

Richmond School District

FISCAL PLAN

2024/25 – 2026/27



Table of Contents

Message From the Board of Education	3
Executive Summary	4
District Overview	5
Board of Education	6
Vision, Mission and Values	7
Strategic Plan	7
Budget Guiding Principles	8
Budget Process and Planning Cycle	9
Budget Consultation	10
Enrolment	11
Staffing	13
Operating Fund Budget	15
Operating Fund Budget Summary	15
Operating Fund Revenues	16
Operating Fund Expenses	18
Interfund Transfers	19
Accumulated Surplus	19
Special Purpose Fund Budget	21
Special Purpose Fund Summary	22
Classroom Enhancement Fund	24
Capital Fund Budget	25
Long Range Facilities Plan	25
Five-Year Capital Plan	26
Capital Revenues	26
Major Capital Projects	27
Local Capital Reserve	27
Asset Retirement Obligations (ARO)	28
Financial Stability and Other Significant Factors	28
Recruitment and Retention	28
City Centre School Space Shortage	29
Ministry Grant Revenue	29
International Education Program Revenue	30
Contact Management	30

Message From the Board of Education

The Board of Education is committed to cultivating a safe and welcoming community that inspires all learners within the Richmond School District. In fulfilling its diverse responsibilities, the board plays a vital role in the governance and oversight of the K-12 education system. Beyond establishing policies and regulations and approving the annual budget, the board's responsibilities are multifaceted and encompass a broader scope of strategic leadership and oversight. Additionally, trustees



Board of Education. From top left to right: Ken Hamaguchi, Donna Sargent, David Yang, Heather Larson, Debbie Tablotney, Alice Wong and Rod Belleza.

actively advocate for the betterment of the education system, including government funding to support the district's educational, operational and capital needs that best serve the learning community.

In preparing the 2024/25 Annual Budget, we have been guided by our district's vision, mission and values, drawing insights from our Strategic Plan, as well as the strategic priorities and goals of the district, to further inform our work. The budget reflects a commitment to fostering inspired learners and ensures the delivery of exceptional public education system wide. We have striven to provide essential support that best serve our students' learning needs, emphasizing the significance of maintaining staffing levels and resources in our schools and classrooms. These considerations, among others, aim to prioritize the educational well-being of all students while ensuring long-term fiscal sustainability and stability.

On behalf of the Board of Education, I extend heartfelt appreciation to our community and education partners for their invaluable contributions to the 2024/25 Annual Budget. Your feedback and engagement are crucial as we strive to ensure that our budget remains student-centered, fiscally responsible and aligned with the district's strategic priorities and goals. We deeply value your ongoing support and dedication to providing a high-quality education for our students.

Sincerely,

Heather Larson, Chairperson
On Behalf of the Board of Education (Richmond)

Executive Summary

The development of the 2024/25 Annual Budget entails a comprehensive consultation process outlined in the budget process section of this Fiscal Plan. This process included extensive engagements with education partner groups and discussions during various board and committee meetings. Budgetary decisions were guided by principles established by the Board of Education in collaboration with education partner groups, aiming at supporting the district's five priorities: inspired learners, equity and inclusion, optimized facilities and technology, a progressive workplace, and a connected learning community.

Built upon a solid financial foundation, with projected enrolment growth and effective financial resource management over the recent years, the district formulated a responsible financial plan for the upcoming school year. This plan incorporates measures to ensure teaching and supporting structures are in place across the system, considering operational efficiency, to ensure students have access to high quality education.

The total annual budget for the fiscal year 2024/25 is estimated at approximately \$365 million, encompassing budgeted amounts for the operating fund, special purpose fund and capital fund. Aligned with the district's strategic plan, the budget emphasizes the delivery of high-quality education to all students while exercising fiscal prudence.

Approximately 75 per cent of the total budget is allocated to the operating budget, projected to reach \$275 million. The operating budget allocation covers various expenses related to instructional programs, district administration, facilities operations and maintenance, and student transportation. The funding source is primarily attributed to provincial education operating grants, which is approximately \$252 million or 91 per cent of the total operating revenue. Other revenue sources include international tuition revenue, rental revenue and investment income, which amount to approximately \$26 million or 9 per cent of the total operating revenues.

Significant initiatives integrated within the operating budget aim to achieve education excellence for all students, including areas such as additional teaching positions, Indigenous graduation requirement courses, learning services for students with additional and complex needs, facilities and custodial services, as well as administrative support for large elementary schools. These initiatives contribute to cultivating a dynamic and inclusive learning community conducive to providing high quality education for all students.

The district's operating budget is built on several assumptions regarding revenue and expense projections, anticipating growth in enrolment for domestic funded students while expecting stability in enrolment for international fee-paying students over the next year. In response, the district plans to augment staffing levels for teaching staff positions in accordance with the collective agreement, as well as educational assistant positions to meet diverse student needs. Additionally, the operating expenses include salary increases for teachers and support staff resulting from provincial collective agreement settlements. Consequently, substitute and benefit costs are projected to rise accordingly.

The special purpose fund budget, totaling \$66 million, encompasses separate funds designated for special purposes, such as the Classroom Enhancement Fund and Feeding Futures School Food Program. These funds are allocated to resources to ensure their intended purposes are fulfilled and contribute to student success within the best learning environment possible.

The capital fund budget, totaling \$24 million, is allocated to support both board-funded and government-funded capital acquisition aimed at providing safe, healthy, functional and technologically equipped school facilities. These investments uphold the district’s commitment to delivering high quality education to all students by ensuring they have access to well-maintained and modern learning environments.

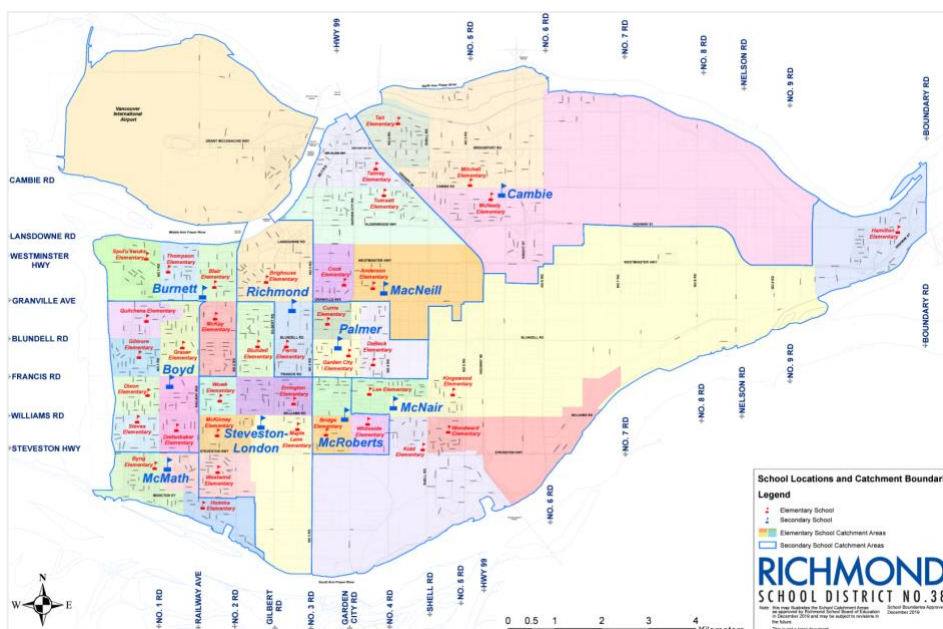
The 2024/25 Annual Budget reaffirms the district’s dedication to fostering student success while upholding fiscal responsibility and sustainability. The district has implemented rigorous financial monitoring and budgetary control measures to ensure the effective provision of high-quality education to students. With an unwavering focus on nurturing inspired learners, ensuring student success, and maintaining financial accountability, the district remains committed to continue providing exceptional education to its students.

District Overview

The Richmond School District acknowledges and thanks the First Peoples of the hən̓q̓əmi̓nəm language group on whose traditional and unceded territories we teach, learn and live. The district is a vibrant learning community that fosters students’ engagement, creativity and well-being in inclusive learning environments.

The district provides a wide variety of learning opportunities for over 23,000 students from Kindergarten through Grade 12 to help them develop the attitudes, skills and knowledge which will prepare them for an exciting and productive future.

