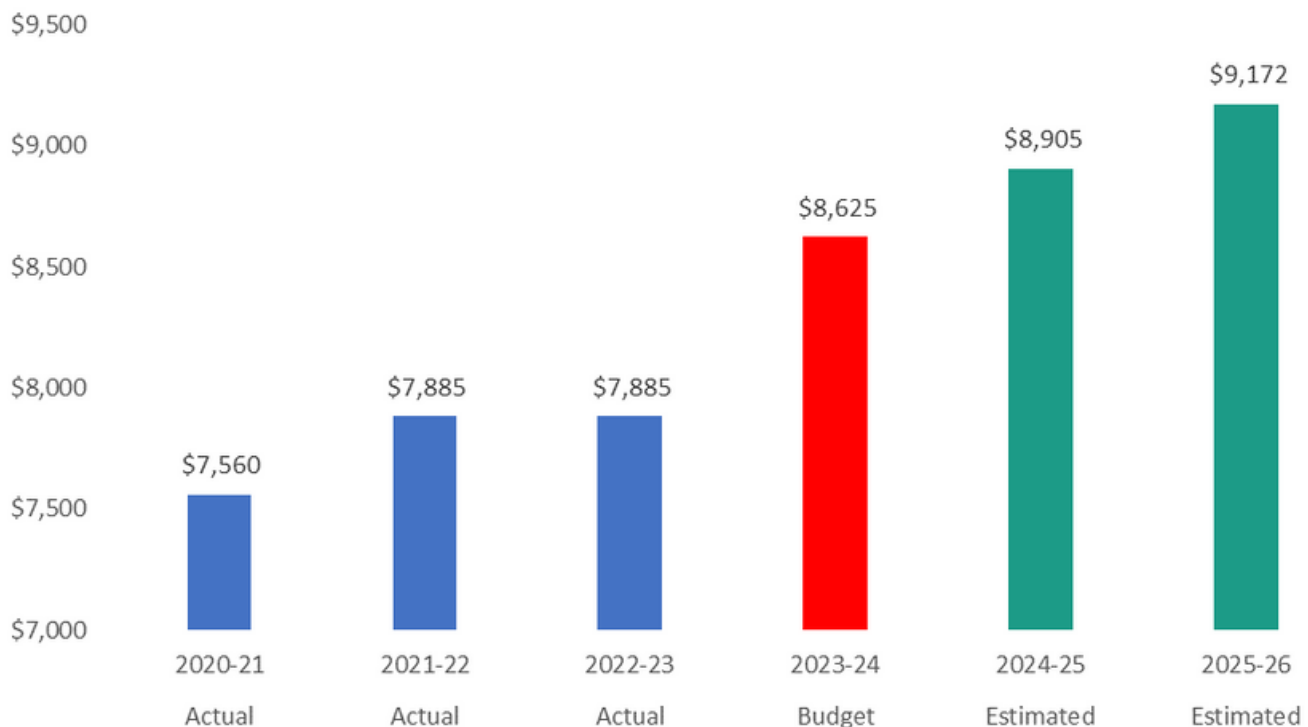




## OPERATING GRANT ALLOCATION

In March 2023, the Ministry announced an increase to the basic per-student Operating Grant allocation by approximately 9.4% from a standard (regular) FTE funding allocation of \$7,885 to \$8,625. This increase is to fund the labour settlements for District staff. In April 2023, the provincial government announced that the District’s unionized employees will get the maximum (1.25%) cost-of-living adjustment (COLA) for their year 2 wage increase. Since this was announced after the basic allocation was determined, it is estimated that the 1.25% COLA will be applied to the allocation in 2024/25 and the maximum (1.00%) COLA for year 3 will be applied to the allocation in 2025/26 in addition to the 2.00% general wage increases in each of those years.

