



**Central Okanagan  
Public Schools**  
Together We Learn

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# Multi-Year Financial Plan (2025/2026 to 2027/2028)

Updated June 2025



## Table of Contents

| <b>Description</b>  | <b>Page</b> |
|---|-------------|
| <b><u>Introduction</u></b>  | 3           |
| <b><u>District Overview</u></b>   | 3           |
| <ul style="list-style-type: none"> <li>- The District</li> <li>- Vision and Purpose</li> <li>- Overarching Goal</li> <li>- Cultural Values</li> </ul>   |             |
| <b><u>Board of Education</u></b>  | 4           |
| <b><u>Budget Development and Background</u></b>   | 5           |
| <ul style="list-style-type: none"> <li>- District Budget Development Principles</li> <li>- Guided School Based Budget Decision Model</li> <li>- Financial Income Sources – Three Funds</li> </ul> |             |
| <b><u>Strategic Plan</u></b>  | 7           |
| <b><u>Financial Plan Overview</u></b>   | 9           |
| <b><u>Multi-Year Financial Plan Projections</u></b>   | 12          |
| <ul style="list-style-type: none"> <li>- Student Enrolment</li> <li>- Operating Funding</li> <li>- Operating Expenses</li> <li>- Key Budget Assumptions</li> </ul>                                |             |
| <b><u>Special Purpose Fund</u></b>  | 17          |
| <b><u>Capital Fund</u></b>  | 17          |
| <b><u>Financial Challenges</u></b>  | 18          |
| <b><u>Conclusion</u></b>  | 19          |

## INTRODUCTION

The K-12 Public Education Financial Planning and Reporting Policy provides for greater transparency and accountability for the planning and reporting of the financial resources managed by boards of education.

The Policy provides direction and guidelines to align boards' multi-year financial planning and reporting processes with provincial requirements. The Policy is based on effective practices and key principles in financial management including transparency, demonstrated accountability and consistent outcome-based planning, monitoring, and reporting. Applying these practices and principles, along with support from the Ministry of Education and Child Care, can result in the efficient use of funding and resources to support boards' strategic plans, other operational needs of school districts and enhanced educational outcomes for students in the K-12 education system.

The Framework for Enhancing Student Learning Policy directs boards to develop and implement multi-year strategic plans, supported by operational and financial plans, that are focused on improving student educational outcomes.

This report is the 2025/2026 to 2027/2028 Financial Plan of Central Okanagan Public Schools (School District No. 23 (Central Okanagan)) for the fiscal years ending June 30, 2026, through June 30, 2028. It is based on currently known facts, decisions, or conditions as well as financial assumptions. The purpose of this report is to help the stakeholders of Central Okanagan Public Schools better understand financial processes and provide a summary of the information utilized to make financial decisions to support the Board of Education's Strategic Plan 2021-2026. This should be read in conjunction with the District's 2025/2026 Annual Budget and Strategic Plan 2021-2026.

## DISTRICT OVERVIEW

### The District:

- is situated on the unceded Traditional Territory of the Okanagan Syilx peoples and serves approximately 3,200 students that self-identify their Indigenous heritage.
- serves more than 235,000 citizens living in 4 municipalities - Peachland, West Kelowna, Kelowna, Lake Country, and the Regional District of Central Okanagan.
- is the fifth largest District in the province and serves over 25,500 students.
- serves 50 schools/sites - 32 elementary, 8 middle, 5 secondary, 1 alternative school, 3 learning centres and 1 online learning school (6-12).
- has 7 elected Board of Education Trustees.
- continues to welcome an increased number of immigrant families and English Language Learners (ELL) into the Central Okanagan.
- continues to welcome international students from 30 countries.
- employs approximately 4,537 full and part-time staff.

## Vision

Together We Learn.

## Purpose

To educate students in a safe, inclusive, equitable and inspirational learning environment where each learner develops the attributes and competencies to flourish in a global community.

## Overarching Goal

Our learners will develop foundational skills and core curricular competencies so that they can be empowered to follow their passions and strengths and thrive holistically as resilient and engaged global citizens.

## Cultural Values

- **Honesty** is the building block for relationships and the basis for trust. It is the absence of falsehood and the action of full disclosure. It is the ultimate test of moral strength. When honesty is present, integrity will also be apparent.
- **Respect** is "to consider worthy of high regard". Being respectful is an attitude of honouring people and caring about their rights.
- **Responsibility** is being accountable for our actions and their consequences. When we demonstrate responsibility, we are doing our best to meet the expectations of others and ourselves.
- **Equity** empowers each learner to thrive, holistically.
- **Empathy** is a feeling of concern, compassion and understanding of another's situation or feelings.

## BOARD OF EDUCATION

Boards of Education co-govern School Districts with the provincial government. B.C.'s Ministry of Education and Child Care sets the curriculum, funding, and legal framework for K-12 education. Trustees on a Board of Education work together to govern the School District, not run the day-to-day operations, and set direction on behalf of the community. A Board of Education must protect the interests of the School District, ensure its financial viability, and act in accordance with laws and policies governing K-12 education in BC.

The Board of Education is charged with the responsibility of providing an education system that is organized and operated in the best interest of the students it services. It exercises this responsibility through setting of clear strategic direction, hiring and directing the Superintendent of Schools/CEO who ensures the wise use of resources in alignment with the Board of Education's Strategic Plan and District goals.

