

Budget Advisory Working Group

Richmond School District Amended Budget and Annual Budget

February 10, 2025

Presentation Outline

- 2024/25 Amended Budget
- Operating Revenues
- Operating Expenses
- Budget Process
- Annual Budget Engagement
- Table Discussions

2024/25 Amended Budget

K-12 Education Funding Formula

75% allocated through the Basic Allocation	Basic Allocation Common per student amount for every FTE student enrolled by school type.	
	Standard School	\$8,915 per school age FTE
	Alternate School	\$8,915 per school age FTE
	Continuing Education	\$8,915 per school age FTE
	Online Learning	\$7,200 per school age FTE
18% allocated to recognize unique student enrolment	Unique Student Additional per student funding to address uniqueness of district enrolment and support additional programming. Includes Equity of Opportunity Supplement for children and youth in care and students with mental health challenges.	
	Level 1 Inclusive Education	\$50,730 per student
	Level 2 Inclusive Education	\$24,070 per student
	Level 3 Inclusive Education	\$12,160 per student
	English/French Language Learning	\$1,795 per student
	Indigenous Education	\$1,770 per student
	Adult Education	\$5,690 per FTE
7% allocated to recognize unique district factors	Unique District Additional funding to address uniqueness of district factors.	
	Small Community	For small schools located a distance away from the next nearest school
	Low Enrolment	For districts with low total enrolment
	Rural Factor	Located some distance from Vancouver and the nearest large regional population centre
	Climate Factor	Operate schools in colder/warmer climates; additional heating or cooling requirements
	Sparseness Factor	Operate schools that are spread over a wide geographic area
	Student Location Factor	Based on population density of school communities
	Supplemental Student Location Factor	Level 1 and 2 inclusive education enrolment
	Salary Differential	Funding to districts that have higher average educator salaries
0.1% allocated to buffer the effects of declining enrolment	Funding Protection / Enrolment Decline	
	Funding Protection	Funding to ensure that no district experiences a decline in operating grants greater than 1.5% when compared to the previous September
	Enrolment Decline	Funding to districts experiencing enrolment decline of at least 1% when compared to the previous year

2024/25 Amended Budget Highlights

- The Ministry of Education finalized 2024/25 funding based on September 30 actual enrolment
- Higher revenues than budgeted:
 - Ministry operating grant
 - Net of lower interest income and tuition revenue
 - Note for special purpose fund: Classroom Enhancement Fund (CEF)
- Higher expenses than budgeted:
 - Additional teaching positions to honour the requirements of the collective agreement
 - Additional educational assistant positions to ensure services to students with additional needs
 - Increases in total salaries and substitute costs
 - Increase in employee benefits due to increased benefit usages, as well as statutory and non-statutory benefit rate increases
- Balanced 2024/25 Amended Budget

Amended Budget – Enrolment Based Funding

		2024/25 Actual (Sept Count ONLY)		2024/25 Preliminary		2024/25 Actual vs Preliminary		2023/24 Actual		2024/25 Actual vs 2023/24 Actual		
Enrolment Based Funding - September		2024/25 Per Student Funding	Enrolment	Funding (\$)	Enrolment	Funding (\$)	Enrolment	Funding (\$)	Enrolment	Funding (\$)	Enrolment	Funding (\$)
Total School Age FTE												
	Standard (Regular) Schools	\$8,915	22,303	\$ 198,832,917	22,147	\$ 197,440,505	156	\$ 1,392,412	21,636	\$ 186,606,188	668	\$ 12,226,729
	Continuing Education (Sept Only)	\$8,915	2	\$ 16,716	5	\$ 45,689	(3)	\$ (28,973)	5	\$ 44,203	(3)	\$ (27,487)
	Alternate Schools	\$8,915	71	\$ 632,965	82	\$ 731,030	(11)	\$ (98,065)	82	\$ 707,250	(11)	\$ (74,285)
	Online Learning	\$7,200	186	\$ 1,340,550	165	\$ 1,188,000	21	\$ 152,550	177	\$ 1,232,355	9	\$ 108,195
	Homeschoolers	\$250	36	\$ 9,000	36	\$ 9,000	-	\$ -	36	\$ 9,000	-	\$ -
	Course Challenges	\$279	74	\$ 20,646	65	\$ 18,135	9	\$ 2,511	65	\$ 17,550	9	\$ 3,096
TOTAL ENROLMENT BASED FUNDING			22,672	\$ 200,852,794	22,500	\$ 199,432,359	172	\$ 1,420,435	22,001	\$ 188,616,546	672	\$ 12,236,248

Data source: Ministry of Education and Child Care, as of January 28, 2025.

Amended Budget – Supplementary Funding

Data source: Ministry of Education and Child Care, as of January 28, 2025.