The Richmond School District consists of 48 schools, including 38 elementary schools and 10 secondary schools. Our schools offer a wide range of educational programs, services and support to help each student to achieve success.



School Locations and Catchment Boundaries

Board of Education

The Board of Education is comprised of seven elected trustees who represent the interests of the community and advocate for the educational needs of students. The board is a legislative body responsible for overseeing the provision of public education within the school district. The board is governed by the *School Act*, that outlines its roles and responsibilities, as well as the powers and duties it exercises in relation to the delivery of public education.

The board has complex roles and performs many important and valuable responsibilities, most notably to support and ensure quality learning opportunities and well-being for all students. The board is responsible for governing the system and overseeing the educational, operational and ministerial requirements of the district.

The Board of Education anticipates, identifies and addresses emerging needs and issues within the school district. The board corresponds with key educational leaders, municipal government, and provincial ministries and authorities about policy, legislation and decisions that impact students. The board advocates on behalf of the citizens of Richmond for the benefit of the education of its children. Responsibility for day-to-day operations is delegated to the Superintendent of Schools and further to the administrative, teaching and support staff of the district.

The board is committed to transparency and has fully adopted the Ministry of Education and Child Care’s requirements for financial governance which includes the development of the annual budget that is guided by its vision framework and encompasses a comprehensive consultative budget process.

The Board of Education plays a vital role in shaping and delivering public education in its community, ensuring that students receive a high-quality education that prepares them for success in life.



Rod Belleza

Ken Hamaguchi

Heather Larson

Donna Sargent



Debbie Tablotney

Alice Wong

David Yang

Vision, Mission and Values

The Board of Education recognizes the power of the vision, mission, and values statements in transforming learning and leading in the district. As a result of our shared commitment, implementation of the vision, mission, and values statements are the joint responsibility of the board, students and staff.

Vision: The Richmond School District is the best place to learn and lead.

Our vision is one that is held by every member of our learning community – our students and parents, staff and our community partners. It drives us to constantly strive for excellence. It leads us to see potential in all and to ensure a positive, engaging and inspirational learning environment filled with potential and possibilities. We are proud of the education we provide, and we encourage all members of the district to be both learners and leaders.

Mission: The Richmond School District's mission is to cultivate a safe, accepting and engaging community that inspires a passion for lifelong learning.

Safety, acceptance and engagement are fundamental to the Richmond School District, and are the foundation of what we model, teach and do to ensure the development of lifelong learners and leaders. It is our responsibility to ensure that all of our students and staff enjoy and benefit from their time with us and are supported to reach their full potential.

Values: The values that will guide our work together to achieve our vision and mission are collaboration, creativity, curiosity, resilience, respect and equity, for all.

These values guide our operations and form the culture of our schools and workplaces. By upholding them, we continually strive for an environment that supports all to achieve their full potential. The values are reflected in the work we do and serve as a standard for how we individually and collectively interact within our schools, the district and the community.

Strategic Plan

The Board of Education is committed to supporting the educational journey of every student in the district. We recognize that the world is in a state of continual change, and we must therefore adapt our learning environments to ensure that every student can thrive and be successful. Through thoughtful planning and deliberate action, we believe that we can inspire and support everyone in our educational community to be lifelong learners.

Through comprehensive community and partner groups engagement and consultation, five priorities were identified as requiring the attention of the board and the district over the next five years. All goals, objectives and actions articulated in the plan address these strategic priorities. Over the next five years, this plan will guide our decision-making. Our commitment is to continue to adapt and be flexible to achieve the goals that were outlined in the Strategic Plan.

The five strategic priorities are presented in the following chart:



Budget Guiding Principles

The district is committed to developing its annual budget by following a set of guiding principles to ensure transparent budget planning and resource allocation that is directly aligned with our strategic priorities and goals. It is based on a constructive model that coordinates budget planning and resource allocation activities through inclusive stakeholder consultation and feedback based on our collective vision, goals and objectives.

These guiding principles include:

- The budget will support and align to the board’s strategic plan and priorities and reflect the board’s commitment to responsible long term fiscal planning;
- Budget processes will be inclusive, transparent and will encourage stakeholder and community input;
- All budget decisions will be focused on creating and maintaining educational programs and services for students which maximize opportunities for learning;
- Budget decisions will support a culture of innovation and responsiveness to system change, while maintaining cost effectiveness and long term sustainability;
- Business and operational services and systems required to support schools and students will be based on best practices and maintained in an efficient and cost-effective manner; and
- Budget decisions will be based on accurate, relevant data and information.

The budget guiding principles ensure that the budget process is an integral part of the district’s collaborative operating culture.

Budget Process and Planning Cycle

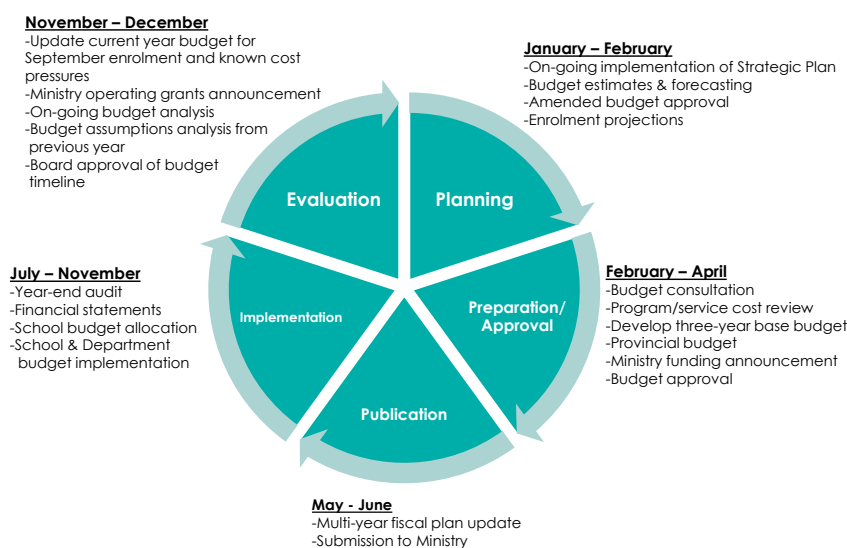
The district operates under the authority of the *School Act* of British Columbia (the *School Act*) as a corporation and receives about 87 per cent of revenue from the Government of British Columbia through the Ministry of Education and Child Care. In accordance with the *School Act*, school districts must approve a balanced budget for the upcoming school year and submit it to the Ministry of Education and Child Care before June 30 each year.

The district has developed the 2024/25 Annual Budget that supports its vision, mission and values, and considers its priorities and goals of the strategic plan. The district’s strategic priorities and resource allocation are centred around inspired learners and learning needs for all students.

The district’s budget was prepared in accordance with the *Budget Transparency and Accountability Act* supplemented by regulations 257/2010 and 198/2011 issued by the Treasury Board of the Province of British Columbia, which establish government’s financial reporting and accountability framework. Additionally, the budget process follows Board Policy 601 Budget, 621 Financial Reporting, and 631 Accumulated Operating Surplus and Capital Reserves.

The district initiates its annual budget process in January, engaging education partners and the community in a collaborative way. By the end of April, the process concludes with the approval of the annual budget by the board. This timely process ensures the district’s adherence to contractual obligations and meets the annual staffing timelines consistently.

Once the Annual Budget is approved, it is continuously updated for known changes to the estimates and projections of revenues and expenses, and current information on emerging trends impacting the district’s financial positions. These changes are consolidated into the Amended Budget approved by the board and submitted to the ministry by February 28 of the fiscal year.



Budget Process and Planning Cycle Timeline

Budget Consultation

The budget consultation process has been an ongoing dialogue between the board and its partner groups to shape the fiscal priorities for the upcoming school year. The consultation process facilitates valuable community input into the district’s fiscal allocation and decision-making processes. The board extended multiple opportunities to partner groups and the public to articulate their priorities and budget requests before the annual budget’s approval in late April 2024. The table below provides details regarding the consultation process and the timeline of various engagement opportunities.