Significant responsibilities of Boards of Education, include (not limited to):

- Accountability to the Provincial Government
- Accountability to and Engagement of Community
- Board and Superintendent of Schools/CEO Relations
- Alignment of Policies and Procedures that Focus on Student Learning
- Fiscal Accountability
- Political Advocacy and Board Development
- Policy Development
- Strategic Planning

## **BUDGET DEVELOPMENT & BACKGROUND**

Each year, in accordance with the *School Act*, the District is responsible for creating a budget plan for the upcoming school year. This plan is the culmination of a process involving presentations, input gathering sessions, discussions, and feedback. The goal is to develop a Recommendation that balances the funding that is available with the expenses that are required to provide a quality educational experience for all students.

In addition to the Central Okanagan Public Schools' Strategic Plan and the District's Vision, Purpose and Cultural Values, the District will also consider the District's Overarching Goal, using both the District Budget Development Principles and guided school-based budget decisions model expanded below.

### **DISTRICT BUDGET DEVELOPMENT PRINCIPLES**

- students come first.
- every budget allocation will be aligned to meet the District's Vision, Purpose, Cultural Values and Overarching Goal.
- consideration must also be given to the individual school goals.
- the District will obtain the most effective results for the dollars spent.
- the Board must meet legal requirements; therefore, the budget will be balanced, and all statutory requirements will be met.

### **GUIDED SCHOOL BASED BUDGET DECISION MODEL**

- Decisions are made considering:
  - school plans and District goals.
  - discussions with School Administration, Assistant Superintendents, Human Resources, Senior Management and Finance.
  - consultation with partners, parents, and students.
  - alignment to the school's plan and their ability to achieve the plan remain a priority.

Throughout the budget process, the following opportunities for input were provided:

| Date          | Description  |
|---------------|--|
| February 2025 | <ul style="list-style-type: none"> <li>Public presentation to provide information on the 2025/2026 Annual Budget. Presentation to PACs, Principals, Vice-Principals, COSBO (Exempt) Staff</li> <li>Survey is sent to all staff, partner groups, parents, public requesting feedback on several overarching questions.</li> <li>Public Finance and Planning Committee Meeting (partner group input invited).</li> </ul> |
| March 2025    | <ul style="list-style-type: none"> <li>Ministry of Education and Child Care of Education and Child Care District Funding Announcement for the 2025/2026 fiscal year.</li> </ul>  |
| April 2025    | <ul style="list-style-type: none"> <li>Public Finance and Planning Committee Meeting #1 - Central Okanagan Public Schools Superintendent of Schools/CEO 2025/2026 Preliminary Budget Proposal Report.</li> <li>Public Finance and Planning Committee Meeting #2 - Central Okanagan Public Schools Superintendent of Schools/CEO 2025/2026 Budget Recommendation Report.</li> </ul>                                     |
| May 2025      | <ul style="list-style-type: none"> <li>Public Board Meeting – 2025/2026 Annual Budget set.</li> </ul>  |
| June 2025     | <ul style="list-style-type: none"> <li>Public Finance and Planning Committee Meeting - 2025/2026 Annual Budget review.</li> <li>Public Board Meeting - 2025/2026 Annual Budget approval.</li> </ul>  |

The Board of Education engaged in deliberations regarding the Superintendent of Schools/CEO's 2025/2026 Budget Proposal Report at the April 16, 2025 Public Finance and Planning Committee Meeting and, after consultation, the final Superintendent of Schools/CEO's 2025/2026 Budget Recommendation Report was presented at the April 30, 2025 Public Finance and Planning Committee Meeting. The Board of Education completed this process at the May 14, 2025 Public Board Meeting. Final adjustments may be made up to the June 26, 2025 Public Board Meeting.

The Budget Recommendations were developed considering submissions from our District and school-based leadership teams, as well as partner groups, with a focus on making the most educationally sound decisions given the multitude of factors including:

- student classroom and composition guidelines.
- district non-enrolling ratio requirements.
- teacher qualifications available.
- space restrictions.
- student demographics and access to neighborhood schools.
- student course load requests.

These submissions include input through an online survey, discussions at committee meetings and other formal administrative and partnership meetings with:

- Trustees
- Senior staff (Admin Council)
- Principals and Vice-Principals (COPVPA)
- Central Okanagan School Business Officials (COSBO) exempt staff
- The Indigenous Education Council
- The Canadian Union of Public Employees Local 3523 (CUPE)
- The Central Okanagan Parent Advisory Council (COPAC)
- The Central Okanagan Teachers' Association (COTA)
- Parents and the community

### FINANCIAL INCOME SOURCES – THREE FUNDS

The District's budget is comprised of three separate funds:

#### **OPERATING FUND**

Main operating expenditures. This is the fund that the budget development decisions are for. In the 2024/2025 Amended Budget, total operating budget was \$306,990,957 and accounted for 83% of the total budget.

#### **SPECIAL PURPOSE FUND**

Funding that is provided for a particular purpose. Examples include Feeding Futures, Student & Family Affordability, Classroom Enhancement Fund, CommunityLINK, Annual Facility Grant, School Generated Funds. Budget is straight forward as the expense must be related to the purpose of the funding. In the 2024/2025 Amended Budget, the total special purpose budget was \$53,530,087 and accounted for 14% of the total budget.

