



**NANAIMO LADYSMITH PUBLIC SCHOOLS
STRATEGIC DIRECTIONS COMMITTEE
PUBLIC MEETING
INFORMATION SHEET**

DATE: April 9, 2025
TO: Strategic Directions Committee
FROM: Mark Walsh, Secretary-Treasurer and Taunia Sutton, Associate Secretary-Treasurer
SUBJECT: 2025-26 Preliminary Annual Budget Overview

Background

The Ministry of Education and Child Care requires districts to prepare an Annual Budget in advance of the school year, which is based on estimated enrolments, revenues, and expenses. An Amended Annual Budget is then prepared each February based on actual enrolments captured September 29th on the 1701 Student Data Collection, and revised revenue and expense estimates based on more current operations and funding levels.

This information sheet provides an overview as to how the 2025-26 Preliminary Annual Budget has been prepared, and how it compares to the 2024-25 Amended Annual Budget. The overview provides enrolments, funding, staffing and expense adjustments and assumptions as well as identifies any gaps in information that may remain that could have an impact on the actual preliminary budget.

An important highlight of the 2025-26 Annual Budget is in regard to the significant investments made in mid 2024-25 using accumulated operating surplus which for the most part have been maintained by embedding them in our ongoing Operating Fund. The additional costs do require utilizing all available resources but is extremely favorable for the district to be able to continue these investments in support of enhancing student outcomes.

Discussion

The 2025-26 Preliminary Annual Budget has been prepared by taking the 2024-25 Amended Annual Budget that was presented and approved by the Board in February, then adjusting it to account for all known or anticipated changes required for the coming fiscal year

The most notable changes include:

- All items within the 2024-25 Amended Annual budget that were funded by Restricted or Unrestricted Surplus have been removed.
- The Ministry of Education and Child Care Operating Grant has been updated per projected student enrolment.
- Any one-time Grants have been removed, along with their associated expenditures.
- Rental, Lease, and Investment income levels have been adjusted per 2025-26 estimates.
- Before and After School Child Care revenues and expenses have been adjusted for 2025-26

- International Student Tuition has been adjusted per anticipated enrolment for 2025-26.
- Adjustments to account for estimated benefit and replacement cost have been incorporated.
- All staffing has been adjusted to remove one-time supports where applicable, and to add the staffing necessary to support the anticipated number of students in 2025-26.
- General Wage Increases (GWI's) have not been incorporated as bargaining is underway and any applicable wages increases are still TBD. Pending ratification, any wage increases will be funded under Special Grant by the Ministry and will be incorporated into the Amended Budget.
- Average Teacher Salaries have been increased only to account for estimated incremental costs in 2025-26.
- Contractual obligations, inflationary cost pressures, and other miscellaneous expenses and revenues have all have been audited and adjusted where necessary.
- Multiple cost saving expense adjustments were made in order to incorporate the budget priorities added to the 2024-25 Amended Budget into the ongoing Operating Budget.

Operating Fund - District Enrolment and the Operating Grant:

The district is required to estimate enrolment in advance of the coming school year in order to allow the Ministry of Education and Child Care to use those estimates to calculate our preliminary Operating Grant. The total estimated change in student enrolment, as compared to the enrolment recorded in September 2024 which our current 2024-25 Amended Annual Budgeted is resourced on, is 237 funded student FTE (rounded up).

Our 2025-26 Preliminary Operating Grant reflects the additional student FTE and revenue based on revised per pupil and supplemental funding rates, which calculates to a total increase of \$3.64 million.


However, important to note that in 2024-25 the district received a Labour Settlement Grant to account for Cost-of-Living wage increases which was \$1.68 million. The Ministry of Education and Child Care have advised that the per student funding rate applicable to 2025-26 incorporates this funding component thus the Special Grant no longer applies and has been removed; the net effect is an overall increase to the Operating Fund of \$2 million.