Date	Meeting	Goal
November 22, 2023	Public Board Meeting	Board approval of 2024/25 budget process and timeline.
January 8, 2024	Trustee Budget Workshop	An opportunity for Trustees to review and discuss preliminary 2024/25 budget information.
January 15, 2024	Budget Advisory Working Group Meeting	Preliminary budget information presentation to the Board and partner groups for feedback and questions; round table discussions on the alignment between the fiscal plan and strategic plan priorities and goals.
February 8, 2024	Richmond Leadership Team (RLT) Meeting Budget Consultation	Preliminary budget information presented to RLT for feedback and input.
February 21, 2024	Public Board Meeting	Board approval of 2023/24 Amended Budget.
February 21, 2024	Public Board Meeting	RTA and CUPE Budget Brief presentations.
March 7, 2024	Budget Advisory Working Group Meeting	Preliminary three-year base budget and draft budget proposals presentation to the Board and education partner groups for feedback and input.
March 13, 2024	Public Board Meeting – Annual Budget Committee of the Whole	The public and education partners are invited to comment on the annual budget and budget proposals during the Committee of the Whole of the Public Board meeting.
April 2, 2024	Trustee Budget Workshop	An opportunity for Trustees to deliberate on draft budget proposals; staff finalize the annual budget documents following the Trustee Workshop.
April 24, 2024	Public Board Meeting	Final Board approval through three readings of the 2024/25 Annual Budget Bylaw.

Additionally, community members had opportunities to share feedback or ask questions via email sd38budgetfeedback@sd38.bc.ca or in writing to the Office of the Secretary Treasurer, Board of Education of School District No. 38, 7811 Granville Avenue, Richmond, BC V6Y 3E3.

Enrolment

Approximately 91 per cent of the district's operational funding is sourced from the Ministry of Education and Child Care, with student enrolment serving as the primary determinant factor. Consequently, the district carefully evaluates student enrolment trends during its annual budgeting process.

By February 15 each year, school districts are required to provide projected student enrolment data for the upcoming school year to the Ministry, which then utilizes the data to determine operational grants to districts. This procedure ensures that school districts receive the necessary financial support to sustain its education programs and services to students in the province.

Using a blended enrolment projection model, the district forecasts student enrolment by integrating a number of parameters. This methodology incorporates localized insights in growth and demographic trends within individual school catchment areas into a broader cohort survival analysis based on historical enrolment patterns and demographic metrics. This approach integrating a five-year average student retention rate enhances the accuracy of enrolment projections.

Furthermore, the district considers housing development and completion statistics in the City of Richmond, encompassing densification and major development in the city centre areas, as well as neighborhood infill projects. This holistic assessment enables the district to gauge potential fluctuations in student population attributable to residential development changes in the city.

Additionally, demographic data from Statistics Canada and BC Statistics, along with kindergarten enrolment projections and federal immigration policy changes, inform the enrolment forecast process. Moreover, the district factors in socio-economic and political influences on inter-provincial migration and student demographic shifts to refine its projections further.

Ultimately, these multifaceted considerations contribute to the development of a robust enrolment growth forecast model, serving as a main driver in the district's annual budgetary development process. These projections include enrolment figures for domestic funded students, international fee-paying students, students with additional and complex needs, students with English Language Learners, and Indigenous students, over the next three years.

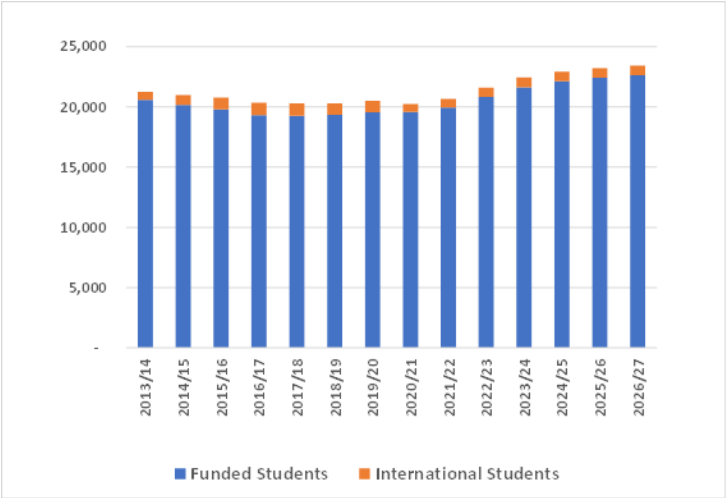
The total domestic funded student enrolment is projected to grow by 2.3 per cent in 2024/25, followed by an increase of 1.2 per cent in 2025/26 and 1.0 per cent in 2026/27. Similarly, the total enrolment for students requiring additional support is projected to grow at a rate of 2.2 per cent in 2024/25, followed by an increase of 1.4 per cent in 2025/26, and a further increase of 1.0 per cent in 2026/27.

The district anticipates stable student enrolment for the international fee-paying students following the healthy recovery post-pandemic. The projected enrolment of international students is 875 for each of the next three school years.

Enrolment Summary - September	2022/23 Actual	2023/24 Actual	2024/25 Budget	2025/26 Projected	2026/27 Projected
September Enrolment FTE					
Standard (Regular) Schools	20,753.69	21,635.50	22,147.00	22,419.00	22,639.00
Continuing Education	3.00	5.13	5.13	5.00	5.00
Alternate Schools	82.00	82.00	84.00	84.00	84.00
Online Learning	150.50	177.06	165.00	165.00	165.00
Total School-Age Enrolment	20,989.19	21,899.69	22,401.13	22,673.00	22,893.00
February Enrolment FTE	124.56	80.25	90.75	90.75	90.75
May Enrolment FTE	64.56	62.00	61.00	61.00	61.00
Total Enrolment FTE	21,178.31	22,041.94	22,551.88	22,824.75	23,044.75
Unique Student Needs - September					
Level 1 Diverse Needs	10.00	13.00	13.00	13.00	12.00
Level 2 Diverse Needs	927.00	1,011.00	1,055.00	1,090.00	1,120.00
Level 3 Diverse Needs	132.00	152.00	155.00	158.00	161.00
English Language Learning (ELL)	6,840.00	7,438.00	7,576.00	7,669.00	7,745.00
Indigenous Education	255.00	255.00	255.00	255.00	255.00
Adult Education	21.38	18.19	15.00	15.00	15.00

Enrolment Summary

Over the past ten years, the enrolment trend has exhibited volatility as illustrated in the graph below. Fluctuations in student enrolment figures have been attributable to various factors, including the city’s development and growth, shift in local and provincial economic conditions, changes in immigration policies, and recovery from the global pandemic.



10 Year Enrolment Trend

In response to these enrolment changes, the district has had to adjust its staffing levels and budget allocations accordingly. Moving forward, the district will remain vigilant in monitoring enrolment trends and will adjust its budgetary assumptions as necessary to ensure that resources are prioritized to support student learning.

Staffing

Teacher staffing and support staff are crucial components of the education system. The collective agreements govern the terms and conditions of employment for teachers and support staff. The district's staffing levels are directly related to various factors including student enrolment, student educational needs, grant funding availability and organizational capacity. The district's focus on hiring qualified staff is essential to provide high quality education to students.

The table below presents the projected total staffing levels, in full-time equivalent (FTE), for the next three years summarized by employee group. It is important to note that the actual staffing levels needed will be confirmed once the actual student enrolment is known in September. The financial impact of staffing on the budget can be found in the Operating Fund Budget section of this fiscal plan.

	2023/24	2024/25	2025/26	2026/27
All Staffing Groups – FTE	Amended Budget	Budget	Projected	Projected
Teachers	1,500.42	1,520.02	1,527.22	1,535.42
Administrators	97.01	97.51	97.51	97.51
Educational Assistants	499.82	511.38	522.15	531.44
Support Staff	465.27	471.00	472.20	473.20
Other Professionals	66.00	67.00	67.00	66.00
Other Professionals-Trustees	7.00	7.00	7.00	7.00
TOTAL STAFFING	2,635.52	2,673.91	2,693.08	2,710.57

Teacher staffing: is budgeted to increase for 2024/25 by 19.6 FTEs, which include the following categories.

16.2 FTE enrolling teachers due to student enrolment increase.

3.0 FTE teacher allocation for Indigenous-Focused Graduation requirement (one-time).

0.4 FTE teacher for the Special Purpose Fund – Provincial Early Years.

Teacher staffing is forecasted to increase by 10.2 FTEs in 2025/26 and 8.2 FTEs in 2026/27 due to projected student enrolment increases. In addition, the one-time teacher allocation for Indigenous-focused graduation of 3.0 FTE will be reversed in 2025/26.