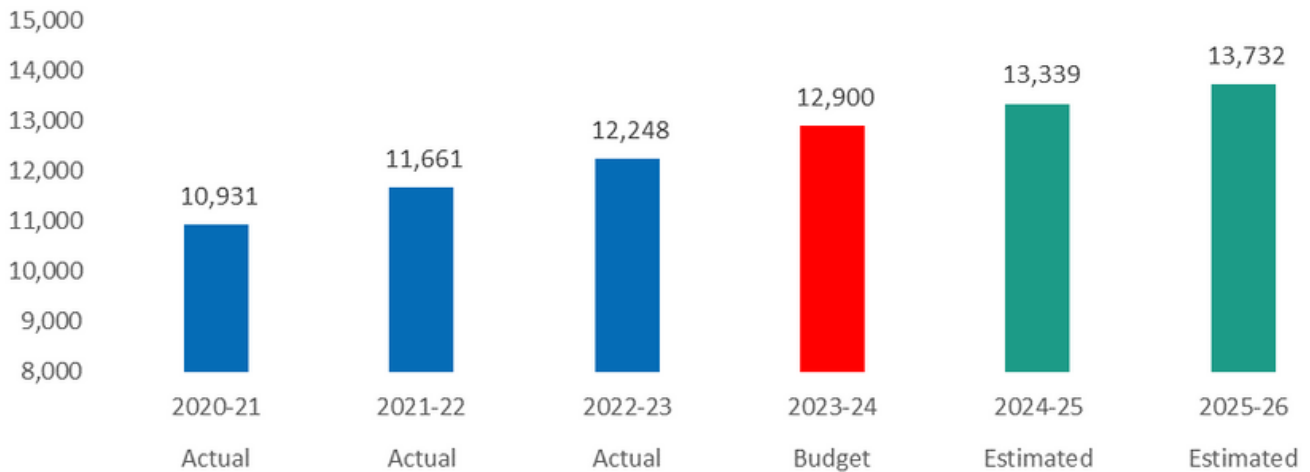
### Per Student Allocation - Standard (Regular) FTE



## SEPTEMBER K-12 STANDARD ENROLMENT

The chart below shows 3 years of historical September K-12 Standard Enrolment, and the projected enrolment for the next 3 years. At 12,900 FTE in 2023/24, enrolment is expected to increase by 652 FTE over the prior year which is 11% of the anticipated total 5,876 FTE enrolment growth across the province. Enrolment is expected to increase by a further 832 FTE in the subsequent two years.

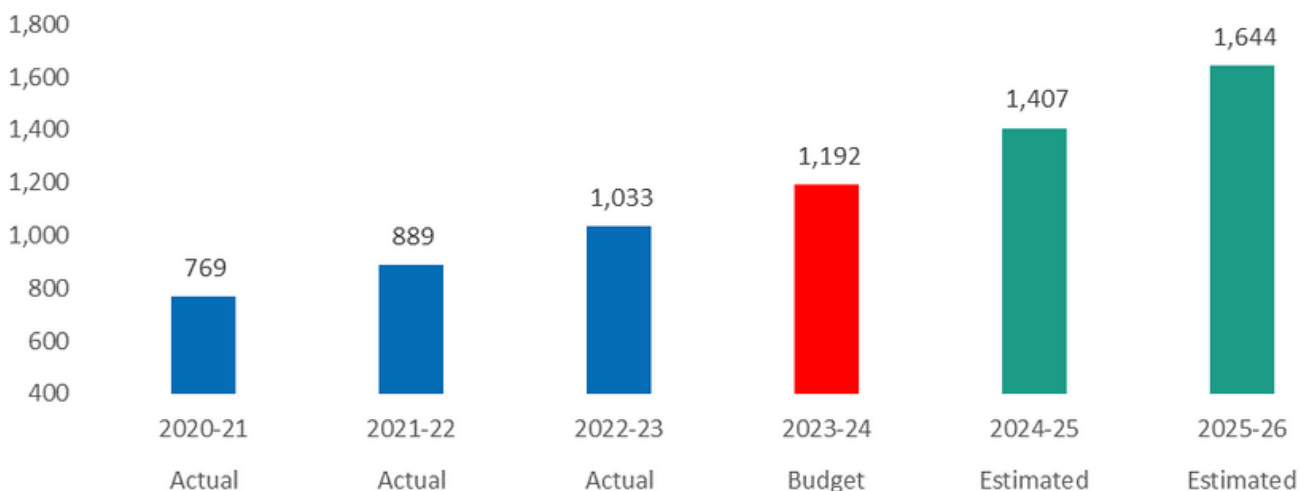
**September K-12 Standard Enrolment (FTE)**



## SEPTEMBER SPECIAL NEEDS ENROLMENT

School districts also receive supplemental funding in the Operating Grant for those students with special needs in order to provide additional supports and resources. The enrolment count of students with special needs is reported in September and February. At 1,192 FTE in 2023/24, the chart below shows a budgeted increase of 159 FTE (15%) from the prior year and a further 452 FTE estimated increase in the subsequent two years.

