



Memorandum

Date: June 13, 2025
To: Finance and Planning Committee
From: Kate Cumming, Assistant Secretary-Treasurer
Action Item: **2025/2026 Annual Budget Bylaw**

1.0 ISSUE STATEMENT

The Ministry of Education and Child Care requires that an Annual Budget be prepared, adopted by Bylaw and submitted to the Ministry of Education and Child Care by June 30, 2025.

2.0 RELEVANT BOARD MOTION/DIRECTION

Public Board Meeting – May 14, 2025

Main 25P-041

THAT: The Board of Education approve the Central Okanagan Public Schools Superintendent of Schools/CEO 2025/2026 Budget Recommendations, as attached to the Agenda, and as presented at the May 14, 2025 Public Board Meeting.

3.0 BACKGROUND

Following the consultation and deliberation cycle as outlined in the budget timeline, recommendations were made for adjustments to the 2025/2026 Annual Budget Bylaw. These recommendations have been reflected in the attached Annual Budget Bylaw, Appendix A.

4.0 POINTS FOR CONSIDERATION

Statement 2 – Revenues

Operating Fund

- a) The Annual Budget is based on a projected enrolment of 25,230 school age full-time equivalent (FTE) and 400 International student FTE. The District has conservatively projected student enrolment growth for the 2025/2026 Annual Budget. Any additional student enrolment growth in September 2025 be reflected in the 2025/2026 Amended Budget Bylaw.

- b) An increase in student enrolment and the per pupil funding rate of 1.12% from the prior year created a total increase in the District's Operating Fund Grant of \$4.1M. The breakdown of this increase in the operating grant is illustrated below. Please note that the labour settlement funds of \$2.8M has been incorporated into the 1.12% per pupil increase.

	2025-2026 Annual Budget					
	FTE			Funding		
	F26 Annual	F25 Amended	FTE Change	Rate Change	Enrolment Change	Total \$
<u>General</u>						
Student Enrolment	24,715.8750	24,563.3750	152.5000	2,456,337	1,374,788	3,831,125
Continuing Education	0.0000	2.5000	(2.5000)	250	(22,538)	(22,288)
Alternate Education	288.0000	305.0000	(17.0000)	30,500	(153,255)	(122,755)
Distributed Learning	120.0000	120.8750	(0.8750)	9,670	(6,370)	3,300
Adult	7.0000	6.4375	0.5625	419	3,237	3,656
				2,497,176	1,195,862	3,693,038
<u>Inclusive Education</u>						
- Level 1	23.0000	22.0000	1.0000	12,540	51,300	63,840
- Level 2	1,606.0000	1,517.0000	89.0000	409,590	2,166,260	2,575,850
- Level 3	271.0000	261.0000	10.0000	36,540	123,000	159,540
<u>Other</u>						
ELL	2,030.0000	1,910.0000	120.0000	38,200	217,800	256,000
Indigenous	3,110.0000	3,110.0000	0.0000	62,200	0	62,200
				559,070	2,558,360	3,117,430
FEB/MAY Mid Year Recount Funding				14,925	(130,860)	(115,935)
Curriculum and Learning Support Fund				1,334	0	1,334
Equity of Opportunity Supplement				3,577	0	3,577
Unique Geographic Factors				265,515	0	265,515
Salary Differential				13,363	0	13,363
Other Adjustments				39	0	39
				298,753	(130,860)	167,893
Labour Settlement Funds				(2,851,650)		(2,851,650)
Indigenous Education Councils				8,287		8,287
Total Change				511,636	3,623,362	4,134,998

- c) The decrease to the federal grants related to Settlement Workers in Schools (SWIS) was expected in the 2025/2026 Annual Budget. This decrease is a result of an excluded position being eliminated and in the prior year, funds were received to fund a reclassification of existing positions. This funding continues to be essential to support the increased number of newcomer and immigrant families to the Central Okanagan.
- d) Federal grants related to Jordan's Principle Funding shows a reduction of \$452,345 in funding; however, schools will continue to apply and receive confirmation of Jordan's Principle funding for the next school year. All confirmed funding will be included with the 2025/2026 Amended Annual Budget in February, 2026.