	2023/24	2024/25	2025/26	2026/27
Teachers	Amended Budget	Budget	Projected	Projected
Operating Fund	1,138.21	1,157.41	1,164.61	1,172.81
Classroom Enhancement Fund	353.01	353.01	353.01	353.01
Special Purpose Fund (exclude CEF)	9.20	9.60	9.60	9.60
TOTAL	1,500.42	1,520.02	1,527.22	1,535.42

Administrator staffing is budgeted to increase for 2024/25 by 0.5 FTE due to significant enrolment increases in large elementary schools. Administrator staffing is forecasted to remain steady for 2025/26 and 2026/27.

	2023/24	2024/25	2025/26	2026/27
	Amended Budget	Budget	Projected	Projected
Administrators				
Operating Fund	94.50	95.00	95.00	95.00
Classroom Enhancement Fund	0.51	0.51	0.51	0.51
Special Purpose Fund (exclude CEF)	2.00	2.00	2.00	2.00
TOTAL	97.01	97.51	97.51	97.51

Educational Assistants staffing is budgeted to increase for 2024/25 by 11.56 FTEs due to increase in the number of students requiring additional needs. The Educational Assistants staffing is forecasted to increase by 10.77 FTEs in 2025/26 and 9.29 FTEs in 2026/27 due to projected enrolment increase for student with diverse needs.

	2023/24	2024/25	2025/26	2026/27
	Amended Budget	Budget	Projected	Projected
Educational Assistants				
Operating Fund	440.35	451.91	462.68	471.97
Classroom Enhancement Fund	45.09	45.09	45.09	45.09
Special Purpose Fund (exclude CEF)	14.38	14.38	14.38	14.38
TOTAL	499.82	511.38	522.15	531.44

Support Staff staffing is budgeted to increase for 2024/25 by 5.73 FTE, which includes the following categories.

2.4 FTE School Administrative Assistants.

1.5 FTE Custodial Services positions.

1.83 FTE District Administrative Assistant.

0.6 FTE Community School Coordinator in operating fund.

(0.6) FTE Community School Coordinator special purpose fund (reallocated to operating fund due to reduction in funding for this position in special purpose fund).

Support Staff staffing is forecasted to increase by 1.2 FTEs in 2025/26 and 1.0 FTEs in 2026/27 for school administrative assistants due to projected student enrolment increases.

	2023/24	2024/25	2025/26	2026/27
	Amended Budget	Budget	Projected	Projected
Support Staff				
Operating Fund	435.10	441.43	442.63	443.63
Classroom Enhancement Fund	9.80	9.80	9.80	9.80
Special Purpose Fund (exclude CEF)	15.37	14.77	14.77	14.77
Capital Fund	5.00	5.00	5.00	5.00
TOTAL	465.27	471.00	472.20	473.20

Other Professional staffing is budgeted to increase for 2024/25 by 1.0 FTE for the new Director of Instruction position.

Other Professional staffing is forecasted to remain steady for 2025/26 and decrease by 1.0 FTE for 2026/27, due to the Special Purpose Fund - Feeding Futures School Food Program 3-year funding commitment ending.

	2023/24	2024/25	2025/26	2026/27
	Amended Budget	Budget	Projected	Projected
Other Professionals				
Operating Fund	55.50	56.50	56.50	56.50
Operating Fund - Trustees	7.00	7.00	7.00	7.00
Classroom Enhancement Fund	3.00	3.00	3.00	3.00
Special Purpose Fund (exclude CEF)	1.00	1.00	1.00	-
Capital Fund	6.50	6.50	6.50	6.50
TOTAL	73.00	74.00	74.00	73.00

Operating Fund Budget

The operating budget encompasses expenditures incurred for the instructional programs, school and district administration, facilities operations and maintenance, and transportation in the district. These programs are funded by revenues sourced from the Ministry of Education and Child Care, international program revenues, rental revenues, investment income and other miscellaneous revenues.

Operating Fund Budget Summary

The following table provides a summary of the prior year's operating revenues and expenditures, the current year amended budget, the 2024/25 annual budget and a forecast for the following two years. The table also includes interfund transfers.

Operating Fund	2022/23 Actual	2023/24 Amended Budget	2024/25 Budget	2025/26 Projected	2026/27 Projected
Revenues					
Provincial Grants-Ministry of Education and Child Care	217,760,487	241,890,605	252,289,849	255,770,382	258,575,952
Provincial Grants-Other	386,849	87,917	87,917	54,100	54,100
Tuition	16,819,979	20,155,758	19,942,508	19,942,508	19,942,508
Other Revenue	925,039	823,991	848,430	869,991	890,891
Rentals and Leases	1,537,002	1,617,788	1,687,036	1,737,933	1,783,087
Investment Income	3,205,999	3,652,295	3,178,666	3,479,533	3,795,837
Total Revenue	240,635,355	268,228,354	278,034,406	281,854,447	285,042,375
Expenses					
Salaries and Benefits	209,957,758	239,251,752	250,585,077	253,710,965	256,179,199
Services and Supplies	21,491,957	23,176,602	24,449,329	25,350,521	26,235,303
Total Expenses	231,449,715	262,428,354	275,034,406	279,061,486	282,414,502
Net Revenue (Expense)	9,185,640	5,800,000	3,000,000	2,792,961	2,627,873
Interfund Transfers	(7,857,986)	(5,800,000)	(3,000,000)	(3,000,000)	(3,000,000)
Operating Surplus (Deficit) for the Year	1,327,654	-	-	(207,039)	(372,127)
Use of Appropriated Surplus	-	-	-	-	-
Operating Surplus (Deficit)	1,327,654	-	-	(207,039)	(372,127)

The operating budget includes a range of strategic initiatives designed to enhance the quality of education provided to students. These initiatives encompass a variety of areas, including the implementation of new Indigenous graduation requirement courses, learning services for students,

facilities and custodial services, administrative support for large elementary schools, anti-racism training, and the implementation of the enterprise risk management policy. These initiatives will contribute to creating a safe and inclusive environment, ensuring that all students have access to high quality education that meets their needs.

Operating Fund Revenues

Provincial operating grant revenue anticipated from the ministry represents approximately 91 per cent of the district's total revenue for 2024/25. The next most significant source of revenue is the tuition revenue from students registered through the Richmond International Education program, representing approximately seven per cent of the total revenue. The remaining revenue is comprised of sources such as facility rental, interest revenue and miscellaneous income.

Operating Fund Revenue		2022/23 Actual	2023/24 Amended Budget	2024/25 Budget	2025/26 Projected	2026/27 Projected
Provincial Grants-Ministry of Education and Child Care						
	Operating Grant, Ministry of Education and Child Care	205,683,445	234,586,866	248,336,889	251,817,422	254,622,992
	Other Ministry of Education and Child Care Grants	12,077,042	7,303,739	3,952,960	3,952,960	3,952,960
Provincial Grants-Other		262,614	386,849	87,917	87,917	54,100
Tuition						
	Summer School	254,179	254,260	254,260	254,260	254,260
	Continuing Education	937,846	1,164,998	1,164,998	1,164,998	1,164,998
	International and Out of Province Students	15,627,954	18,736,500	18,523,250	18,523,250	18,523,250
Other Revenue						
	Other School District/Education Authorities	504,000	529,200	542,430	555,991	569,891
	Cafeteria	289,082	293,791	305,000	313,000	320,000
	Recognition of Unrestricted School Generated Funds	130,000	-	-	-	-
	Miscellaneous	1,957	1,000	1,000	1,000	1,000
Rentals and Leases		1,537,002	1,617,788	1,687,036	1,737,933	1,783,087
Investment Income		3,205,999	3,652,295	3,178,666	3,479,533	3,795,837
Total Operating Revenue		240,635,355	268,228,354	278,034,406	281,854,447	285,042,375

Operating Grant Revenue is funded by the Ministry of Education and Child Care based on student FTE enrolment and the corresponding per student rate. Grant revenues have been adjusted to reflect the projected enrolment based on the per student grant funding for each category.