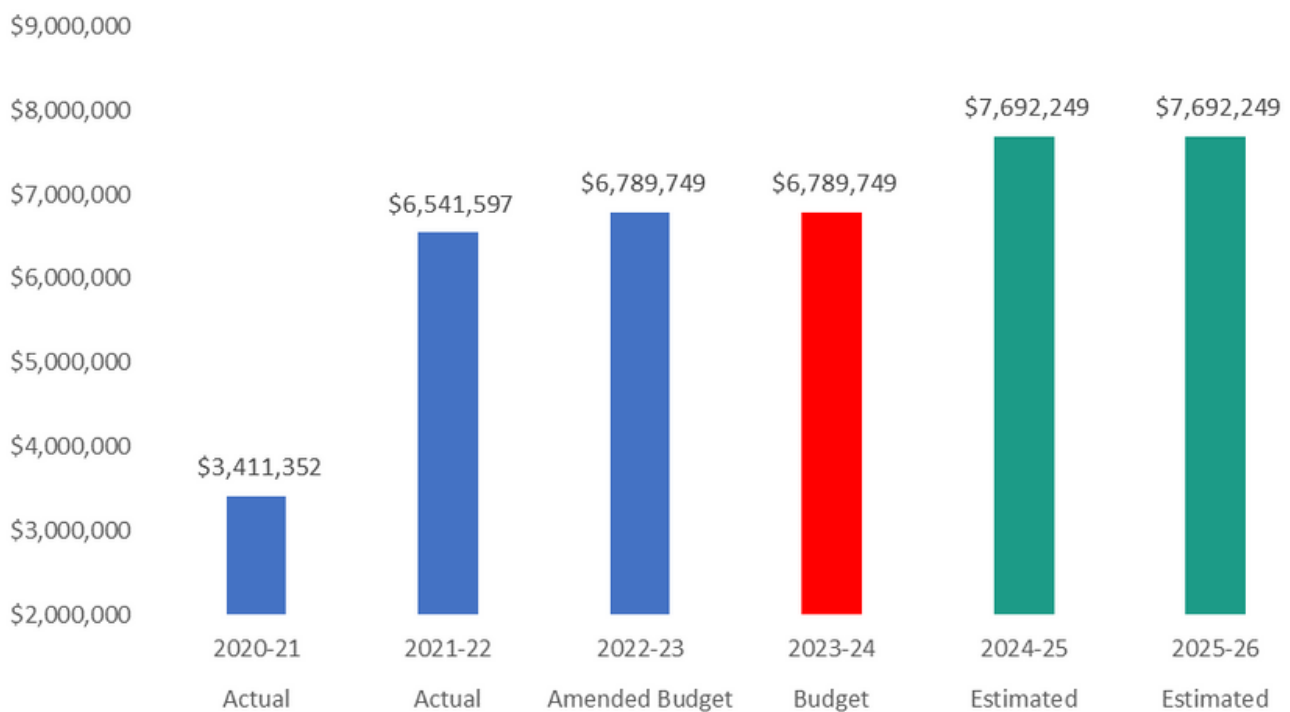
**Special Needs Level 1-3 (FTE)**



# INTERNATIONAL STUDENT PROGRAM

The International Student Program generates additional tuition revenue separate from the Operating Grant and helps fund existing infrastructure and services elsewhere in the District. Due to post pandemic impacts the market has become increasingly competitive as school districts across the country struggle to maintain International Student Program enrolment. As a result, the projected enrolment is estimated to remain static at 250 FTE for the next three years supplemented by an increase in student fees in 2024/25 to pay for program cost increases.

### International Student Program Revenues





# OPERATING FUND EXPENSES

Staffing levels take various factors into consideration including student and educational needs, funding availability, enrolment growth, and organizational capacity. As student enrolment is projected to increase so will staffing levels. For the 2024 to 2026 years, teacher staffing increases assume additions at a 1 to 24 teacher to student ratio. Staffing for educational assistants are still to be determined (TBD) as plans on how to utilize the Operating Grant's special needs supplemental funding for 2023/24 and subsequent years are still being finalized.