- e) Tuition for International and Out-of-Province Students revenue decreased slightly due to a planned 25 student FTE reduction, and a \$1,000/FTE increase in per student tuition to offset lost revenue.
- f) Transportation revenue has increased by \$220,000 due to the increased bus fees from \$450/student to \$525/student effective July 1, 2025.
- g) Surplus carryforwards from the current year are not finalized until after June 30; however, to provide for more accurate planning, carryforward balances for the 2024/2025 fiscal year have been estimated (Appendix B). The estimated surplus is approximately \$3.88M. Of this total, \$1.85M is internally restricted and \$2M is unrestricted surplus. Any adjustments to these surpluses will be finalized as part of the June 30, 2025 year-end and will be presented to the Finance and Planning Committee and the Board of Education in September, 2025.

Special Purpose Fund

- a) The 2025/2026 Classroom Enhancement Fund (CEF) grants must equal the 2024/2025 Amended budget.
- b) The 2025/2026 CEF grant for remedy is not recorded in the 2025/2026 Annual Budget. Districts must wait for the December 2025 CEF funding announcement. Remedy for the 2025/2026 school year will be recorded in the 2025/2026 Amended Budget.
- c) In March 2025, the Ministry of Education and Child Care announced \$39.4M in National School Food Program funding over three years to supplement Feeding Futures funding and expand and enhance school food programs. The District has received their proportionate share of \$319,792 for 2025/2026. Any unspent funds at June 30, 2026 will be carried forward to spend next year.
- d) In February 2025, the Ministry of Education and Child Care announced \$30M in Literacy Support funding over three years to better support students' literacy development in the K-12 school system. The District has received their proportionate share of \$208,468 for 2025/2026. Any unspent funds at June 30, 2026 will be carried forward to spend next year.
- e) There was a reduction in special purpose funding for 2025/2026 due to lower expected surplus to be carried forward from 2024/2025.
 - (i) The Student Family & Affordability funding has been discontinued for 2025/2026. It is expected that the funds carried forward will be fully spent by June 30, 2025 which has resulted in a reduction in revenue of \$856,267 in 2025/2026.
 - (ii) The Early Childhood Educator Dual Credit funding has been discontinued for 2025/2026. It is expected that the funds carried forward will be fully spent by June 30, 2025 which has resulted in a reduction in revenue of \$159,842 in 2025/2026.
 - (iii) The Feeding Futures program is expected to have a carryforward of approximately \$200,000 from the 2024/2025 school year. This has resulted in a reduction in revenue of \$167,063 in 2025/2026.
 - (iv) All estimated special purpose funding surplus carried forward will be adjusted at the June 30, 2025 year-end based on actual spending.

Statement 2 – Expenses

Instruction

- a) Collective Agreement negotiations for 2025/2026 to 2027/2028 are ongoing with the Central Okanagan Teachers' Association (COTA) and the Canadian Union of Public Employees (CUPE) and as such, no salary costs have been adjusted for the 2025/2026 Annual Budget except for expected grid progressions. The 2025/2026 Amended Budget will be adjusted for the results of the collective bargaining process.
- b) Benefits costs are expected to increase next year due to an increase to the extended health and dental benefit premium rates for all employees.
- c) Teacher salaries have decreased due to a reduction in teacher FTE of 40.2989 for the 2025/2026 Annual Budget. This will be offset by a requested increase of 37.6711 FTE from the Classroom Enhancement Fund to be included in the 2025/2026 Amended Budget. This will result in a net reduction of 2.6278 teacher FTE.
- d) Teacher illness costs have increased due to the Teacher Teaching On Call (TTOC) daily rate increasing and an additional day of illness has been added to the budget bringing the average number of days per teacher from 12 days/year to 13 days/year.
- e) Principal and Vice-Principal salaries have decreased due to a reduction in 1 Vice Principal FTE and 1 District Vice Principal FTE.
- f) A reduction in expected school discretionary budget surpluses to carry forward from 2024/2025 to 2025/2026 has resulted in a reduction in school discretionary paid teacher FTE and lower school discretionary supplies. School discretionary budgets have allocated higher amounts to TTOC release and training costs in part due to the increase in the TTOC rate.
- g) An increase in Inclusive Education student FTE generated a need for more Certified Education Assistants (FTE) to support students with unique needs.
- h) The new National School Food Program funding has resulted in increased special purpose capital spending of \$319,792 for 2025/2026.
- i) The new Literacy Support funding has resulted in increased learning resource costs of \$208,468 for 2025/2026.
- j) The discontinuation of select special purpose funds for 2025/2026 and lower expected surplus to be carried forward from 2024/2025 had the following impacts on related expenses:
 - (i) A reduction in supplies costs of \$856,267 related to the Student and Family Affordability funding.
 - (ii) A reduction in teacher salaries and benefits of \$159,842 related to the ECE Dual Credit funding.
 - (iii) A reduction in meals program costs of \$167,063 related to the Feeding Futures funding.
- k) A lower than expected surplus will be carried forward from the Learning Improvement Fund and has resulted in a reduction in CEA salaries and benefits by approximately \$65,800.