Operating Grant Revenue	2022/23 Actual	2023/24 Amended Budget	2024/25 Budget	2025/26 Projected	2026/27 Projected
Basic Allocation - September					
Standard (Regular) Schools	163,642,826	186,606,188	197,440,505	199,865,385	201,826,685
Continuing Education	23,655	44,203	45,689	44,575	44,575
Alternate Schools	646,570	707,250	731,030	748,860	748,860
Online Learning	957,180	1,232,355	1,188,000	1,188,000	1,188,000
Homeschoolers	11,000	9,000	9,000	11,000	11,000
Course Challenges	8,118	17,550	18,135	9,207	9,207
Supplemental for Unique Student Needs - September					
Diverse Needs - Level 1	448,500	637,910	659,490	659,490	608,760
Diverse Needs - Level 2	19,726,560	23,536,080	25,393,850	26,236,300	26,958,400
Diverse Needs - Level 3	1,419,000	1,787,520	1,884,800	1,921,280	1,957,760
English Language Learning	10,841,400	12,904,930	13,598,920	13,765,855	13,902,275
Indigenous Education	399,075	436,050	451,350	451,350	451,350
Adult Education	107,516	100,122	85,350	85,350	85,350
Summer Learning	1,599,738	1,900,770	1,854,752	1,854,752	1,854,752
February Enrolment Count	1,318,456	646,526	744,198	744,198	744,198
May Enrolment Count	477,412	422,385	429,655	429,655	429,655
Equity of Opportunity Supplement	936,433	1,066,826	1,175,452	1,175,452	1,175,452
Salary Differential	1,778,825	1,112,867	1,018,523	1,018,523	1,018,523
Unique Geographic Factors	1,159,137	1,229,431	1,351,843	1,351,843	1,351,843
Curriculum and Learning Support Fund	182,044	188,903	197,097	197,097	197,097
Indigenous Education Councils	-	-	59,250	59,250	59,250
Total Operating Grant Revenue	205,683,445	234,586,866	248,336,889	251,817,422	254,622,992

On March 14, 2024, the Ministry of Education and Child Care announced the preliminary operating grant allocations to school districts for the 2024/25 school year. The ministry is increasing the basic per-student allocation for standard, alternate and continuing education school students by 3.4 per cent for the next school year. Other operating grant rate increases for students with unique needs include a 3.4 per cent increase for students with diverse needs, a 3.5 per cent increase for Indigenous Education Targeted Funding, and a 3.5 per cent increase for English Language Learners (ELL).

The grant rate increases are primarily driven by salary increases for unionized employees that are being included in the operating grant funding formula. The total estimated operating grant revenue for the district for the 2024/25 school year is approximately \$248.3 million based on the enrolment projected at the time of the annual budget development. The grant revenue is subject to change due to the actual enrolment on September 30. The impact on the district's budget will be updated and approved by the board during the district's amended budget process.

Tuition Revenue comprises summer school, continuing education, and international and out of province students. International education revenue accounts for 93 per cent of all tuition revenue. The district relies heavily on the international education program to provide a significant source of additional revenue to support the operations of the district. The international education program enrolment utilizes space in classrooms that would otherwise go unused by students who reside within the boundaries of the district.

The international education program experienced a significant downturn during the pandemic in

2020/21 and 2021/22. A gradual recovery has taken place in 2022/23 and 2023/24. International student enrolment is projected to remain steady at 875 for 2024/25, 2025/26 and 2026/27.

Rental Revenue is projected to remain steady over the next three years, given the increasing demand for rental space in schools.

Investment Income has recovered from the pandemic lows as interest rates increased over the past year. The interest rates are expected to remain at these levels with a slight decrease in 2024/25.

Operating Fund Expenses

The operating fund expenses include the day-to-day costs of running the district, such as salaries and benefits for employees, utilities, maintenance and repairs, supplies and materials, technology expenses, transportation costs, and other miscellaneous expenses.

Effective management of operating expenses is crucial for the district to maintain financial stability and ensure that resources are allocated efficiently and effectively to support student success. The table below represents an overview of the district operating fund expenses in terms of types of expenses. The most significant component of the district's operating expenses is salaries and benefits, which comprise approximately 91 per cent of the total operating budget. The remaining nine per cent goes to services, supplies and other expenses.

Operating Fund Expenses	2022/23 Actual	2023/24 Amended Budget	2024/25 Budget	2054/65 Projected	2026/27 Projected
Salaries					
Teachers	95,722,095	110,891,415	114,977,639	115,938,703	116,711,323
Administrators	13,548,423	14,604,331	14,962,716	14,962,716	14,962,716
Educational Assistants	17,292,212	20,831,222	21,954,536	22,503,494	22,976,734
Support Staff	22,037,389	24,640,785	25,665,467	25,719,852	25,765,173
Other Professionals	6,403,064	7,243,161	7,755,626	7,724,085	7,732,207
Substitutes	11,587,316	11,574,561	11,802,718	12,140,144	12,462,028
Total Salaries	166,590,499	189,785,475	197,118,702	198,988,994	200,610,181
Benefits					
	43,367,259	49,466,277	53,466,375	54,721,971	55,569,018
Total Salaries and Benefits	209,957,758	239,251,752	250,585,077	253,710,965	256,179,199
Services and Supplies					
Services	8,625,974	7,801,877	8,072,694	8,378,642	8,677,977
Student Transportation	14,189	15,022	15,623	16,170	16,704
Professional Development	790,324	1,265,800	1,381,185	1,436,988	1,491,691
Rentals and Leases	262,883	319,558	320,456	331,672	342,617
Dues and Fees	127,904	154,387	160,527	166,406	172,151
Insurance	591,255	671,334	671,334	693,592	715,464
Supplies	7,160,213	8,581,538	9,264,835	9,626,819	9,976,172
Utilities	3,919,215	4,367,086	4,562,675	4,700,232	4,842,527
Total Services and Supplies	21,491,957	23,176,602	24,449,329	25,350,521	26,235,303
Total Operating Expenses	231,449,715	262,428,354	275,034,406	279,061,486	282,414,502

Salaries and Benefits are the largest operating expense for the district accounting for 91 per cent of the total operating expenditure. Employee salaries and benefits have been adjusted to reflect:

- Employee salary increases as established in the provincially negotiated wage settlement.
- Teacher grid step salary increments, as well as top up for teachers at the top step of grids.
- Increases in staffing positions, including enrolling teacher FTEs, educational assistant FTEs, administration time allocation for elementary schools, as well as increases in other positions for district wide strategic initiatives.
- Increases in substitute salaries to reflect increased rates of absenteeism as well as negotiated wage increases that also apply to teachers on call and casual staff.
- Benefits cost increases comprised of statutory and contractual costs. Statutory benefit costs include CPP, EI, Pension, WorkSafeBC, and Employer Health Tax (EHT). These costs are variable based on earnings and specific rates. Contractual benefit costs include such costs as employer paid premiums for extended health, dental, and the Employee Assistance Plan (EAP).

Services and Supplies have been adjusted to reflect the following budget factors:

- General cost escalation and inflationary factor of six per cent for services and supplies.
- Increase in utility costs for electricity, natural gas, propane, and water and sewer.
- Increase in the carbon tax.

Interfund Transfers

Interfund transfers are the reallocation of funds between the operating and capital funds. There are two features to interfund transfers.

The first feature is to appropriately record capital assets that are purchased with operating funds. The transfer of the costs will ensure proper account treatment to amortize the cost of the assets over its useful life.

The second feature is to provide funding for capital purchases not funded by the ministry. Such purchases include portable classrooms, technology upgrades, computer leases, and vehicle and equipment replacement.

Accumulated Surplus

Policy 631-R ensures the financial health of the district and protects the district from financial forecasting risk and unforeseen circumstances which would negatively impact the education of students. Following the ministry's definition provided in its K-12 Accumulated Surplus Reporting Policy, the district has two categories of internally restricted operating surplus. The accumulated surplus funds are restricted due to the nature of constraint and restricted for operations spanning multiple school years.

Funds Restricted due to the Nature of Constraints are funds that are internally restricted to enable the district to meet its obligations and commitments, including: contractual obligations arisen from the collective agreements, targeted grants received from the ministry for specific purposes, school generated funds, and board approved budget appropriations.

Restricted for Operations Spanning Multiple School Years are funds to support effective operational

planning where surplus funds have been carried over to future years for effective implementation of educational programs and operational initiatives.