#### **CAPITAL FUND**

This fund includes the capital assets of the District (i.e., land, buildings, equipment, vehicles). A Five-Year Capital Plan is approved by the Board of Education on an annual basis. In the 2024/2025 Amended Budget, total capital fund was \$11,567,542 and accounted for 3% of the total budget.

### FRAMEWORK FOR ENHANCING STUDENT LEARNING

The Framework for Enhancing Student Learning (FESL) policy requires Boards of Education to set, create and implement a Strategic Plan with annual reports on student outcomes. The District has developed systems and structures to continuously improve the educational outcomes for all students with a focus on equity for Indigenous students, children and youth in care, and students with disabilities or diverse abilities.

The FESL policy requires the Board of Education to align the annual District work plan, financial plans (budget) and human resources, with the goals and objectives stated in the Board's Strategic Plan. In accordance with ministry policy, the Superintendent of Schools/CEO 2025/2026 Budget



Recommendations Report outlines a priority-focused budget process that is aligned with the goals and strategic directions described in the Central Okanagan Public Schools Strategic Plan 2021 – 2026.

## CENTRAL OKANAGAN PUBLIC SCHOOLS STRATEGIC PLAN 2021-2026

The Board of Education’s budget development principles, in conjunction with the Central Okanagan Public Schools 2021-2026 Strategic Plan, guide the operational planning of the District budget. Budget request priorities are assessed and evaluated using the four strategic directions described in the Strategic Plan:

### 1. **Equity and Excellence in Learning**

We believe equity empowers each learner to thrive holistically. We also believe that each learner achieves excellence in learning when they have the confidence and competencies to pursue their passions and strengths.

### 2. **Transformative Leadership**

We believe in an ever-changing world, transformative leadership is a powerful catalyst for continuous improvement and growth that positively impacts our system, each school community, and ultimately each learner.

### 3. **Family and Community Engagement**

We honor the knowledge and experience that families and the community bring to our schools. By partnering together to improve student learning, opportunities for deep and meaningful engagement will emerge that supports, enriches, and nurtures each child in our care from cradle to career.

### 4. **System Wellbeing**

We believe in sustainable practices that provide support to each learner today without compromising or reducing the ability to support each of our learners in the future. Moving forward, in a culture of growth, innovation, engagement and wellness, ensures that we can adapt to changing environments while continuously supporting each of our learners.

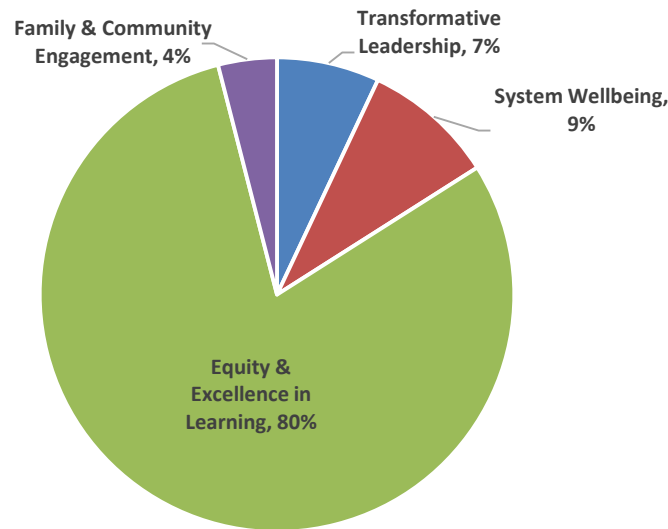
Each year, the Superintendent of Schools/CEO and senior staff prioritize and align the District workplan with the goals, objectives and strategic directions indicated in the Board’s Strategic Plan.





## FINANCIAL PLAN OVERVIEW

The following graph is not a comprehensive analysis; however, it does broadly illustrate how we currently allocate the District's budget to the four above strategic directions. The majority of the funding supports equity in excellence in learning which is the core purpose of public education.



The District continues to implement the Ministry of Education and Child Care's New BC Education Plan. The Plan is transforming education in the province so that learning is more personalized and focuses on the development of core and curricular competencies. The transformation of our system to meet the intentions of the Plan require that we use pedagogy that is learner centered and provides student agency, encourages innovation, embeds the First Peoples Principles of Learning throughout the curriculum, and is inclusive by design. This transformation requires educators to collaborate, possess growth mindsets and develop adaptive expertise. The budget needs to continue to support this work.

The following outlines the District's Strategic Plan 2021-2026 focused directions and provides more detailed information on how the District is actioning the Strategic Plan.