			2024/25 Actual (Sept Count ONLY)		2024/25 Preliminary		2024/25 Actual vs Preliminary		2023/24 Actual		2024/25 Actual vs 2023/24 Actual	
Supplementary Funding	2024/25 Per Student Funding	Enrolment	Funding (\$)	Enrolment	Funding (\$)	Enrolment	Funding (\$)	Enrolment	Funding (\$)	Enrolment	Funding (\$)	
Enrolment Decline Supplement		-	\$ -		\$ -	-	\$ -	-	\$ -	-	\$ -	
Unique Student Needs												
ELL	\$1,795	7,762	\$ 13,932,790	7,576	\$ 13,598,920	186	\$ 333,870	7,438	\$ 12,904,930	324	\$ 1,027,860	
Indigenous	\$1,770	242	\$ 428,340	255	\$ 451,350	(13)	\$ (23,010)	255	\$ 436,050	(13)	\$ (7,710)	
Special Education												
Level 1	\$50,730	15	\$ 760,950	13	\$ 659,490	2	\$ 101,460	13	\$ 637,910	2	\$ 123,040	
Level 2	\$24,070	1,114	\$ 26,813,980	1,055	\$ 25,393,850	59	\$ 1,420,130	1,011	\$ 23,536,080	103	\$ 3,277,900	
Level 3	\$12,160	140	\$ 1,702,400	155	\$ 1,884,800	(15)	\$ (182,400)	152	\$ 1,787,520	(12)	\$ (85,120)	
Adult Education	\$5,690	21	\$ 116,645	15	\$ 85,350	6	\$ 31,295	18	\$ 100,122	2	\$ 16,523	
Equity of Opportunity Supplement (was Vulnerable Students)			\$ 1,183,301		\$ 1,175,452		\$ 7,849		\$ 1,066,826	-	\$ 116,475	
Total Unique Student Needs Funding		9,294	\$ 44,938,406	9,069	\$ 43,249,212	225	\$ 1,689,194	8,887	\$ 40,469,438	406	\$ 4,468,968	
Salary Differential			\$ 1,594,518		\$ 1,018,523		\$ 575,995		\$ 1,112,867		\$ 481,651	
Unique Geographic Factors			\$ 1,351,843		\$ 1,351,843		\$ -		\$ 1,229,431		\$ 122,412	
Holdback			\$ -				\$ -		\$ -		\$ -	
Summer Learning Funding			\$ 2,420,345		\$ 1,854,752		\$ 565,593		\$ 1,900,770		\$ 519,575	
Curriculum and Learning Support Fund			\$ 197,097		\$ 197,097		\$ -		\$ 188,903		\$ 8,194	
Indigenous Education Councils			\$ 59,250		\$ 59,250		\$ -		\$ -		\$ 59,250	
TOTAL SUPPLEMENTARY FUNDING		9,294	\$ 50,561,459	9,069	\$ 47,730,677	225	\$ 2,830,782	8,887	\$ 44,901,409	406	\$ 5,660,050	
TOTAL AGGREGATE FUNDING (Including Feb and May Counts)			\$ 252,588,106		\$ 248,336,889		\$ 4,251,217		\$ 235,480,681		\$ 17,107,425	

Amended Budget – Classroom Enhancement Fund (CEF)

				2024/25 Actual		2023/24 Actual		2024/25 Actual vs 2023/24 Actual	
Classroom Enhancement Funding (CEF)				Teacher FTE	Funding (\$)	Teacher FTE	Funding (\$)	Teacher FTE	Funding (\$)
Funding for Teacher FTEs				353	\$ 44,682,306	353	\$ 43,024,547	-	\$ 1,657,759
Overhead					\$ 5,522,243		\$ 5,298,621		\$ 223,622
Remedy					\$ 366,930		\$ 453,420		\$ (86,490)
TOTAL CEF FUNDING				353	\$ 50,571,479		\$ 48,776,588		\$ 1,794,891

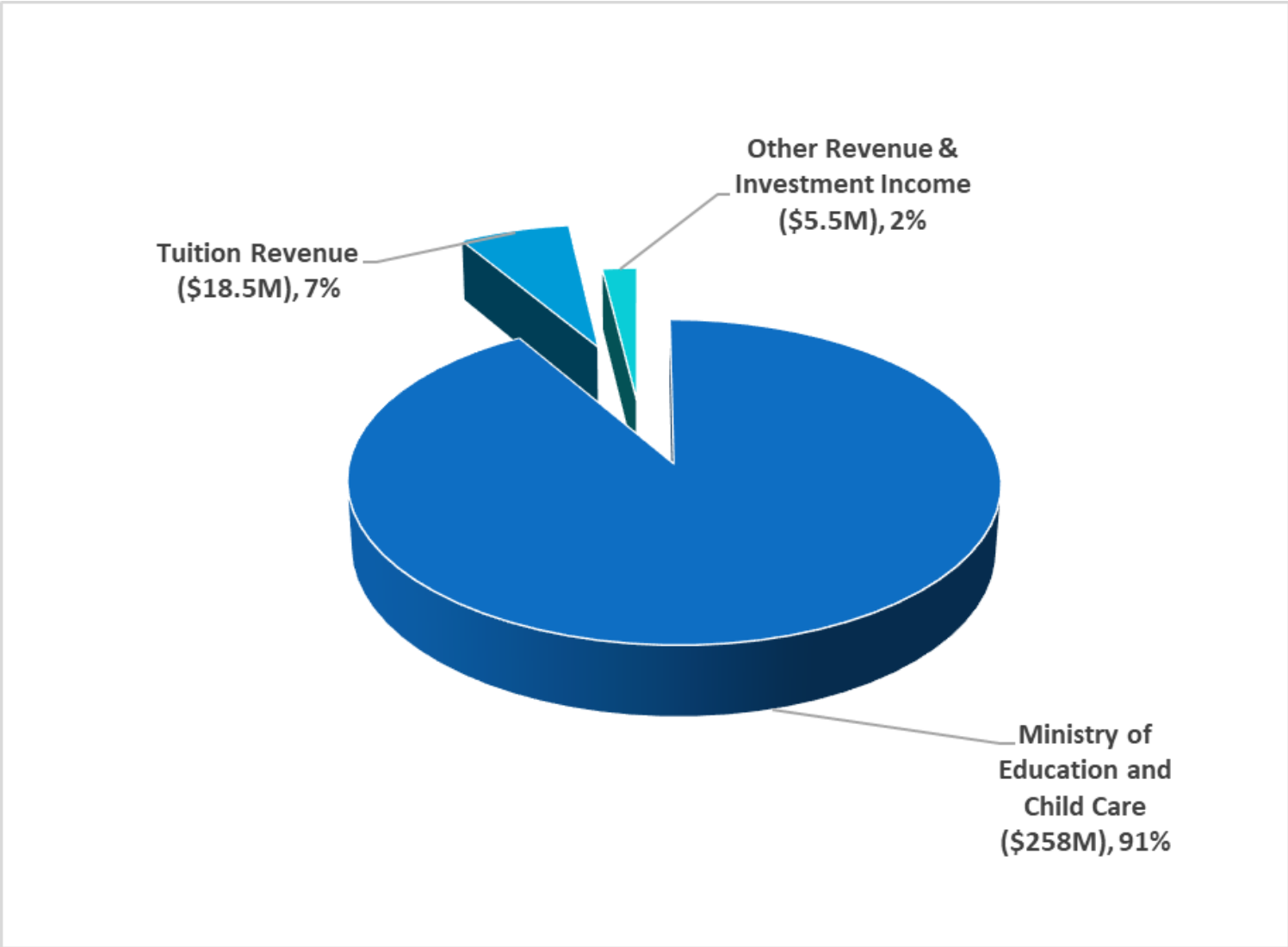
Data source: Ministry of Education and Child Care, as of January 28, 2025.