Educational programs include the following:

- Curriculum implementation and learning to support literacy, curriculum implementation, innovation, fine arts, music, French immersion, and learning resources.
- Diversity, Equity, and Inclusion to foster creativity, fresh perspectives, and understanding.
- Inclusive Learning to support students with diverse needs.
- Leadership and professional development to support on-going training and development for teachers, administrators, support staff, and management staff in the district.
- School funds to support programs, initiatives, and operations at the school level.
- Student leadership development to promote opportunities for students to develop leadership qualities that make a positive impact on the community.

Operational initiatives include the following:

- Technology Projects to update the technology infrastructure of the district.
- Emergency preparedness to support the district’s Emergency Preparedness Plan, focusing on district response to critical incidents, natural disasters, and emergency situations.
- Facilities and Classroom Setup to support start-ups of classrooms and facilities.
- Employee Mental Health and Wellness to support all employees in their health and well-being, including mental health support, career counselling/coaching, nutrition and sleep optimization, immunizations, first aid training and on-site health testing.
- Purchase Order Commitments to ensure funds are available for goods and services ordered but anticipated to arrive in the coming year.

Multi-Year Operating Accumulated Surplus Plan	Opening Balance	Planned Use	Closing Balance
Schedule of Accumulated Operating Surplus	July 1, 2023	2023/24	June 30, 2024
Internally Restricted Surplus			
Restricted Due to the Nature of Constraints on the Fund			
Contractual Obligations-Progressive Workplace, Inspired Learners	395,919	(100,000)	295,919
Targeted Funding – Inspired Learners, Equity and Inclusion	1,614,120	(500,000)	1,114,120
School Generated Funds	2,400,000	(100,000)	2,300,000
	4,410,039	(700,000)	3,710,039
Restricted for Anticipated Unusual Expenses			
Addressing Learning Impacts-Inspired Learners, Equity and Inclusion	1,000,000	(500,000)	500,000
Emergency Preparedness Initiatives-Optimized Facilities and Technology, Progressive Workplace	1,860,000	(300,000)	1,560,000
	2,860,000	(800,000)	2,060,000
Restricted for Operations Spanning Multiple School Years			
Support for Educational Plans – Inspired Learners, Equity and Inclusion	2,025,462	(700,000)	1,325,462
School Funds – Inspired Learners, Equity and Inclusion	2,193,554	(300,000)	1,893,554
Support for Operational Initiatives – Optimized Facilities and Technology, Progressive Workplace	1,736,571	(500,000)	1,236,571
Purchase Order Commitments	446,173	(446,173)	-
	6,401,760	(1,946,173)	4,455,587
Total Internally Restricted Operating Fund Surplus	13,671,799	(3,446,173)	10,225,626
Unrestricted Operating Surplus (Deficit)	770,220	-	770,220
Total Operating Fund Surplus (Deficit)	14,442,019	(3,446,173)	10,995,846

Special Purpose Fund Budget

Special Purpose Funds are targeted funding designated for specific purposes. The annual funding received varies from year to year and the ministry's funding is not always confirmed at the time of the annual budget.

Pursuant to Sections 156(4) and (5) of the *School Act*, each special purpose fund must be accounted for in accordance with the terms of that special purpose fund.

Special Purpose Fund	2022/23 Actual	2023/24 Amended Budget	2024/25 Budget	Variance	Comments
Ministry of Education and Child Care Funded					
Annual Facility Grant (AFG)	829,289	829,289	829,289	-	
Learning Improvement Fund (LIF)	852,667	938,707	879,315	(59,392)	
Strong Start	234,597	288,533	224,000	(64,533)	
Ready, Set, Learn	127,242	126,333	90,650	(35,683)	
Official Languages in Education French Programs (OLEP)	476,612	298,472	298,472	-	
Community LINK	854,922	849,718	862,931	13,213	
Classroom Enhancement - Staffing	37,750,149	43,024,547	43,885,038	860,491	
Classroom Enhancement - Remedy	608,635	402,692	-	(402,692)	Funding TBD
Classroom Enhancement - Overhead	5,022,390	5,298,621	5,404,593	105,972	
Mental Health in Schools	105,420	94,332	48,000	(46,332)	
Changing Results for Young Children	221	27,879	11,250	(16,629)	
Ventilation Fund (Federal)	66,332	-	-	-	One-time grant
Early Childhood Education Dual Credit	2,178	67,822	25,000	(42,822)	
Health Career Dual Credit Expansion	-	-	25,000	25,000	One-time grant
Student and Family Affordability	1,444,459	515,667	-	(515,667)	
Just B4 Program	113,720	143,163	130,000	(13,163)	
Strengthening Early Years to Kindergarten Transition (SEY2KT)	2,137	35,863	19,000	(16,863)	
Early Care and Learning	163,985	186,015	175,000	(11,015)	
Feeding Futures School Food Program	-	2,372,391	2,410,619	38,228	
Provincial Resource Program	853,903	970,138	1,104,297	134,159	
Provincial Early Years	469,556	545,584	595,941	50,357	
Federal Funded					
LINC/SWIS	1,705,717	2,002,904	2,002,904	-	
Other					
Scholarships and Bursaries	6,250	80,000	80,000	-	
School Generated Funds	6,407,625	6,500,000	6,500,000	-	
Educational Trust Fund	361,474	380,000	380,000	-	
Total Special Purpose Fund	58,459,480	65,978,670	65,981,299	2,629	

A summary statement of the detailed expenses is captured below, including the expected underspent amount.

Special Purpose Fund Summary	2022/23 Actual	2023/24 Amended Budget	2024/25 Budget	Variance
Deferred Revenue, Beginning of Year	7,807,115	8,186,374	7,311,127	(875,247)
Total Contributions Received	59,091,455	65,375,397	66,276,299	900,902
Less: Allocated to Revenue or Recovered by MECC	(58,712,196)	(66,250,644)	(65,981,299)	269,345
Deferred Revenue, End of Year	8,186,374	7,311,127	7,606,127	295,000
Total Allocated to Revenue	58,459,480	65,978,670	65,981,299	2,629
Total Expenses	(57,530,218)	(65,074,879)	(65,077,508)	(2,629)
Interfund Transfers	(929,262)	(903,791)	(903,791)	-
Net Revenue (Expense)	-	-	-	-

Special Purpose Fund Summary

Special Purpose Fund	Designated Use
Annual Facility Grant (AFG)	Routine maintenance of school facilities, including roofing.
Learning Improvement Fund (LIF)	Supplementary funding to school districts for additional education assistants.
Strong Start	Early learning program for preschool children (birth to age five), located in schools, accompanied by parent, other adult family member or caregiver.
Ready, Set, Learn	Support early learning and development for families and their three to five-year-old children and facilitate a smooth transition to kindergarten.
Official Languages in Education French Programs (OLEP)	Support French Immersion and Core French programs.
Community Link	Support programs to improve educational performances of vulnerable students, including academic achievement and social, emotional, and behavioural functioning.
Classroom Enhancement - Staffing, Remedy and Overhead	Funding to implement the Memorandum of Understanding pursuant to Letter of Understanding No. 17 to the 2013-2019 BCPSEA-BCTF Provincial Collective Agreement.
Mental Health in Schools	Support mental health initiatives, resources and programs for students, educators, and families within their school communities.
Changing Results for Young Children	Support district capacity building in high quality early learning and care experiences for children.
Ventilation Fund (Federal)	COVID-19 pandemic response funding from the provincial government (one-time funding). Specifically, this funding is used for school ventilation system improvements.
Early Childhood Education Dual	Support personalized learning and transition pathways from K-12 to

Credit	post-secondary study for the early childhood education program.
Health Career Dual Credit Expansion	Support personalized learning and transition pathways from K-12 to post-secondary study focused on health careers aligned with regional workforce demands.
Student and Family Affordability	Increase food security for students and their families, and support students, parents, and guardians with affordability concerns (one-time funding).
Just B4 Program	Support increased opportunities for childcare programs on school grounds.
Strengthening Early Years to Kindergarten Transition (SEY2KT)	Support the transition of children from community based early learning to kindergarten in schools.
Early Care and Learning	Support the expansion of childcare on school grounds.
Feeding Futures School Food Program	Support to increase food security for students by expanding or creating school food programs.
Provincial Resource Program	Outreach program to support school districts around B.C. with respect to ensuring equitable access and enhanced educational opportunities for students with visual and hearing impairments.
Provincial Early Years	Support diverse and struggling learners.
LINC/SWIS	Support settlement services for immigrants, refugees, and other eligible clients to meet their settlement or ongoing needs after arriving in Canada. Programs are Language Instruction for Newcomers to Canada (LINC) and Settlement Workers in Schools (SWIS).
Scholarships and Bursaries	The district manages various scholarship and memorial funds on behalf of families and groups of individuals wishing to provide funding for specific educational initiatives and in memoriam.
School Generated Funds	These funds are collected and managed directly at our schools with financial oversight by the district. Such funds include fundraising, school trips, PAC donations, etc.
Educational Trust Fund	These funds are collected and managed by the district. Such funds include Breakfast Club, Feed-U-Cate, etc.