The District will continue to grow in other areas, but for the 2025/26 year, the additional support staff, principal and vice principal, only reflect the needs of the new elementary school in South Langford.

## Staffing Chart – Total FTE – Operating

	Actual 2020-21	Actual 2021-22	Amended Budget 2022-23	Budget 2023-24	Estimated 2024-25	Estimated 2025-26
Teachers*	584	592	614	648	666	682
Principals and Vice Principals	64	65	72	72	72	74
Educational Assistants	281	315	358	TBD	TBD	TBD
Support Staff	271	263	263	273	273	276
Other Professionals	41	47	49	51	51	51
<b>Total</b>	<b>1,241</b>	<b>1,282</b>	<b>1,356</b>	<b>1,044</b>	<b>1,062</b>	<b>1,083</b>

\*Total teachers (including CEF) Amended Budget 2022-23 is 790 FTE and Budget 2023-24 is 846 FTE

## Staffing Chart – Year over Year Changes in Total FTE – Operating

	Actual 2021-22	Amended Budget 2022-23	Budget 2023-24	Estimated 2024-25	Estimated 2025-26
Teachers*	8	22	34	18	16
Principals and Vice Principals	1	7	-	-	2
Educational Assistants	34	43	TBD	TBD	TBD
Support Staff	(8)	-	10	-	3
Other Professionals	6	2	2	-	-
<b>Total</b>	<b>41</b>	<b>74</b>	<b>46</b>	<b>18</b>	<b>21</b>

\*Total teachers (including CEF) year over year increase for Budget 2023-24 is approximately 56 FTE

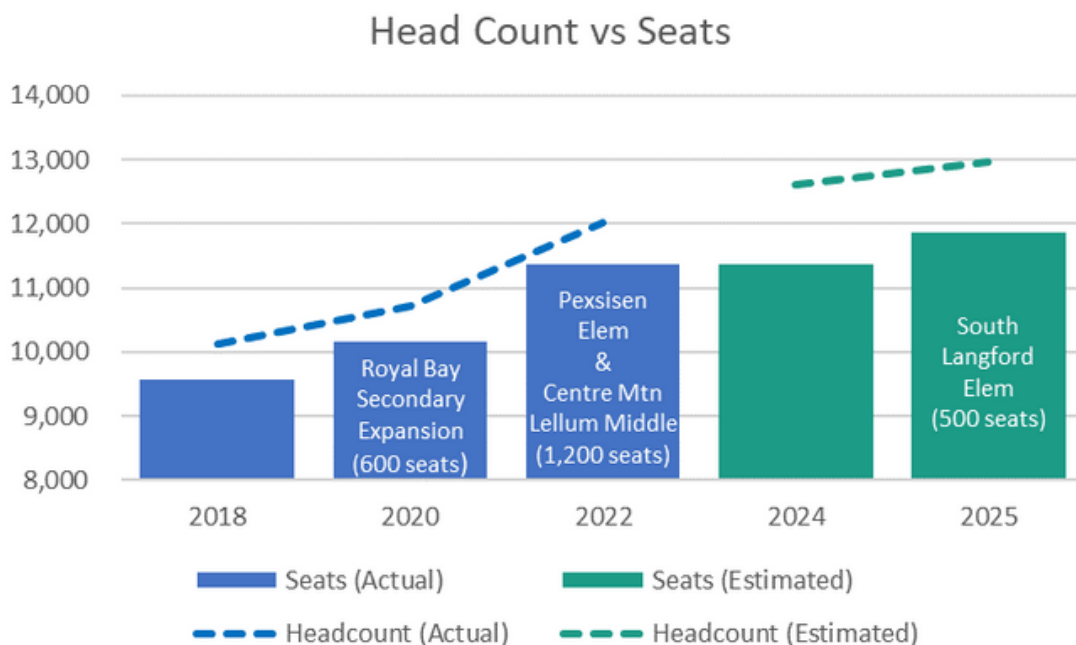
All labour settlement impacts known as of March 2023 and released through the Operating Grant have been incorporated into the 2023/24 Budget. Cost of living adjustments of 1.25% in 2024/25 and 1.00% in 2025/26 and general wage increases of 2.00% for each of the future years are incorporated into the estimated salary expenses. No salary increases have been assumed for the future years for Other Professionals and principal and vice principal as there has not been any decision made regarding exempt compensation for those years.