District Administration

- a) The reduction in senior administrative staff resulted in a decrease in professional salaries of \$225,498.
- b) Benefits costs are expected to increase next year due to an increase to the extended health and dental benefit premium rates for all employees.
- c) The reduction in professional salaries in SWIS is in response to a reduction in funding received from the Federal government (Immigration, Refugees and Citizenship Canada or IRCC) for 2025/2026.
- d) Reductions in software maintenance and support costs and contracted services resulted in decreased costs of \$386,000.

Operations and Maintenance

- a) In response to increased need through the District, 3 FTE have been added to the grounds maintenance department to better support overall grounds maintenance.
- b) Benefits costs are expected to increase next year due to an increase to the extended health and dental benefit premium rates for all employees.
- c) Insurance premium costs are expected to increase next year so an additional \$100,000 has been added to the 2025/2026 budget.
- d) Work order wage recoveries that offset costs have decreased by \$225,000 to better reflect actual recoveries expected. The Operations Department continues to focus more on building maintenance and less on recoverable work.
- e) A \$100,000 budget has been added to address hazardous abatement services.
- f) Utility costs continue to increase, so an additional budget was added to the 2025/2026 Annual Budget to offset escalated increases.

Transportation

- a) One additional bus route has been added to 2025/2026 due to growth.
- b) Benefits costs are expected to increase next year due to an increase to the extended health and dental benefit premium rates for all employees.

5.0 OPTIONS FOR ACTION

- A. Approve the Annual Budget and Bylaw as presented.
- B. Make recommendations for adjustments to the Annual Budget.

6.0 ASSISTANT SECRETARY-TREASURER COMMENTS

The Annual Budget Bylaw presented is recommended based on the current fiscal situation. Priority is being given to maintaining the integrity of the educational program in classrooms and to the achievement of the District's goals and strategic priorities.

The 2025/2026 Annual Budget Bylaw for \$381,087,979 is due for submission to the Ministry of Education and Child Care by June 30, 2025.

7.0 STAFF RECOMMENDATIONS

THAT: The Finance and Planning Committee recommends to the Board:

THAT: The Board of Education of School District No. 23 (Central Okanagan) give first reading to the School District No. 23 (Central Okanagan) Annual Budget Bylaw for the Fiscal Year 2025/2026 in the amount of \$381,087,979.

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THAT: The Board of Education of School District No. 23 (Central Okanagan) give all three readings to the School District No. 23 (Central Okanagan) Annual Budget Bylaw for the Fiscal Year 2025/2026 in the amount of \$381,087,979.

THAT: The Board of Education of School District No. 23 (Central Okanagan) give third reading and adopt the School District No. 23 (Central Okanagan) Annual Budget Bylaw for the Fiscal Year 2025/2026 in the amount of \$381,087,979.

8.0 APPENDICES

- A. 2025/2026 Annual Budget Bylaw
- B. 2024/2025 Estimated Surplus Appropriation Analysis
- C. 2025/2026 Projected Teacher Staffing