Classroom Enhancement Fund

On March 10, 2017, the Ministry of Education, the BC Public Schools Employers Association, and the BC Teachers' Federation ratified a Memorandum of Agreement (MoA #17) pursuant to Letter of Understanding (LoU) No. 17, to the 2013-2019 BCPSEA-BCTF Provincial Collective Agreement. The Memorandum of Agreement fully and finally resolves all matters related to the implementation of the 2016 Supreme Court of Canada decision. The ratification of the agreement resulted in the establishment of the Classroom Enhancement Fund (CEF) to address the additional teachers and corresponding overhead costs associated with this MoA.

The Classroom Enhancement Fund is comprised of three components: teacher staffing, overhead costs, and remedy.

In mid-October, school districts are required to submit their final staffing plans that reflect actual staffing. Submissions are reviewed and final allocations are confirmed along with the operating grant in mid-December. Remedy funding is announced in December.

	2022/23 Actual		2023/24 Amended		2024/25 Budget		Variance	
	FTE	\$	FTE	\$	FTE	\$	FTE	\$
Classroom Enhancement Fund Summary								
CEF Staffing	338.16	37,750,149	353.01	43,024,547	353.01	43,885,038	-	860,491
CEF Overhead	59.36	5,022,390	58.40	5,298,621	58.40	5,404,593	-	105,972
CEF Remedy	-	608,635	-	402,692	-	-	-	(402,692)
Total Classroom Enhancement Fund	397.52	43,381,174	411.41	48,725,860	411.41	49,289,631	-	563,771

	2022/23 Actual		2023/24 Amended		2024/25 Budget		Variance	
	FTE	\$	FTE	\$	FTE	\$	FTE	\$
Classroom Enhancement Fund								
Teachers	338.16	30,294,069	353.01	34,119,386	353.01	34,801,774	-	682,388
Administrators	1.10	163,566	0.51	79,045	0.51	80,626	-	1,581
Educational Assistants	45.46	2,111,385	45.09	2,310,741	45.09	2,356,956	-	46,215
Support Staff	9.80	527,745	9.80	568,828	9.80	580,205	-	11,377
Other Professionals	3.00	362,132	3.00	383,374	3.00	391,041	-	7,667
Substitutes	-	949,483	-	1,287,684	-	941,171	-	(346,513)
Fringe Benefits	-	8,553,914	-	9,831,722	-	9,992,778	-	161,056
Services and Supplies	-	273,798	-	-	-	-	-	-
Interfund Transfer	-	145,082	-	145,080	-	145,080	-	-
Total Classroom Enhancement Fund	397.52	43,381,174	411.41	48,725,860	411.41	49,289,631	-	563,771

Capital Fund Budget

The capital fund budget represents the district's financial allocation for capital activities aimed at a healthy and functional learning environment for students and staff. It includes expenditures associated with land, buildings, technology, vehicles and equipment, funded by different funding sources such as Ministry of Education and Child Care capital grants, local capital fund balances, operating fund balances, and special purpose funds.

Aligned with the district's strategic plan, Priority 3 Optimized Facilities and Technology, the activities funded by the capital fund budget prioritize the enhancement and optimization of school facilities and technology. This strategic focus aims to cultivate a learning environment that is secure, accessible, and conducive to fostering innovation and creativity.

The capital fund budget includes all capital expenditures pertaining to facilities and equipment, financed through capital grants from Ministry of Education and Child Care capital grants, operating funds, and special purpose funds. The projected total capital fund budget amounts to \$24 million.

In accordance with the Accounting Practice Order of the Ministry of Education and Child Care, an annual deficit within the capital fund is permissible, as long as the annual deficit does not exceed the Local Capital reserve balance of the prior year. This deficit primarily stems from amortization expenses and the acquisition of capital assets exceeding the amortization of deferred capital revenue and budgeted local capital revenue. This provision enables the district to sustain investments in critical capital projects and uphold essential facilities and equipment to deliver high quality education to students.

Long Range Facilities Plan

The district's facilities planning follows the directions set forth in the Long Range Facilities Plan (LRFP), which was approved by the Board of Education in June 2019. The LRFP serves as a comprehensive framework guiding critical capital decisions aimed at optimizing facility usage, determining program locations, managing enrolment pressures, and addressing maintenance priorities across the district.

Informed by the LRFP, the district's annual Five-Year Capital Plan, submitted to the Ministry before the end of June each year, aligns capital investment priorities with the district's operational and educational needs. The LRFP integrates the following considerations to guide the district's capital investment and activities:

- Educational program and service requirements,
- Current and 15-year projections in enrolment and demographics,
- Operating capacities, utilization, and conditions of existing facilities,
- Current and anticipated changes in land use,
- Anticipated new initiatives required by both district and government programming changes, and
- Transportation of students following board policies.

Five-Year Capital Plan

Every year, the district drafts a Five-Year Capital Plan and submits it to the Ministry of Education and Child Care prior to June 30. This annual plan serves as a basis for the Ministry to evaluate and designate priority capital projects eligible for inclusion in the government's capital plan for the ensuing fiscal year. Additionally, the Five-Year Capital Plan contributes to the overall K-12 public education long-term capital planning initiatives.

The district's Five-Year Capital Plan consists of the following categories:

- **Major Capital Programs:** include seismic mitigation program, school expansion program, school replacement program, and new school program.
- **Minor Capital Funding Programs:** include school enhancement program, carbon neutral capital program, school bus acquisition program, and playground equipment program.
- **Building Envelope Program:** include government approved projects to remediate damages to school buildings due to premature building envelope failure based on assessment reports facilitated by the government.

Capital Revenues

The district's capital revenues are funded through the following sources:

- **Bylaw Capital:** This category includes Ministry of Education and Child Care capital grants drawn on Certificates of Approval (COA) for various capital projects. It includes allocations for specific projects, the capital portion of the Annual Facility Grant, funding for Carbon Neutral Capital Projects, and playground equipment funding.
- **Annual Facility Grant:** The Ministry of Education and Child Care provides the Annual Facility Grant (AFG) to cover designated school capital or major maintenance upgrades. These upgrades may include roof replacements, mechanical and HVAC improvements, flooring enhancements, site enhancements, paving and lighting upgrades, as well as exterior painting upgrades. For the 2024/25 school year, the Ministry has allocated approximately \$4.5 million for the capital portion of the AFG grant, representing a 2.5 per cent change or \$0.11 million increase compared to the previous school year.
- **School Site Acquisition Charge (SSAC):** These funds comprise funding amounts collected by the district from the local developers as defined by the *Local Government Act*. Local governments collect these charges from developers for new residential parcels and multiple family residential units. The collected funds are solely designated for the purchase of Ministry approved sites for new schools as outlined in the LRFP and Five-Year Capital Plan.
- **Local Capital Reserve:** This reserve consists of the board's local capital reserves, transferred from the district's operating fund. The fund is reserved for local capital expenditures, with the balance restricted for district funded projects, such as computer leases, technology infrastructure replacement, portable classroom relocation or acquisition, vehicle fleet replacement and equipment replacement.
- **Transfer from Operating Fund:** Funds are transferred from the operating fund to capital fund to support district capital projects when capital assets are needed to be replaced with local capital reserve. This transfer is reflected as an inter-fund transfer between statements contained in the consolidated budget.

Major Capital Projects

The table below presents a list of existing major capital projects, funded by the Ministry of Education and Child Care, that are anticipated to be completed during the fiscal period from 2024/25 to 2026/27 school year.