## INTERFUND TRANSFERS AND CAPITAL PLANNING

When capital assets are purchased with operating funds, they must be transferred from the Operating Fund to the Capital Fund in order to be properly capitalized and amortized (expensed) over the life of the asset. This transfer is reflected as an inter-fund transfer.

In December 2021, the Ministry approved the construction of a new elementary school in South Langford with a requirement that the District contribute \$1.00 million towards the project prior to completion of construction. Since the District has exhausted other funding sources on prior construction projects, the \$1.00 million is to come out of operating funds as a local capital interfund transfer. The District contributed \$350,000 in 2022/23 and has budgeted another \$350,000 contribution for 2023/24 with the remaining \$300,000 to be contributed in 2024/25. The \$350,000 contribution budgeted for 2023/24 is causing a \$156,344 deficit for the year – resulting in the utilization of operating surplus to fund the project.

The response from the Ministry to the District's 2023-24 Annual Five-Year Capital Plan submission did not include support for any new expansion program capital projects. As a result, the District must purchase portables to accommodate the estimated growth in the coming years. The Ministry does not provide funding for portables which is estimated to cause a financial pressure of \$3,300,000 in 2024/25 and \$5,200,000 in 2025/26 on the Operating Fund to meet the needs of growing communities within the District that do not have an approved capital expansion project.



## ACCUMULATED OPERATING SURPLUS

The use of the operating surplus enables the Board to engage in long-term planning, mitigate financial risk and support consistent services. The Board has a policy to maintain a contingency of 2% of operating expenses. The capital planning financial pressures on the Operating Fund is estimated to deplete the District's contingency in 2024/25 and 2025/26 unless alternative funding sources or mitigation strategies are utilized.



# MULTI-YEAR OPERATING FUND FINANCIAL PLAN SUMMARY

The following table is a detailed financial plan summary for the Operating Fund. It considers the projected enrolment and related effects on staffing and expenditures, interfund transfers, and the Accumulated Operating Surplus.