2024/25 Amended Budget Highlights

Increase (Decrease) in Revenues		
Ministry Operating Grant - Basic Education and Additioinal Student Needs	\$ 4,251,217	
Ministry Funding - Other Grants		
COLA Funding	\$ 2,523,122	
ICY - Timing Difference for Funding Received prior to June 30, 2024	\$ (779,206)	
Other Grants (Summer, Dual Credit etc)	\$ 80,873	
Other Revenue		
Tuition Revene	\$ (1,499,697)	
Investment Income	\$ (884,866)	
Rental Revenue - Increase of Usage	\$ 126,586	
One-time Legal Settlnent - Mircrosoft	\$ 496,565	
Total Revenue		\$ 4,314,594
Increase (Decrease) in Expenses		
Teachers	\$ 1,705,663	
Educational Assistants	\$ 631,704	
Other - Support Staff, Administrators and Professionls	\$ 502,675	
Substitutes	\$ 745,553	
Total Salaries	\$ 3,585,595	
Employee Benefits	\$ 1,010,409	
Services and Supplies (International, Utilities etc)	\$ (281,410)	
Total Expenses		\$ 4,314,594

Operating Revenue

Operating Revenue Sources

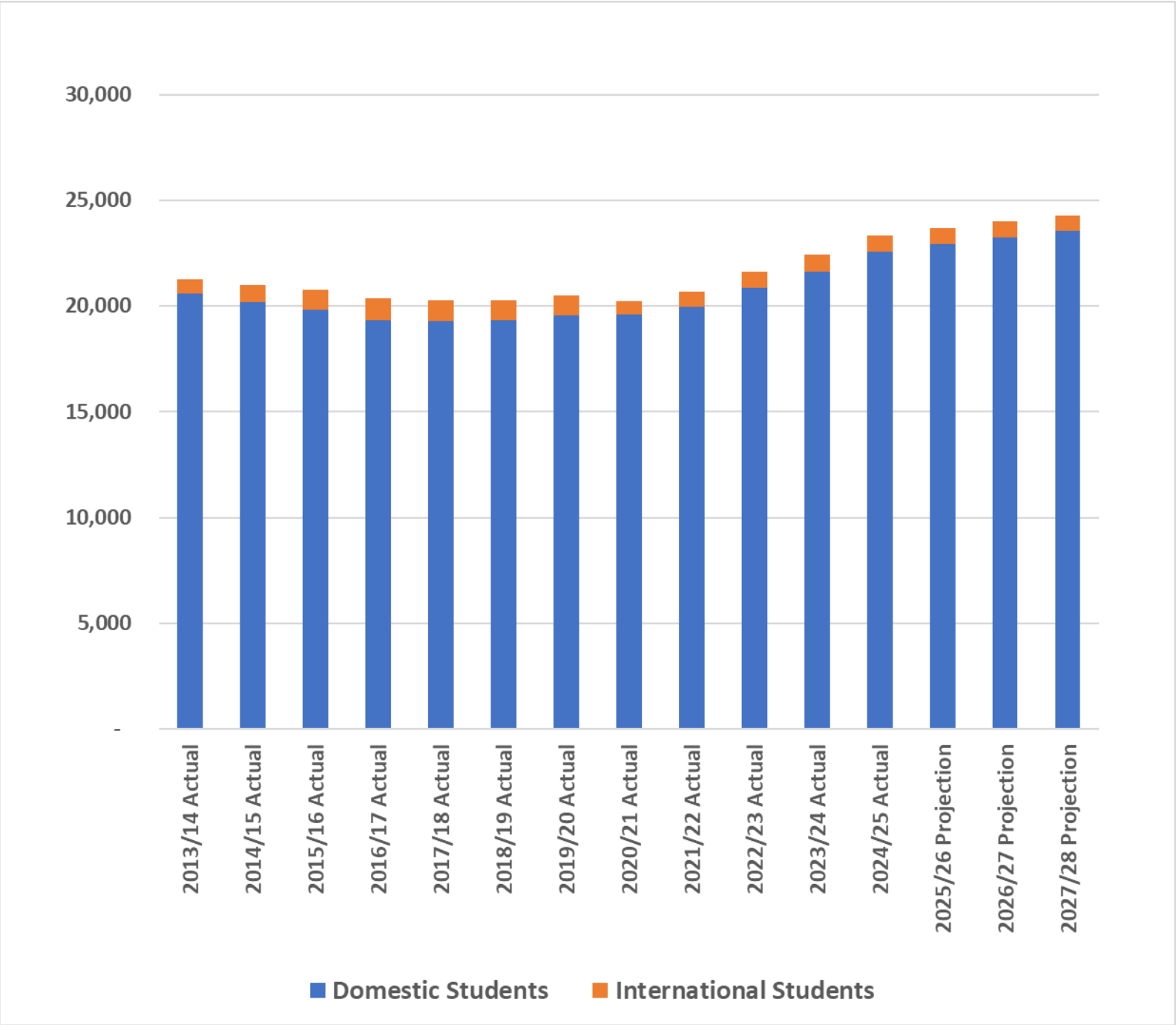


Data source: 2024/25 Amended Budget

Enrolment Projection Model

- **Definition of Budget Assumptions:**
 - Best estimates of budget factors based on available information and extensive analysis at the time of budget development
- **Student Enrolment Projection – Planning Department:**
 - Hybrid model:
 - Uses school catchment based local knowledge on growth and demographics to develop school by school projection
 - Justified with a global cohort survival methodology based on district enrolment trends and demographic data
 - Global projection using the cohort survival methodology typically relies on a five-year average student retention rate, which is commonly used by metro school districts