| Focused Directions                | Actions   |
|-----------------------------------|---|
| Equity and Excellence in Learning | <p><b><u>Inclusive Learning Cultures:</u></b></p> <ul style="list-style-type: none"> <li>• Value the unique identities and diverse contributions of each learner.</li> <li>• Build supportive, culturally relevant learning environments that create belonging, well-being, inclusivity, safety, and community.</li> <li>• Engage family and community as integral partners in the creation of meaningful, purposeful, and relational learning value unique identities and diverse contributions of each learner.</li> </ul> <p><b><u>Intentional Design of Learning</u></b></p> <ul style="list-style-type: none"> <li>• Reflect the belief that each learner is capable, competent, and full of curiosity.</li> <li>• Empower each learner and co-create experiences from their questions, passions, and interests.</li> <li>• Design learning experiences grounded in powerful learning principles (e.g., First Peoples Principles of Learning, OECD Principles of Learning, Equity in Action for Truth and Reconciliation) to foster the holistic development of each learner's competencies.</li> </ul> <p><b><u>Collaborative Professionalism</u></b></p> <ul style="list-style-type: none"> <li>• Implement effective job-embedded professional learning opportunities.</li> <li>• Utilize inquiry approaches to build cultures of reflective and culturally responsive practices.</li> <li>• Cultivate networks that foster shared understandings in order to grow our collective efficacy and adaptive expertise.</li> </ul> |
| Transformative Leadership         | <p><b><u>Coherence Around Powerful Transformative Leadership</u></b></p> <ul style="list-style-type: none"> <li>• Create shared understanding around powerful teaching and learning so that innovative and sustainable learning environments can continue to be built.</li> <li>• Use evidence and research to guide decisions, routines and practices that support all learners.</li> <li>• Embed Indigenous ways of learning and knowing.</li> </ul> <p><b><u>Leaders' Agency as Learners</u></b></p> <ul style="list-style-type: none"> <li>• Connect leaders to reflective professional learning that responds to the needs of their community.</li> <li>• Use inquiry to support continuous professional learning that responds to the needs of all leaders and learners.</li> <li>• Understand how our values and beliefs impact our mindsets, routines and practices as leaders.</li> </ul> <p><b><u>Collaborative Leadership Networks</u></b></p> <ul style="list-style-type: none"> <li>• Connect leaders within an inclusive culture of trust, inquiry, innovation, and exploration.</li> <li>• Share new learning from research and practice to deepen collective understanding and knowledge.</li> <li>• Establish systems to set goals, examine progress, and analyze learning targets for continuous improvement and growth</li> </ul>  |

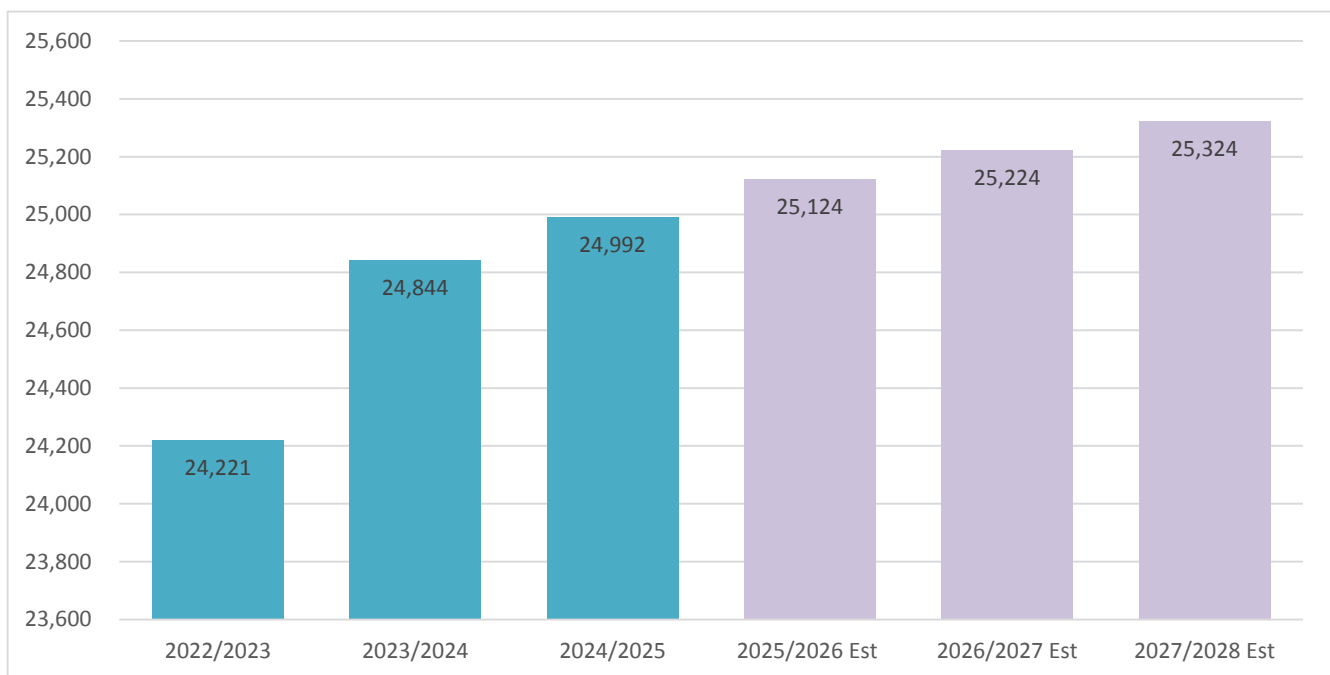
|                                 |  |
|---------------------------------|--|
| Family and Community Engagement | <p><b><u>Authentic and Generative Family and Community Engagement</u></b></p> <ul style="list-style-type: none"> <li>• Focus on student learning and school improvement through relational trust.</li> <li>• Engage families early and often as partners alongside the school, strengthening the school and family's capacity to support their child's education and growth at any age.</li> <li>• Ensure opportunities to guide and provide mutual input on important decisions and planning.</li> </ul> <p><b><u>Value Added Community Partnerships</u></b></p> <ul style="list-style-type: none"> <li>• Nurture culturally responsive, reciprocal relationships over time, benefitting each child, each school, and the greater community.</li> <li>• Co-create opportunities to enrich student learning out in the community and alongside educators in schools.</li> <li>• Build collective efficacy with organizations to enhance student supports and wraparound services.</li> </ul> <p><b><u>Assurance in Public Education</u></b></p> <ul style="list-style-type: none"> <li>• Develop a welcoming culture built on relationships, mutual trust, openness, and transparency.</li> <li>• Effectively communicate with families and partners.</li> </ul> |
| System Wellbeing                | <p><b><u>Innovative and Sustainable Operating Practices</u></b></p> <ul style="list-style-type: none"> <li>• Utilize environmentally sustainable practices.</li> <li>• Empower a culture of innovation and continuous improvement.</li> <li>• Support equitable access to sustainable, inspirational learning opportunities.</li> </ul> <p><b><u>A Culture of Staff Wellness and Engagement</u></b></p> <ul style="list-style-type: none"> <li>• Ensure a culture of health and safety.</li> <li>• Implement wellness initiatives for all staff.</li> <li>• Increase staff engagement by empowering employees and fostering supportive relationships.</li> </ul> <p><b><u>Effective Use of District Resources</u></b></p> <ul style="list-style-type: none"> <li>• Allocate resources, equitably, to ensure the greatest impact to student learning.</li> <li>• Achieve optimal value from District resources.</li> <li>• Advocate for predictable, sustainable, and sufficient funding.</li> </ul>  |