Further, per past rounds of bargaining the district was receiving a total of \$172,920 for the additional cost of standardized benefit plans applicable to CUPE and NDTA. Ministry has advised that this funding has also been incorporated into the Operating Grant's per pupil rate thus the separate revenue line has also been removed; final net total of the 2025-26 Operating dollars flowing from the Ministry for direct district operations is \$1.78 million.

The majority of this funding has gone directly to offset the cost of increased staffing levels in support of additional student enrolment. Due to further resources being very limited, all other budget adjustments have been done via internal shifts and changes.

The following chart represents the districts 2025-26 Annual Budget Operating Grant, inclusive of the new per pupil funding rates, as well as the 2024-25 Amended Budget Operating Grant and per student rates.

Note that the Operating Grant makes up the majority of the resources consolidated under the Operating Fund.

NLPS - Financial Impact of 2025-26 Enrolment Projection vs. the 2024-25 Amended Annual Budget								
	Funded FTE			RATES 25/26	RATES 24/25	Funding		
	Estimated 25/26 Annual Budget	2024/25 Amended Budget	Change			Estimated 25/26 Annual Budget	2024/25 Amended Budget	Change
September Enrolment								
Standard (Regular) Schools	14,925.867	14,706.813	219.05	9,015	8,915	134,556,691	131,111,233	3,445,458
Alternate Schools	269.000	272.000	(3.00)	9,015	8,915	2,425,035	2,424,880	155
Distributed Learning	294.525	296.625	(2.10)	7,280	7,200	2,144,142	2,135,700	8,442
Continuing Education	0.625	1.125	(0.50)	9,015	8,915	5,634	10,029	(4,395)
Adult Education (Non-Graduates)	4.000	4.125	(0.13)	5,755	5,690	23,020	23,471	(451)
Total September Enrolment	15,494.017	15,280.688	213.330			139,154,522	135,705,314	3,449,208
Unique Student Supplements								
Home Schooling	83.00	83.00	-	250	250	20,750	20,750	-
Course Challenges	28.00	28.00	-	282	279	7,896	7,812	84
Level 1 Diverse Needs	22.000	23.000	(1.00)	51,300	50,730	1,128,600	1,166,790	(38,190)
Level 2 Diverse Needs	748.000	756.000	(8.00)	24,340	24,070	18,206,320	18,196,920	9,400
Level 3 Diverse Needs	191.000	204.000	(13.00)	12,300	12,160	2,349,300	2,480,640	(131,340)
English Language Learning	910.000	907.000	3.00	1,815	1,795	1,651,650	1,628,065	23,585
Indigenous Education	2,500.000	2,568.000	(68.00)	1,790	1,770	4,475,000	4,545,360	(70,360)
Total Unique Student Supplements	-	-	-			27,839,516	28,046,337	(206,821)
Other Funding Categories								
Equity of Opportunity Supplement						879,899	900,508	(20,609)
Salary Differential Supplement						3,494,710	3,446,593	48,117
Unique Geographic Factor Supplement						3,893,332	3,709,157	184,175
Education Plan Supplement						137,489	135,233	2,256
Indigenous Education Council						98,712	88,173	10,539
February Data Count (New DED/DL/ELL)	86.250	66.500	19.75			759,994	611,310	148,684
May Data Count (New DL Only)	64.225	60.500	3.72			465,690	435,600	30,090
Total Other Funding Supplements	150.475	127.000	23.475			9,729,826	9,326,574	403,252
Total September Enrolment	15,494.017	15,280.688	213.330			139,154,522	135,705,314	3,449,208
Total Unique Student Supplements						27,839,516	28,046,337	(206,821)
Total Other Funding Categories	150.475	127.000	23.475			9,729,826	9,326,574	403,252
Grand Total - FTE and Revenue	15,644.492	15,407.688	236.805			176,723,864	173,078,225	3,645,639

An itemized summary of the total changes applicable to the Operating Fund is provided below:

2025-26 Operating Fund - Summary of Revenue Changes	
Budgeted Operating Revenue: 2024-25 Amended Annual Budget (Feb 2025)	189,120,207
Less, Removal of Restricted/Unrestricted Surplus	(7,119,679)
Add, removal of the Local Capital Transfer	3,290,000
Opening Budgeted Operating Revenue: 2025-26 Annual Budget	185,290,528
Changes in Operating Revenue	
Operating Grant updated in budget per Enrolment estimates and Ministry funding announcement	3,645,639
Removal of Labour Settlement Operating Grant not applicable to 25-26	(1,684,514)
Removal of historical Benefit funding Ministry has now rolled into the Operating Grant	(172,920)
ISE Tuition adjusted for 25-26 estimated student enrolment	262,000
Investment Income (Operating Fund portion) adjusted for 25-26 estimated returns	100,000
ICY Team funding estimate and adjustment for 25-26	791,960
Rentals revenue adj. for 25-26	160,000
BASC adj. for 25-26	15,000
Total change in Revenue	3,117,165
Total Budgeted Revenue - 2025-26 Preliminary Annual Budget (May 2025)	188,407,693

Operating Fund - International Student Education (ISE) Program:

For the most part the 2025-26 ISE revenue and expenses are status quo, with a small increase anticipated based on estimated student registrations and rates; total increase is \$262,000

The additional revenue generated by the program supports a small increase in it's own direct expenses as well as provides some supplement to the Operating Fund which helps offset rising costs such as replacements, utilities, and benefits.

Operating Fund – Rentals, Leases and Community Use:

Anticipated revenue for 2025-26 is \$160,000 over 2024-25 which includes:

- Removal of the 2024-25 Election Revenue not applicable to 2025-26 (\$25k)
- Adjusting the Community Use budget down by (\$30K) to align with more recent trends
- Adding the estimated revenue generated by Child Care sites operated by third party providers which is \$215K for 2025-26

Important to note that the Child Care Revenue of \$215k has a direct budgeted expense offset of \$24,800 to account for district staff maintaining the buildings as necessary over the course of the fiscal year, and to pay the insurance premium cost. The differential will show as a direct transfer to Local Capital (\$190,200) as these funds are meant to support future capital costs at these sites.

Operating Fund – Investment Income:

Although interest rates have decreased and there are further reductions pending in the coming fiscal year, based on estimated cash balances and returns on our investment portfolios we anticipate a small increase of \$100k in recorded revenue within the 2025-26 fiscal year, under our Operating Fund. We have however adjusted our Local Capital and Capital investment income down by \$100K as those cash balances are estimated to be slightly less than in 2024-25.

Operating Fund – Before and After School Care (BASC):

Estimated revenues for our BASC programs has been increased by \$15k for the 2025-26 school year, due to the amount of revenue generated by the current four sites providing services over the entire school year. As a reminder, in 2024-25 we expanded two of our sites mid-year so this adjustment annualizes the prior year estimates.

Important to note that the 2025-26 Annual Budget does not account for the additional expansion scheduled for the coming school year as planning is still in progress, nor does it account for summer programming which is also still in the planning stages.

Site expansion and summer programming will be reflected within Budget once planning has been completed and associated revenues and expenses have been estimated; presentation of this information will likely be in the Q1 Financial Report, or within the Amended Annual Budget.

Operating Fund – Summary of Revenues and Expenses:

The financial information below provides a summary of the revenue changes previously highlighted, and compares them to the 2024-25 Amended Budget. Also presented are the total changes in expense; discussion to follow.

Notably, the current budget shows a deficit position of (\$200,231). As previously indicated, the resources estimated for the 2025-26 school year are stretched to capacity and we are still working our way through some final cost saving adjustments in order to balance the budget. The final Preliminary Annual Budget will include the final cost saving measures.