 - Housing development and completion data in the City of Richmond
 - City centre densification (localized surges), major network roads densification (localized impact) and neighborhood infill (slower impact)
 - Birth and age cohort data from Statistics Canada and BC Stats
 - Kindergarten children projection – age 5 estimates by the district and school catchment
 - Federal Government immigration policy shift – increased targets to 500k per year
 - Social, economic and political impacts on net in-migration and student population
- 2025/26 Preliminary Projection - Flat

Enrolment Trend



Other Revenues

- **Two Main Categories of Other Revenues:**
 - Investment income
 - Rental revenue (daycare operations and school rental)
- **Budget Assumptions:**
 - Investment income is projected to decline due to lower interest rates
 - Current interest rate: 3.2% for central deposit program
 - 2024/25 annual average: 3.5% for central deposit program
 - Historical average interest rates:
 - 2023/24: 5.5%
 - 2022/23: 4.4%
 - 2021/22: 1.2%
 - 2020/21: 1.5%
 - 2019/20: 2.5%
 - 2018/19: 2.9%
 - Rental revenue is projected to remain stable

Operating Expense

Consolidated Budget

Total Consolidated Budget



Capital Fund (\$26M) 7%

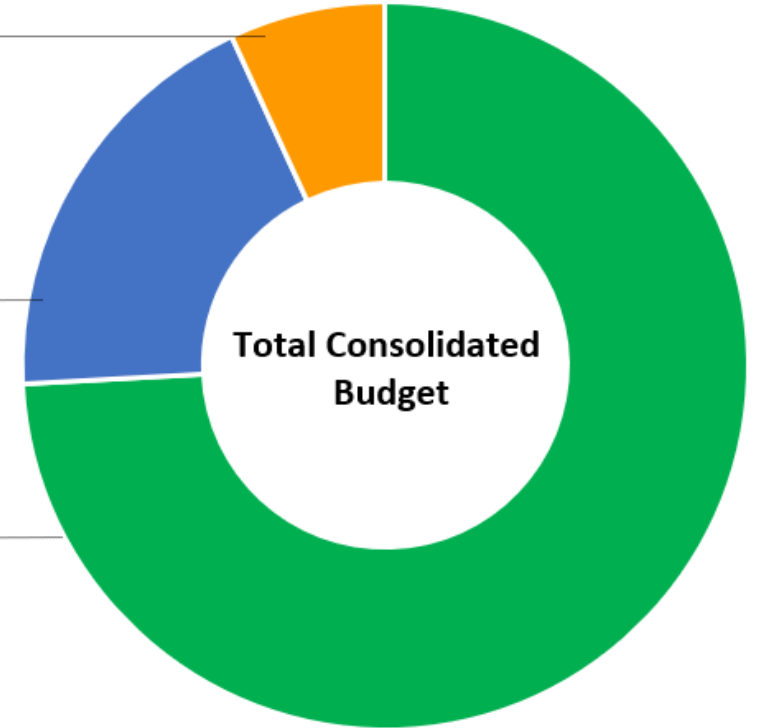
Construction of seismic projects, building upgrades, and bus and equipment purchasing

Special Purpose Fund (\$71M) 19%

Targeted for specific programs and services, for example: Classroom Enhancement Funds and Annual Facilities Grant program