## MULTI-YEAR FINANCIAL PLAN PROJECTIONS

### STUDENT ENROLMENT

Student enrolment is calculated by the Ministry of Education and Child Care in September, February and May each school year. The District's Operating Grant Funding is adjusting accordingly to reflect these recalculations.

The District has seen exponential growth in student enrollment which is in line with the overall population growth in the Central Okanagan as this region is noted as one of the fastest growing regions in Canada. Student enrolment (BC resident, alternate and eSch23 only) is projected to continue to increase over the next 3 years as illustrated below.



### OPERATING FUNDING

The Ministry of Education and Child Care's Operating Grant makes up approximately 95% of the District's operating revenue. The province establishes this grant annually for public education using a funding allocation system that is intended to ensure equity across all districts in British Columbia. The allocation system is based primarily on enrolment with further allocations based on unique demographic or District characteristics. Since enrolment is the primary driver in the formula, all budget planning begins with a projected enrolment figure for the next school year.

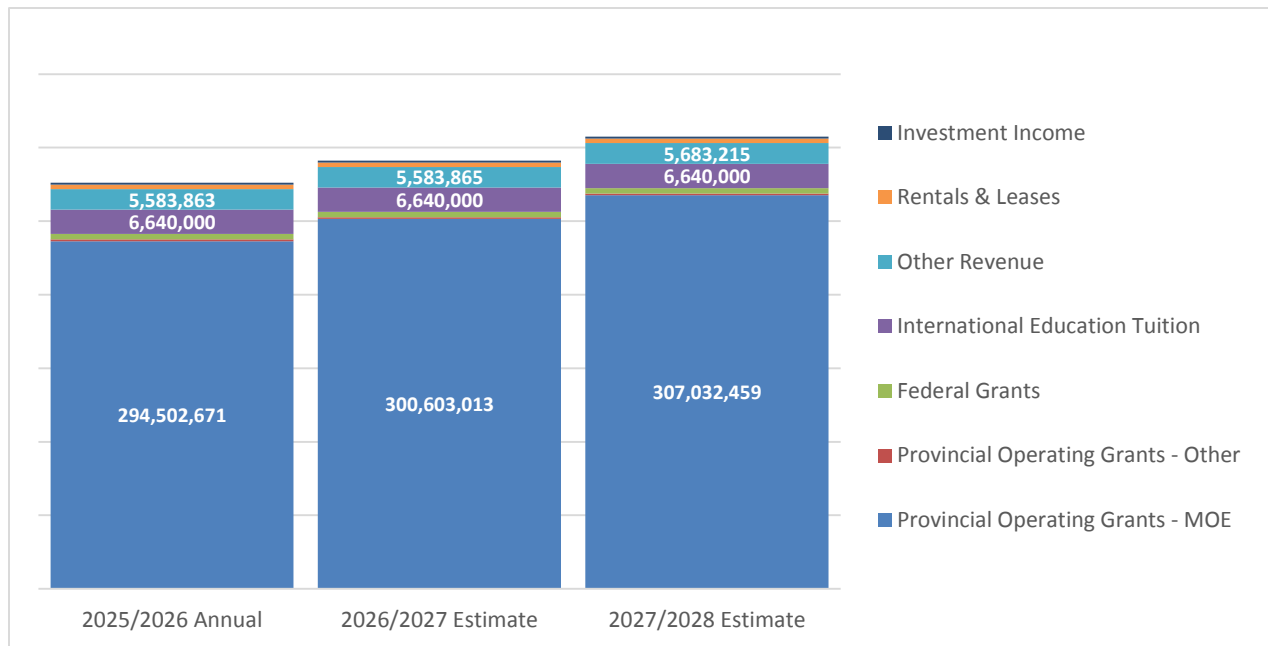
The following graph illustrates the District's Operating Grants for the 2025/2026 school year (agrees to the 2025/2026 Annual Budget) and an estimate of the 2026/2027 through 2027/2028 school year.