	Actual 2020/2021	Actual 2021/2022	Amended Budget 2022/2023	Budget 2023/2024	Estimated 2024/2025	Estimated 2025/2026
<b>Revenues</b>						
Provincial Grants						
Ministry of Education and Child Care	113,365,893	122,740,094	135,536,363	151,437,995	164,580,852	177,905,663
Other	26,509	730	-	-	-	-
Tuition	3,505,226	6,637,195	6,899,749	6,879,749	7,692,249	7,692,249
Other Revenue	997,217	1,273,555	945,666	945,666	945,666	945,666
Rentals and Leases	230,065	393,661	502,500	502,500	502,500	502,500
Investment Income	290,632	241,165	353,875	353,875	353,875	353,875
<b>Total Operating Revenue</b>	<b>118,415,542</b>	<b>131,286,400</b>	<b>144,238,153</b>	<b>160,119,785</b>	<b>174,075,142</b>	<b>187,399,953</b>
<b>Salaries</b>						
Teachers	48,393,009	49,878,807	54,564,115	60,310,293	65,188,394	69,722,296
Principals and Vice Principals	8,085,645	8,513,507	9,745,939	9,909,659	9,909,659	10,179,659
Educational Assistants	10,136,051	11,477,073	13,552,784	16,600,332	20,606,561	25,143,449
Support Staff	12,221,148	12,454,246	13,727,935	15,209,931	16,197,102	16,983,206
Other Professionals	4,226,866	4,770,015	5,281,009	5,506,595	5,506,595	5,506,595
Substitutes	3,808,405	5,215,605	5,437,225	6,173,919	6,416,101	6,646,919
<b>Total Salaries</b>	<b>86,871,124</b>	<b>92,309,253</b>	<b>102,309,007</b>	<b>113,710,729</b>	<b>123,824,412</b>	<b>134,182,124</b>
<b>Employee Benefits</b>	<b>21,108,220</b>	<b>22,819,832</b>	<b>26,065,358</b>	<b>29,188,926</b>	<b>31,849,962</b>	<b>34,588,400</b>
Employee Benefit Rate (as a % of Total Salaries)	24.30%	24.72%	25.48%	25.67%	25.72%	25.78%
<b>Services and Supplies</b>						
Services	5,573,755	6,604,171	7,631,049	7,343,233	7,923,293	7,994,013
Professional Development and Travel	659,429	934,188	1,068,586	1,063,697	1,063,697	1,063,697
Rentals and Leases	379,508	411,859	386,891	311,891	311,891	311,891
Dues and Fees	192,150	161,730	153,156	153,156	153,156	153,156
Insurance	311,885	429,514	467,651	522,651	522,651	522,651
Supplies	3,601,625	4,770,322	5,456,617	5,790,202	5,930,390	5,936,979
Utilities	1,602,549	1,770,045	1,780,844	1,815,844	1,815,844	1,815,844
Bad Debt	1,515	-	25,800	25,800	25,800	25,800
<b>Total Services and Supplies</b>	<b>12,322,416</b>	<b>15,081,829</b>	<b>16,970,594</b>	<b>17,026,474</b>	<b>17,746,722</b>	<b>17,824,031</b>
<b>Total Operating Expense</b>	<b>120,301,760</b>	<b>130,210,914</b>	<b>145,344,959</b>	<b>159,926,129</b>	<b>173,421,095</b>	<b>186,594,556</b>
<b>Net Revenue (Expense)</b>	<b>(1,886,218)</b>	<b>1,075,486</b>	<b>(1,106,806)</b>	<b>193,656</b>	<b>654,047</b>	<b>805,398</b>
<b>Interfund Transfers</b>						
Tangible Capital Assets Purchased and Work in Progress	(519,417)	(286,613)	(1,654,418)	-	(3,300,000)	(5,200,000)
Local Capital	-	-	(350,000)	(350,000)	(300,000)	-
<b>Total Interfund Transfers</b>	<b>(519,417)</b>	<b>(286,613)</b>	<b>(2,004,418)</b>	<b>(350,000)</b>	<b>(3,600,000)</b>	<b>(5,200,000)</b>
<b>Total Operating Surplus (Deficit), for the year</b>	<b>(2,405,635)</b>	<b>788,873</b>	<b>(3,111,224)</b>	<b>(156,344)</b>	<b>(2,945,953)</b>	<b>(4,394,602)</b>
Operating Surplus, beginning of year	7,192,890	4,787,255	5,576,128	2,464,904	2,308,560	(637,393)
Total Operating Surplus (Deficit), for the year	(2,405,635)	788,873	(3,111,224)	(156,344)	(2,945,953)	(4,394,602)
<b>Operating Surplus, end of year</b>	<b>4,787,255</b>	<b>5,576,128</b>	<b>2,464,904</b>	<b>2,308,560</b>	<b>(637,393)</b>	<b>(5,031,995)</b>
<b>Operating Surplus, end of year</b>						
Restricted for future capital cost-sharing	-	-	-	-	-	-
Internally Restricted Operating Surplus	3,094,139	3,068,088	-	-	-	-
Unrestricted Operating Surplus (Contingency)	1,693,116	2,508,040	2,464,904	2,308,560	(637,393)	(5,031,995)
<b>Total Operating Surplus, end of year</b>	<b>4,787,255</b>	<b>5,576,128</b>	<b>2,464,904</b>	<b>2,308,560</b>	<b>(637,393)</b>	<b>(5,031,995)</b>
Contingency as % of Operating Expense	1.41%	1.93%	1.70%	1.44%	-0.37%	-2.70%



## **SPECIAL PURPOSE FUNDS**

Contributions restricted from an external party are reported as Special Purpose Funds (SPF). The annual funding received varies from year to year and the funding is not always confirmed at the time that the budget is prepared. The more significant SPF of the District include the Classroom Enhancement Fund (CEF), Learning Improvement Fund (LIF), Community LINK, Official Languages in Education French Programs (OLEP), Strong Start, Academies, School Generated Funds, and the new Feeding Futures Fund.

As the Student and Family Affordability Fund (SFAF) was a one-time SPF in 2022/23, the new Feeding Futures Fund is intended to ensure students are fed and ready to learn, by expanding existing school food programs.

The Ministry announced in April 2023 that the District would be receiving \$1,565,710 for the Feeding Futures Fund in 2023/24.

The District also anticipates receiving an additional \$5,022,812 in CEF staffing and overhead funding to pay for an additional estimated 23 FTE teachers.