Operating Fund (\$279M) 74%

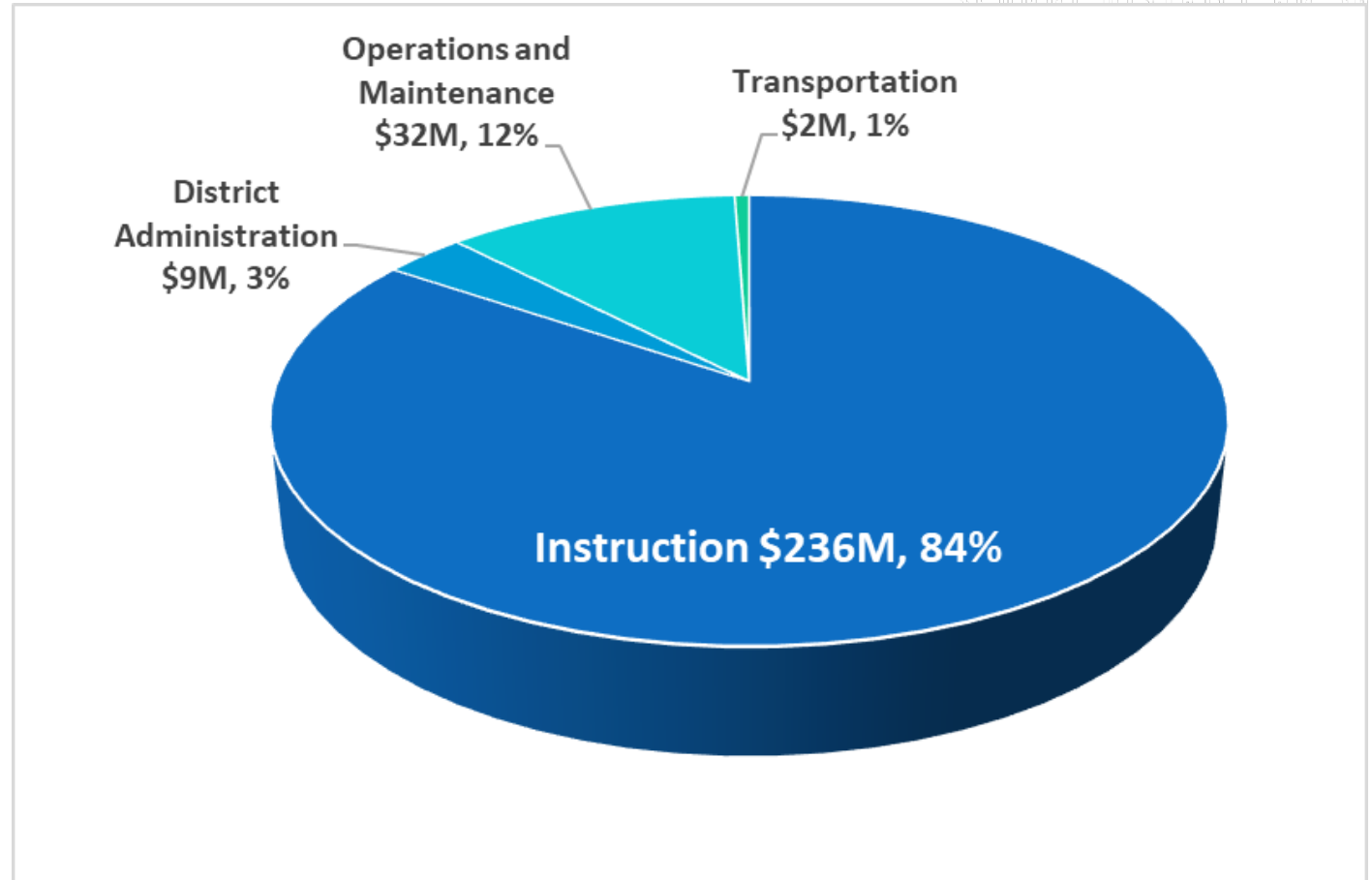
Staff salaries and benefits, supplies, cleaning, heat, light, administration, student transportation and the day-to-day operations of the district