Assumptions for the 2025/2026 through 2027/2028 school year include (but are not limited to):

|                                | F26 *    | F27 **   | F28 **   |
|--------------------------------|----------|----------|----------|
| Student Per Pupil              | 1.12%    | 1.00%    | 1.00%    |
| BC Resident Student FTE Growth | 150.0000 | 100.0000 | 100.0000 |

\* F26 funding is confirmed.

\*\* Conservative estimate.



## OPERATING EXPENSES

Boards of Education manage and distribute their operating funding allocation based on local spending priorities. In addition, the province provides capital costs and funding for specialty programs through supplemental and special purpose grants.

All allocations are then identified and categorized into six major program areas. These include Instruction, District Administration, Operations and Maintenance, Transportation, Local Capital, and Capital Fund.

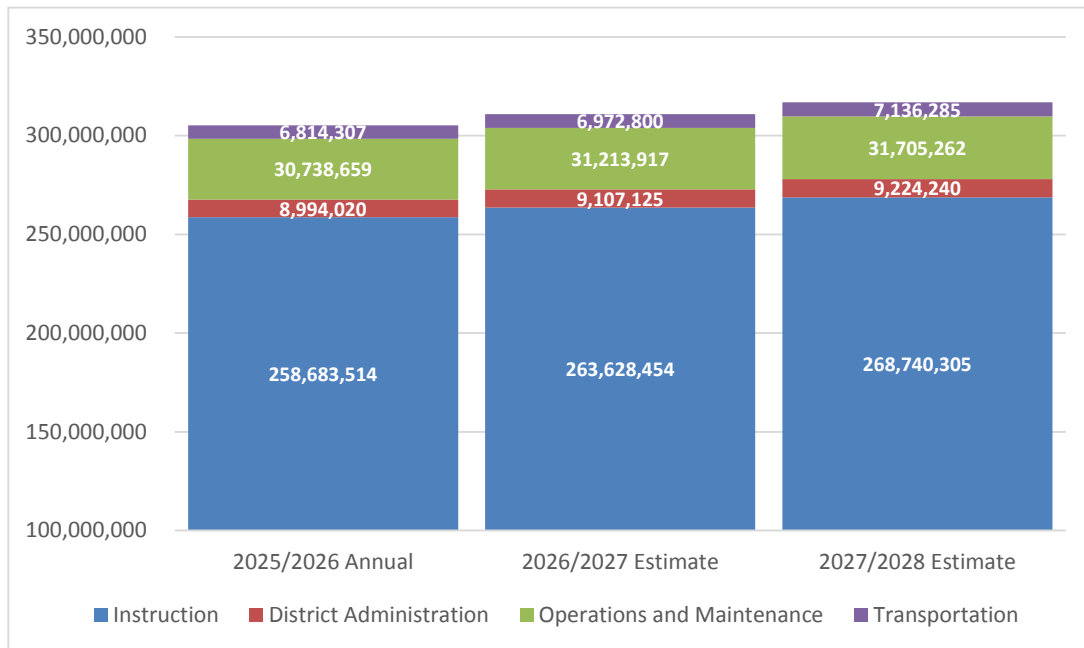
- **Instruction** - includes all allocations to schools as well as District instructional services offered to provide educational opportunities within the District. Instructional programs are categorized as General Instruction, Career Life Programs, Library Services, Counselling, Social Emotional, Inclusive Education, English Language Learning, Indigenous Education, School-Based Administration, and International programs.
- **District Administration** - includes Educational Administration, Business and Human Resources Services, and Board Operations (Governance).
- **Operations and Maintenance** - relate to the services required to operate and maintain all District facilities.
- **Transportation** - includes the transportation of students to and from school.
- **Local Capital** (included in Capital/Other) - includes the provision of funding to support the Technology Refresh program as well as allocations to maintain and replace capital equipment items such as vehicles, computers, tables, chairs etc.
- **Capital Fund** - includes amortization of tangible capital assets and any value write down of buildings and sites.

### **Key Budget Assumptions**

Rather than completing a 'line-by-line' budget analysis each year, the District performs several processes on an ongoing basis to ensure that the base allocations are appropriate. These include:

- Review achievement relative to the goals.
- Review historical spending in the allocated budget areas to ensure budgets are adequate but not excessive.
- Provide schools with greater decision-making over the use of discretionary funds through collaborative and guided discussions. Schools, in turn, promote accountability and efficiency by setting clear goals and aligning them with District goals, as well as gathering data on student learning to support decisions regarding instructional staffing levels as well as resource allocation.
- Compare spending to comparative sized districts as well as to provincial averages.
- Complete program reviews on a cyclical basis to ensure programs, structures and strategies continue to meet the needs of the District.

The following graph illustrates the District's Operating Expenses for the 2025/2026 school year (agrees to the 2025/2026 Annual Budget) and an estimate of the 2025/2026 through 2027/2028 school year.



Assumptions for the 2025/2026 through 2027/2028 school year include (but are not limited to):

|                    | F26 * | F27 ** | F28 ** |
|--------------------|-------|--------|--------|
| Wage Increase      | 0.00% | 1.00%  | 1.00%  |
| Inflation Increase | 0.00% | 2.25%  | 2.25%  |

\* 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.