## CAPITAL FUNDS

The Capital Fund includes capital expenditures for land, buildings, buses and other tangible capital assets that are funded from the Ministry capital grants, local capital, the Operating Fund, and Special Purposes Funds.

The 2023/24 budget includes \$17.873 million in anticipated total capital additions that are to be amortized (expensed) over the useful life of the asset.

Some of the more significant capital projects include:

- Expansion Program (EXP) – \$14.3 million for the continuation of building construction and site development of an elementary school in South Langford.
- School Enhancement Program (SEP) - \$0.88 million for a HVAC upgrade at Spencer Middle School and \$0.24 million for roofing upgrades at Millstream Elementary.
- Carbon Neutral Capital Program (CNCP) – \$0.5 million for energy upgrades at John Muir Elementary.
- Bus Acquisition Program (BUS) – \$1.24 million for seven new buses.
- Playground Equipment Program (PEP) - \$0.195 million for a new playground at Dunsmuir Middle School.

There were no new Expansion Program projects supported by the Ministry in response to the District's 2023-24 Annual Five-Year Capital Plan submission.



# SUMMARY OF BUDGET BYLAW CHANGES

## 22-23 Amended Budget to 23-24 Budget (in \$ millions)

Type	Strat Plan Link	FTEs	Operating	SPF	Capital	Total
<b>22/23 Amended Budget (net of carry overs)</b>			<b>143.585</b>	<b>27.737</b>	<b>11.774</b>	<b>183.096</b>
<b>Early Learning</b>						
2 additional ECEs to pilot project*	L2	2.00	0.092			0.092
Additional Teachers - Early Literacy Program	L2	2.51	0.005	0.292		0.296
<b>Diversity, Equity and Inclusion</b>						
DEI audit recommendations*	L1		0.100			0.100
Inclusive Education Services (net of labour settlement)	L3	TBD	2.795			2.795
Na'tsa'maht Indigenous Education	E2		0.188			0.188
English Language Learners (ELL) clerical support*	L3	1.00	0.059			0.059
Additional Teachers - ELL and English Second Dialect	L3	6.80	0.013	0.790		0.802
Additional Teachers - Inclusion Support	L3	1.83	0.003	0.212		0.215
Additional Teachers - Learning Assistance	L3	9.44	0.018	1.096		1.114
<b>Mental Health &amp; Wellness</b>						
School Food Infrastructure Program (Feeding Futures Fund)	L3			1.566		1.566
Student & Family Affordability Fund	L3			-1.252		-1.252
Additional Teachers - school counsellors	L3	1.23	0.146			0.146
Program Review - student wellness	E4		0.100			0.100
Program Review - wellness/attendance support	E4	1.00	0.170			0.170
<b>Growth</b>						
<b>Staffing:</b>						
Total Labour Settlement (all employee groups)	E1		6.419	0.244		6.663
Additional Teachers - Classroom and Prep	L2	34.61	2.284	1.791		4.075
School based clerical: ratio adjustments*	E1	1.58	0.095			0.095
Supervision Assistants: ratio adjustments*	E1	2.75	0.165			0.165
Custodial: ratio adjustments*	E1	2.00	0.146			0.146
Digital Literacy Coordinator*	L3	0.50	0.055			0.055
Digital Communications Coordinator*	E3	1.00	0.085			0.085
School Technology Support*	G3	1.00	0.100			0.100
<b>Services &amp; Supplies:</b>						
Program Review - AFG salaries, IT device refresh	G3		0.372			0.372
Pressures - increments, benefits, ToCs, reserve policy	G2		2.217			2.217
Inflation on utilities, Facilities services/supplies & school supplie	G2		0.194			0.194
Facilities' operating system*	G2		0.025			0.025
FOIPPA & Security: software & training/release time*	G3		0.075			0.075
School Equipment Replacement*	G2		0.075			0.075
Ratios - enrolment driven salary and supply ratios	E1		0.247			0.247
<b>Other:</b>						
Amortization Expense	G2				1.435	1.435
South Langford Elementary capital contribution	G2				0.350	0.350
Salary Differential	E1		0.100			0.100
Other	G2				0.007	0.007
<b>23/24 Budget</b>			<b>159.926</b>	<b>32.475</b>	<b>13.566</b>	<b>205.967</b>

\* = Discretionary Expenditure