Data source: 2024/25 Amended Budget

Operating Budget Program Allocation

Operating Expenses by Program Area

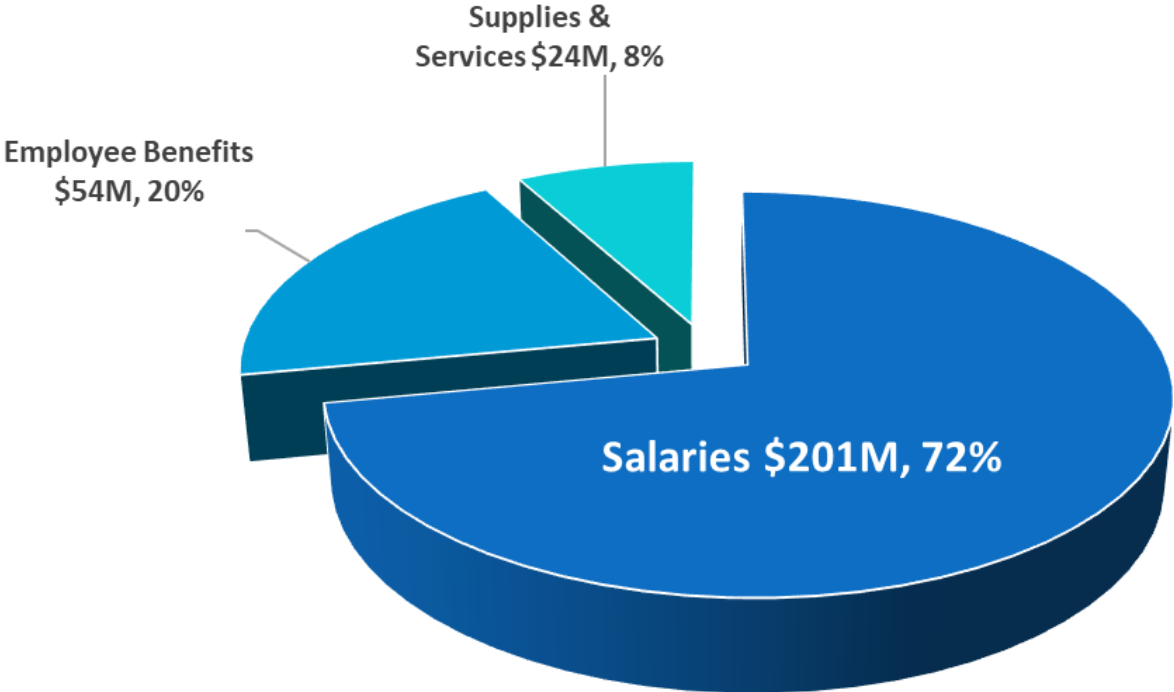


Data source: 2024/25 Amended Budget

Operating Expenses by Object Allocation



Operating
Budget
Object
Allocation



Data source: 2024/25 Amended Budget

Budget Assumptions

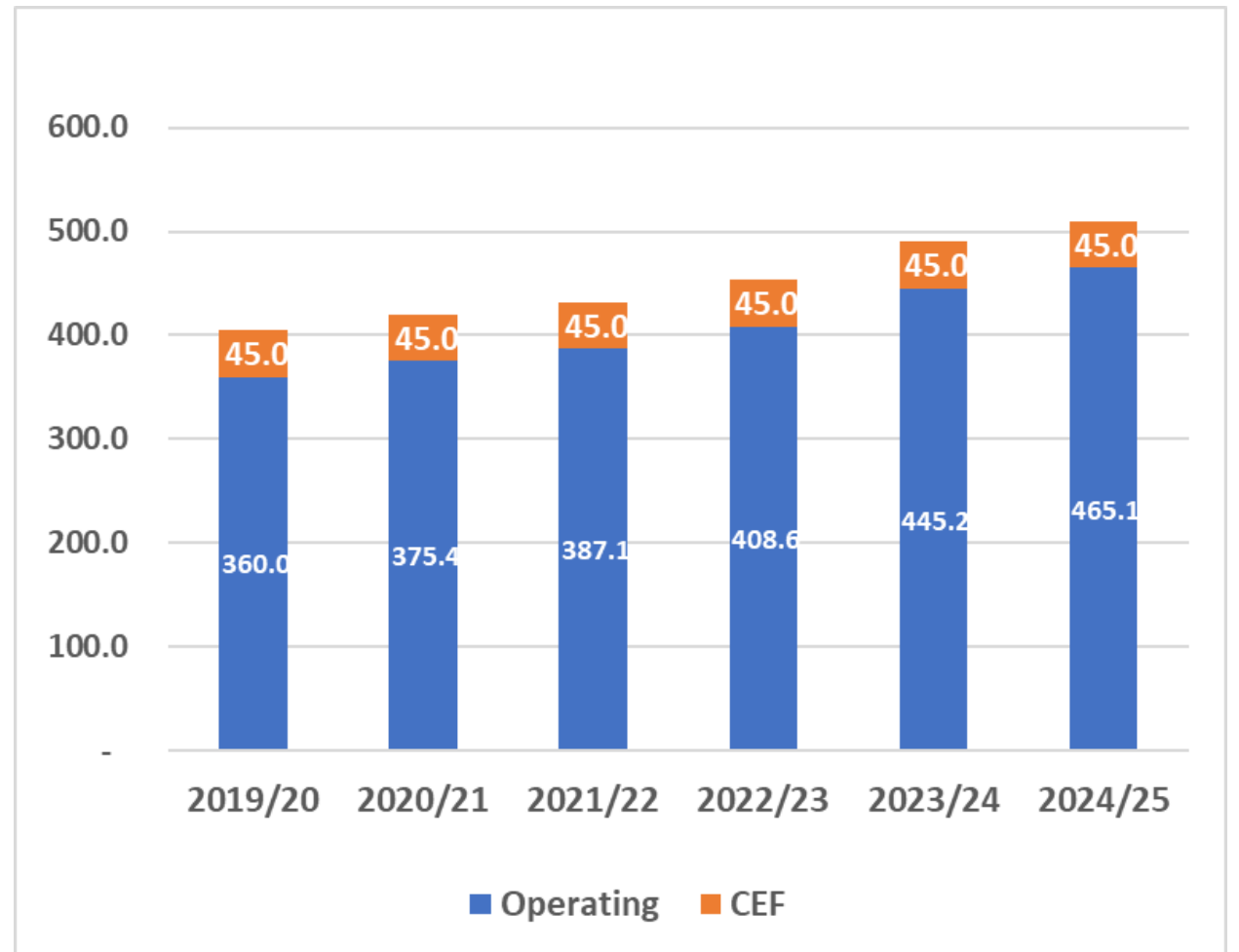
Staffing Costs:

- Teaching positions to support enrolment growth
- Educational Assistant positions to support students with additional needs
- Salary step increments for teachers
- Benefit increases due to salary increase, rate increase and higher usage
- Substitute costs increases

Supplies and Service Costs:

- General inflationary cost increases
- Utilities rate increases (electricity, natural gas, water/sewage)
- Cost increases in services and contracts, including insurance, rental expenses and software and licensing cost increases
- Transfers to local capital fund to meet capital asset replacement requirements, including vehicle replacement, computer and photocopier leases, custodial and IT equipment update and replacement

Number of Educational Assistants



	Actual 2019/20	Actual 2020/21	Actual 2021/22	Actual 2022/23	Actual 2023/24	Actual 2024/25
Operating	360.0	375.4	387.1	408.6	445.2	465.1
CEF	45.0	45.0	45.0	45.0	45.0	45.0
Total	405.0	420.4	432.1	453.6	490.2	510.1
Year over Year Increase		15.4	11.7	21.5	36.6	19.9

Data source: 2024/25 Amended Budget

Preliminary Operating Budget Shortfall

Preliminary Assessment for 2025/26 Annual Budget:

- Expecting an operating shortfall
- System adjustments to improve organizational effectiveness
- Broader context of the operating shortfall
 - Timing of the final estimates
 - BC economy and government spending
 - Inflationary costs
 - Wider economy and interest rates
 - Slowing effect on international students

Budget Process



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 focussed 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