\*\* Wage increases are unknown at this time. Inflation is based on a 2 year average of the BC inflation rate.

As well, the following "Required Significant Operational Adjustments" have been included in the 2025/2026 through 2027/2028 school year:

- Additional adjustments made for anticipated enrolment increases affecting staffing and service and supply allocations.
- Expected incremental grid increases for staff.
- Additional bus routes to support student growth.
- Increased benefit costs.
- Increased costs for portable and capital needs.
- Increased costs for technology equipment upgrades.



The following report outlines the 2025/2026 Annual Budget and the detailed Operating Fund financial forecast for the 2025/2026 through 2027/2028 school year. Projections become less certain in the future due to the uncertainty in funding, changes in priorities and inflationary increases.

|   | Annual<br>2025/2026 | Projected<br>2026/2027 | Projected<br>2027/2028 |
|---|---------------------|------------------------|------------------------|
| <b><u>Revenue</u></b>                             |                     |                        |                        |
| Provincial Grants                                 |                     |                        |                        |
| - Ministry of Education                           | 294,502,671         | 300,603,013            | 307,032,459            |
| - Other   | 584,333             | 430,000                | 430,000                |
| Federal Grants                                    | 1,437,595           | 1,500,000              | 1,500,000              |
| Tuition   | 6,640,000           | 6,640,000              | 6,640,000              |
| Other Revenue                                     | 5,583,863           | 5,583,865              | 5,683,215              |
| Rentals and Leases                                | 1,201,100           | 1,200,000              | 1,200,000              |
| Investment Income                                 | 550,000             | 550,000                | 550,000                |
| <b>Total Operating Revenue</b>                    | <b>310,499,562</b>  | <b>316,506,878</b>     | <b>323,035,674</b>     |
| <b><u>Expenses</u></b>                            |                     |                        |                        |
| Salaries  |                     |                        |                        |
| - Teachers  | 129,100,787         | 130,881,386            | 132,716,720            |
| - Principals and Vice Principals                  | 16,147,487          | 16,292,086             | 16,442,030             |
| - Educational Assistants                          | 27,135,287          | 27,821,910             | 28,526,036             |
| - Support Staff                                   | 28,919,164          | 29,304,800             | 29,702,442             |
| - Other Professionals                             | 4,656,637           | 4,698,337              | 4,741,578              |
| - Substitutes                                     | 10,859,772          | 10,978,860             | 11,101,744             |
| <b>Total Salaries</b>                             | <b>216,819,134</b>  | <b>219,977,378</b>     | <b>223,230,550</b>     |
| <b>Total Benefits</b>                             | <b>58,902,997</b>   | <b>60,494,294</b>      | <b>62,143,063</b>      |
| <b>Total Salaries &amp; Benefits</b>              | <b>275,722,131</b>  | <b>280,471,672</b>     | <b>285,373,612</b>     |
| <b><u>Services &amp; Supplies</u></b>             |                     |                        |                        |
| Services  | 7,958,548           | 8,129,298              | 8,305,732              |
| Student Transportation                            | 556,500             | 568,440                | 580,777                |
| Professional Development & Travel                 | 2,466,013           | 2,518,921              | 2,573,590              |
| Rentals & Leases                                  | 239,500             | 244,638                | 249,948                |
| Dues & Fees                                       | 612,500             | 625,641                | 639,220                |
| Insurance   | 989,600             | 1,010,832              | 1,032,770              |
| Supplies  | 11,626,708          | 12,185,315             | 12,770,750             |
| Utilities   | 5,059,000           | 5,167,540              | 5,279,694              |
| <b>Total Services &amp; Supplies</b>              | <b>29,508,369</b>   | <b>30,450,625</b>      | <b>31,432,481</b>      |
| <b>Total Operating Expenses</b>                   | <b>305,230,500</b>  | <b>310,922,297</b>     | <b>316,806,093</b>     |
| <b>Net Revenue (Expense)</b>                      | <b>5,269,062</b>    | <b>5,584,581</b>       | <b>6,229,581</b>       |
| <b>Prior Year Surplus Appropriation</b>           | <b>1,618,019</b>    | <b>3,230,000</b>       | <b>3,230,000</b>       |
| <b><u>Net Transfers (To) From Other Funds</u></b> |                     |                        |                        |
| Tangible Capital Assets Purchased                 | (1,734,581)         | (1,734,581)            | (1,734,581)            |
| Local Capital                                     | (5,152,500)         | (7,080,000)            | (7,725,000)            |
| <b>Total Net Transfers</b>                        | <b>(6,887,081)</b>  | <b>(8,814,581)</b>     | <b>(9,459,581)</b>     |
| <b>Budgeted Surplus (Deficit), For the Year</b>   | <b>0</b>            | <b>0</b>               | <b>0</b>               |

## **SPECIAL PURPOSE FUND**

Funds that are provided for a particular purpose are identified as a special purpose fund and must be accounted for individually from other funds. These funds are subject to a legislative, contractual stipulation or restriction as to their use and must be reported separately on the District's Annual Budget, Amended Budget and audited financial statements (Schedule 3).