Facility Name	Project Description	Anticipated Completion Date
Samuel Brighthouse Elementary	Modular Classroom Additions	September 2024
Cook Elementary	Modular Classroom Additions	September 2024
Alfred Dixon Elementary	Seismic Upgrade	September 2026
John G. Diefenbaker Elementary	Seismic Upgrade	April 2028
James Whiteside Elementary	Childcare Facilities	September 2024
James McKinney Elementary	Childcare Facilities	September 2024
William Bridge Elementary	Childcare Facilities	September 2024
Adult Education Centre	Childcare Facilities	September 2024

Local Capital Reserve

The board is responsible for ensuring the district is protected financially from extraordinary circumstances that would negatively impact district operations, facilities and technology infrastructure. To discharge this responsibility, the board has established contingency reserve from available operating surplus, which will be used to mitigate any negative impact such circumstances may cause.

In addition, the existing budget often is not sufficient to support the procurement or life-cycle replacement of district assets that are not specifically funded by the Ministry. In many cases, these capital asset replacements are costly and require large sum of funds, which require the district to accumulate funds through local capital reserves over a number of fiscal years.

The budget required to complete building maintenance projects identified through facility condition assessments far exceeds the annual facilities grant and the capital funding for building enhancement projects. This means the deferred maintenance for district facilities continues to grow and facility condition index for district facilities continues to decline.

Therefore, major equipment or structure failure must be prepared for by setting up the contingency reserve and future capital projects. These include, but are not limited to, the following project types: information technology equipment and infrastructure replacement, server replacement, district fleet replacement, shop equipment replacement, building envelope remediation, roof repairs or replacement, and boiler replacements.

Schedule of Local Capital Reserve	Opening Balance	Planned Use	Closing Balance
	July 1, 2023	2023/24	June 30, 2024
Capital Lease Obligations	8,583,102	-	8,583,102

Current Capital Projects	19,952,023	(940,441)	19,011,582
Future Capital Projects	14,498,889	(6,802,400)	7,696,489
Contingency Reserve	2,000,000	-	2,000,000
Under Review by Board	3,847,395	51,767	3,899,162
Total Local Capital Reserve	48,881,409	(7,691,074)	41,190,335

Asset Retirement Obligations (ARO)

The Public Sector Accounting Standards Board issued a new standard that came into effect on how to account for future asset retirement obligations. The standard is applicable to fiscal years beginning on or after April 1, 2022.

The standard defines an ARO as the legal obligation associated with the retirement of a tangible capital asset primarily associated with the removal and disposal of hazard materials, such as asbestos and environmental hazardous materials. The application of this standard has no impact on the operating fund of the district and minimal impact on the capital accounts.

Financial Stability and Other Significant Factors

Recruitment and Retention

In alignment with the Strategic Plan Priority Four, the district focuses on staff recruitment and retention within different employee groups. Specifically, the Human Resource (HR) Department have implemented a variety of initiatives through a multi-pronged recruitment and retention strategy.

- Recruitment and attraction: improving recruitment branding, job fairs, online and social-media recruitment strategy and outreach to attract and source high-quality applicants.
- Improving candidate experience: reviewing and improving recruitment processes, interview guides, and providing support and resources for hiring managers.
- Planning for future recruitment: increasing capacity for practicum placements (both RTA and CUPE) and strengthening relationships with post-secondary institutions, as well as delivering presentation within the district for Grade 11 and 12 career planning classes. Providing teacher practicum supplementary professional learning opportunities to foster affiliation and support readiness.

In collaboration with partner groups, HR has been implementing innovative approaches to fill positions and recruit employees for teaching and support staff positions. Included in the 2024/25 operating budget is an additional 25 contracted positions of TTOCs to alleviate daily teacher shortages.

The Continuing Education Department continues to offer Richmond Educational Assistant Program (REAP), which serves as a source for EA candidates and contributes to the district’s recruitment needs. The REAP offers both part-time and full-time programs, with students enrolled and expected to graduate in fall 2024 and early 2025.

Despite the significant efforts exerted by the HR Department, the district will continue to face challenges in filling vacancies. Additionally, recruitment for Educational Assistants, support staff, management and other professional staff remains ongoing. The district continues to encounter challenges due to

heightened competition in compensation and working conditions within public sector entities and the broader employment market. Addressing these challenges remains a top priority for the district.

The staffing challenges not only impact student learning but also have potential impacts on staff and families. A stronger provincial strategy may be necessary to expand the capacity of teacher education programs, and to increase retention efforts, particularly through competitive compensation packages that align with employment market within both the public sector and broader market.

City Centre School Space Shortage

The City Centre area of Richmond is currently served by four elementary schools: Samuel Brighthouse, William Cook, RC Talmey, and FA Tomsett. These schools are currently operating beyond their capacity. Student enrolment in the four City Centre elementary schools grew by 15 per cent in 2022 and 12 per cent in 2023. The momentum of the growth is expected to persist due to the concentration of approximately 85 per cent of Richmond's recently approved and active housing development applications in the City Centre area. Significant space pressure due to enrolment growth is anticipated at these schools for the foreseeable future.

To accommodate rapid enrolment growth in Richmond City Centre, the District's Capital Plan includes a combination of additions to maximize the utilization of existing City Centre elementary school sites as well as two new elementary schools to serve the citizens in this area. Significant local capital reserve funds have been set aside for relocating and potentially purchasing portable classrooms to address space shortage on a temporary basis. Capital support from the province is required for city centre school site acquisition.

Ministry Grant Revenue

The ministry grant revenues are the largest source of revenue to support the district's operating expenses. The Ministry provides funding based on student enrolment, unique student needs as well as other supplemental funding.

For the 2024/25 operating grant funding formula, the Ministry is increasing the basic per-student allocation by 3.4 per cent. Other operating grant rate increases for students with unique needs include a 3.4 per cent increase for Students with Diverse Needs, a 3.5 per cent increase for Indigenous Education Targeted Funding, and a 3.5 per cent increase for English Language Learners (ELL). The grant rate increases are primarily driven by salary increases for unionized employees that are being included in the operating grant funding formula.

While the Ministry provides funding increases for costs associated with the labour settlement, a number of staffing related costs remain unfunded. The Ministry does not normally provide specific funding for step increments for teachers, administrators and other professional and management staff. Benefit costs are also rising and are contractual in nature and therefore cannot be avoided or reduced.

Employer contributions to Canada Pension Plan (CPP), Employment Insurance (EI), and Employer Health Tax (EHT) have been increasing over the past five years and will continue to rise based on larger salary base. Other employee benefits, including enhanced health care, dental and WorkSafe premiums, have also experienced significant increase and will continue to rise over the next three years.

School districts are required to allocate funding to cover the cost associated with the aforementioned compensation increments and benefit increases. The district continues monitoring the impact of these unfunded staffing cost components and follows prudent financial planning practices to ensure there are sufficient financial resources to cover increasing costs.

International Education Program Revenue

The International Education Program provides a significant source of revenue to support the educational programs in the district. The global pandemic had a significant impact on the international education program in the 2020/21 and 2021/22 school years. The international fee-paying enrolment revenue experienced a 30 per cent decline (or about 280 students) during the pandemic. In 2023/24, enrolment has recovered to a total of 950 student FTEs due to pent-up demand. The program is anticipated to stabilize at 875 student FTEs over the next three years.

The Richmond International Education (RIE) department is dedicated to maintaining a vibrant, diverse, and comprehensive program, including short-term and long-term study options, group programs, and summer camp programs. Despite the evolving demographics, with a growing diversity among international students, the primary sources of enrolment continue to originate from countries in East Asia.

The program continues to face challenges pertaining to homestay availability. Other potential challenges that may affect RIE include: international and geopolitical dynamics, Immigration Refugees and Citizenship Canada (IRCC) entry requirements, document processing times, increased competition, cost of living, currency exchange rates, international travel availability, and potential school space availability. Given past experience of international revenue volatility and its significance in supporting the district's various initiatives, it is prudent for the board to maintain a contingency fund to bridge negative budget impact due to any unforeseen revenue decline of this program.

Contact Management

This report is designed to provide community and partner groups with a general overview of the district's budget plan and to demonstrate the district's accountability for the public funds it receives. If you have any questions about this report or need additional information, please contact SD38BudgetFeedback@sd38.bc.ca.

For more information on the budget process, please visit: (<https://sd38.bc.ca/our-district/budget-finance>)

For more information on the strategic plan, please visit: (<https://sd38.bc.ca/board-education/strategic-plan-2020-2025>)

RICHMOND
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Richmond School District

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