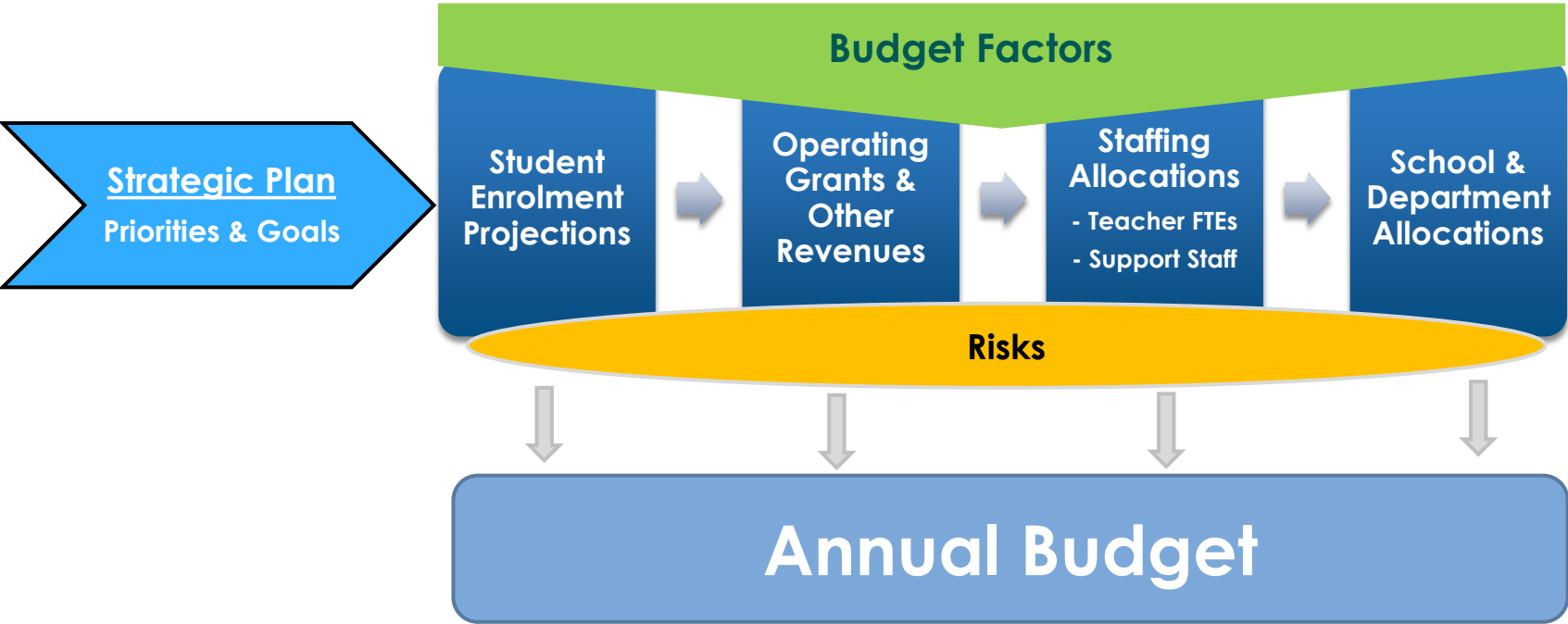


Budget decisions will be based on accurate, relevant data and information

Guiding Principles

Annual Budget Development Process

Aligning
Budget and
Strategic Plan



School District Fiscal Cycle

November – December

- Update current year budget for September enrolment and known cost pressures
- Ministry operating grants announcement
- On-going budget analysis
- Budget assumptions analysis from previous year
- Board approval of budget timeline

January – February

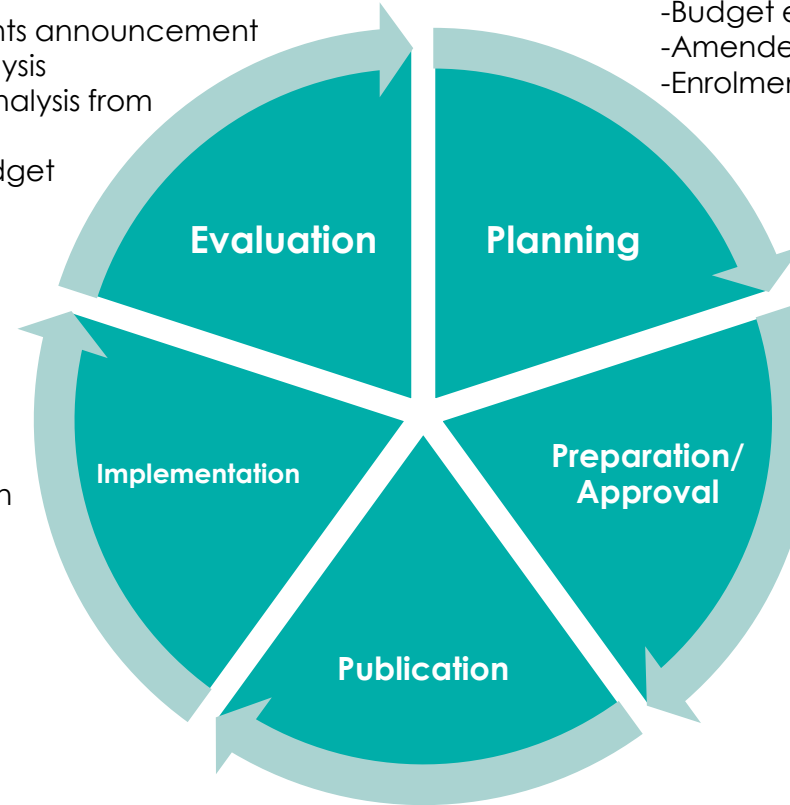
- On-going implementation of Strategic Plan
- Budget estimates & forecasting
- Amended budget approval
- Enrolment projections

July – November

- Year-end audit
- Financial statements
- School budget allocation
- School & Department budget implementation

February – April

- Budget consultation
- Program/service cost review
- Develop three-year base budget
- Provincial budget
- Ministry funding announcement
- Budget approval



May - June

- Multi-year fiscal plan update
- Submission to Ministry

Ministry and School District Budget Policy

Ministry K-12 Public School Financial Reporting Policy

- Ministry's financial reporting policy requires that boards of education to prepare a balanced annual budget, engage in a long-term planning, mitigate financial risk and support consistent service to students.
- A balanced annual budget, which means revenues plus accumulated operating surplus and capital reserves fully fund:
 - Operating expenses
 - Tangible capital asset acquisition
 - Planned reduction of prior year shortfalls

Policy 631 and 631-R Accumulated Operating Surplus and Capital Reserves

- The Board is responsible for the financial health of the district and protecting the district from financial forecasting risk and unforeseen circumstances that would negatively impact the education of students.
- Maintain long-term fiscal stability, manage financial risks and support the mandate of success for all students
- Create a contingency fund for unforeseen circumstances
- Budget for one-time funding for educational programs and unfunded capital projects
- One-time funding to cover unforeseen and unavoidable expenditures
- Unrestricted accumulated operating surplus and local capital reserve balance: 2-4% of the district's annual operating budget