## **CAPITAL FUND**

Funds received for the purpose of acquiring or developing depreciable tangible capital assets are reported separately on the District's Annual Budget, Amended Budget and audited financial statements (Schedule 4). This fund also accounts for local capital which supports specific initiatives such as the District's computer refresh program, as well as meet the needs of the District, i.e. supports asset purchases such as vehicles for the Operations department and heavy equipment purchases for secondary schools.

School capital management for the K to 12 education sector in BC has been moved to the newly created Ministry of Infrastructure (Ministry) in November 2024. The Ministry will oversee funding for public school buildings and structural improvements, and its purpose is to improve the delivery of provincial capital projects. Boards of Education are required to submit a Five-Year Capital Plan to the Ministry of Infrastructure on an annual basis. Eligible capital projects are defined within both major and minor capital funding streams to support projects such as new construction, site acquisitions, equipment, as well as upgrades and replacements to existing school facilities.

Each capital request is analyzed and assigned a priority ranking by the District prior to being submitted for review by the Ministry. Based on detailed analysis of all provincial district submissions, the government establishes an overall provincial capital budget for schools. Resources are allocated to the highest-priority projects, and school boards are advised which projects are supported or approved to proceed. For further detail please refer to the District's [2026/2027 Capital Plan Submission](#) and the [Long Term Facilities Plan](#) (June 2021).

### ***Capital Update***

The following capital projects are currently in progress:

- Construction of George Pringle Secondary School, a 1,200-student capacity school that is expected to open in September 2027.
- Expansion of École Dr. Knox Middle School, adding 300 additional student spaces, expected to be completed in the Fall of 2025.
- Expansion of École Hudson Road Elementary, adding 265 additional student spaces, expected to be completed in the Fall of 2027.
- Addition of a 7-classroom prefabricated modular (175 student seat expansion) to Chief Tomat Elementary School expected to be completed in September 2025.

- Addition of an 8-classroom prefabricated modular (200 student seat expansion) to Webber Road Elementary School expected to be completed in September 2026.
- Six childcare buildings are completed at Anne McClymont Elementary School, Ellison Elementary School, Black Mountain Elementary School, North Glenmore School, École George Elliot Secondary School, and École Okanagan Mission Secondary School. The District has partnered with the YMCA, BGC Okanagan and Clubhouse Childcare to provide childcare services for 500 childcare spaces. The construction of these childcare buildings is fully funded by the Ministry of Education and Child Care.
- Construction at the one remaining childcare building, located at École Hudson Road Elementary School, is expected to be finalized this year and will provide 92 additional childcare spaces.
- At the request, and with the support of the Ministry of Education and Child Care, the District is undertaking conceptual planning to substantiate the requirement to construct a new 800 to 1,000-seat school to support growing needs in the Glenmore/Kelowna North Area.
- The renovation project at the Hollywood Road Education Centre is in progress and has a planned occupancy for Summer 2025. The scope of the project is to renovate the existing building to improve building efficiency, enhance services to online learners, accommodate the online learning program's staff, and upgrade the current building to provide modern, safe, and functional spaces for staff.

### **FINANCIAL CHALLENGES**

The District appreciates all the capital support from the Ministry of Education and Child Care over the last few years, however the District continues to face many financial challenges. Some include:

- **Capacity** - capacity challenges (currently at 112% District wide) and continued growth in designated students, compounds the challenges we face as we work to meet historical classroom organizations and our collective agreement obligations. As a result, we continue to advocate to the Ministry of Education and Child Care for additional Classroom Enhancement Funding each year. Also, many of our schools have no more available learning spaces resulting in limited room for new students to the District. Each year the District continues to utilize operating funding to purchase and/or relocate portables to create educational space.
- **Escalated Costs** – escalating costs continue to be a main concern for the District as we build and manage the District's Annual and Amended Budget Bylaw each year. Costs continue to rise as the economy cools, the cost of living continues to increase, and inflation remains high. Areas of significant concern include food, lumber, supplies, fuel, parts, illness, benefit premiums replacement costs.

To illustrate the year-over-year impact of inflationary cost pressures, the table below shows that the accumulated 5-year BC inflation rate (including an estimate for the 2025/2026 year) is 17.70%. Over the same period, the accumulated increase to the Ministry of Education and Child Care per pupil was 18.16%. When considering the negotiated increases for teacher and support staff, the net increase to address the 17.70% inflation increase is approximately 3.16%.

| 2025 Year Rates (2021/2022 - 2025/2026) |                           |   |                          |              |
|---|---------------------------|---|--------------------------|--------------|
| MOE Per Pupil Funding Increase          | Negotiated Increase Costs | Net Per Pupil Increase to Address Inflation | Total BC Inflation Rates | Net Pressure |
| A                                       | B                         | C = A - B                                   | D                        | C - D        |
| 18.16%                                  | 15.00%                    | 3.16%                                       | 17.70%                   | -14.54%      |

As a result, the District continues to reduce operating budgets to pay for cost escalations created by year-over-year compounding inflationary cost pressures. Due to the significant funding shortfall expected next year, it is anticipated that services for the upcoming 2025/2026 school year may be reduced to balance the budget.

- ***Recruitment and Retention*** - recruitment and retention remains a top priority for the District and the District continues to face challenges filling positions.

## **CONCLUSION**

The District has a history of prudent financial planning. As we forecast three (3) years into the future, we expect the District budget development principles, the fiscal oversight of the Board of Education and the conservative forecasting of operating budgets to continue.