Annual Budget Engagement

Roles of Education Partners

Education Partner Engagement:

- Two-way dialogue to allow the Board and partner groups to explore opportunities and challenges and work together on solutions
- Allows for valuable input to the district's fiscal decision making

Role as Education Partners:

- Learn about government funding allocation and district budget process
- Learn about the priorities and goals set out in the district Strategic Plan
- Learn about the district's accountability to the provincial government
- Engage in the budget consultation by asking questions about the budget
- Contribute ideas and input that align the Strategic priorities and goals in the with the district fiscal plan and resource allocation

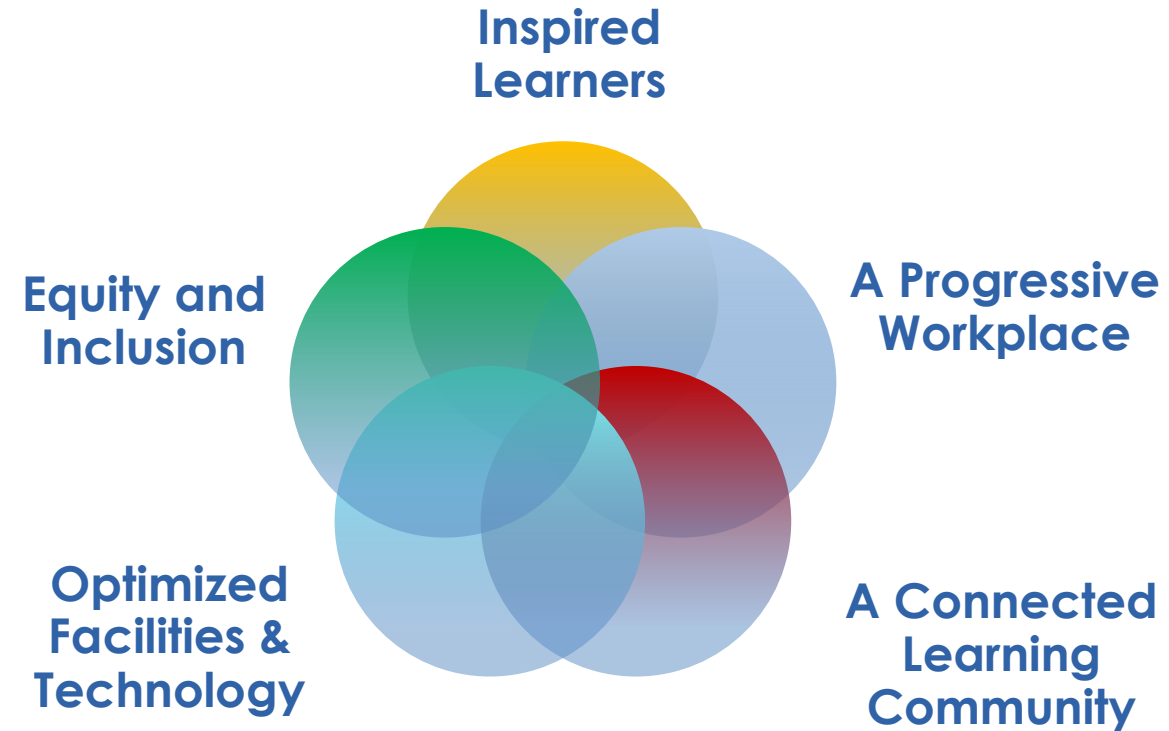
Role as Board of Education:

- Elected decision-making body
- Accountable to the interest of public education and provincial government in fiscal management
- Listen and consider partner group input and concerns

Our Focus is on the Learners

RICHMOND
SCHOOL DISTRICT NO.38

Strategic Plan Areas of Focus



RICHMOND
SCHOOL DISTRICT NO.38

Key Dates

Date	Meeting	Goal
February 11, 2025	Trustee Budget Workshop	An opportunity for Trustees to review and discuss Amended Budget 2024/25 and preliminary 2025/26 Annual Budget information.
February 10, 2025	Budget Advisory Working Group Meeting	The board and education partner groups engage in round table discussions on the alignment between the fiscal plan and strategic plan priorities and goals.
March 13, 2025	Richmond Leadership Team (RLT) Meeting Budget Consultation	Preliminary budget information presented to RLT for their feedback and input.
February 12, 2025	Finance & Legal Committee Meeting	Presentation of 2024/25 Amended Budget.
February 19, 2025	Public Board Meeting	Approval of 2024/25 Amended Budget.
March 6, 2025	Budget Advisory Working Group Meeting	Preliminary three-year fiscal plan and draft budget proposals presented to education partner groups for feedback and input.
March 12, 2025	Public Board Meeting – Annual Budget Committee of the Whole	The public and stakeholders are invited to comment on the preliminary annual budget proposals during the Committee of the Whole of the public board meeting.
April 1, 2025	Trustee Budget Workshop	An opportunity for Trustees to discuss draft budget proposals; staff finalize the annual budget following Trustee Workshop.
April 23, 2025	Public Board Meeting	Final approval through three readings of the budget bylaw.

Contact

- Contact us at: sd38budgetfeedback@sd38.bc.ca



RICHMOND
SCHOOL DISTRICT NO. 38

Table Discussions

1. **What budget priorities are important to you?**
2. **Are there areas that you think the Board should consider allocating additional funding to support the priorities in the Strategic Plan?**
3. **Are there areas that you think the Board should consider decreasing funding to support the priorities in the Strategic Plan?**
4. **Are there any budget-related suggestions that you would like the Board to consider?**