Operating Revenues and Expenses Summary			
	2025/26 Annual Budget	Change	2024/25 Amended Budget
Revenues - Operating			
Ministry of Education Grant	176,702,442	2,595,165	174,107,277
Other Provincial	238,416	-	238,416
International Student Tuition	6,587,000	262,000	6,325,000
Other Revenue	3,349,835	-	3,349,835
Rentals & Leases	830,000	160,000	670,000
Investment Income	700,000	100,000	600,000
Total Revenues (before LC Transfer and Surplus Allocation)	188,407,693	3,117,165	185,290,528
Expenses - Operating			
Salaries			
Teachers	81,957,069	921,154	81,035,915
Administrative Officers	11,115,369	315,502	10,799,867
Education Assistants	14,710,908	76,791	14,634,117
Support Staff	14,542,608	120,252	14,422,356
Other Professionals	6,384,984	256,434	6,128,550
Substitutes	7,732,674	81,758	7,650,916
Total Salaries	136,443,612	1,771,891	134,671,721
Benefits	35,239,402	317,845	34,921,557
Total Salaries and Benefits	171,683,014	2,089,736	169,593,278
Services & Supplies	17,243,390	(2,283,539)	19,526,929
Total Expenses	188,926,404	(193,803)	189,120,207
Net Revenue (Expense)	(518,711)	3,310,968	(3,829,679)
Restricted Surplus	508,680	(3,385,999)	3,894,679
Unrestricted Surplus	-	(3,225,000)	3,225,000
Local Capital Transfer	(190,200)	3,099,800	(3,290,000)
Budgeted Surplus (Deficit)	(200,231)	(200,231)	-

You will also note that budgeted expense exceeds budgeted revenues by (\$518,711), which is then offset by a planned appropriation of Restricted Surplus and a direct Transfer to Local Capital. The Local Capital Transfer accounts for the future capital costs related to child care sites operating by a third party as previously indicated.

The appropriated surplus is to offset one-time staffing costs of \$388,680 that will not be applicable to future years, to provide \$50K in support the EA BEAM program that was planned in 2024-25 but will carry to 2025-26, and to account for the Harewood Turf Field annual contribution expense of \$70k (this is year 3 of 10). Total of \$508,680

Operating Fund – District Expenses: The following is an itemized list of all the changes made to account for the estimated salaries, benefits, replacement costs, and services and supplies budgets applicable to the 2025-26 Annual Budget, versus the 2024-25 Amended Budget.

2025-26 Operating Fund - Summary of Expense Changes	
Opening Expense - 2024-25 Amended Annual Budget (Feb 2025)	189,120,207
<u>Changes in Expense</u>	
<i>Removal of Surplus funded expenses in 24-25:</i>	
Staffing Supplement for Salary Continuance applicable to 24-25 removed	(235,000)
Trustee By-Election Costs removed	(100,000)
School prior year roll-over funds removed	(240,733)
SD68 Website Redesign removed	(23,700)
ICY Team rollover removed	(1,112,851)
Indigenous Education YE roll-over balance removed	(290,414)
NDTA Mentorship Grant roll-over removed	(255,026)
Energy Initiatives removed	(50,000)
District BASC Reserve removed	(37,600)
Trustee Pro-D/Travel roll-over removed	(29,355)
School Equipment Costs removed	(600,000)
Board Technology upgrade removed	(20,000)
Additional Costs for Rutherford Reopening removed	(250,000)
IST Release and Transportation supports for schools removed	(150,000)
Enrolment based Teacher/PVP/EA/Supervision staffing costs	1,782,954
Enrolment based school operating budget update	31,721
Transfer of Teacher Staffing costs from Operating to CEF per CEF 25-26 Estimate	(595,433)
<i>Budget priorities</i>	
Removal of VP as TTOC pilot	(454,010)
Removal of vacant HR Assistant position	(80,136)
Removal of Contracts for Service no longer applicable to 25-26	(91,585)
Cost transfer of AST/ASUP/DOI from Operating to CEF	(79,181)
Reassignment of District Vice Principal	(198,327)
Supervision increase of .686FTE (adds to the 1.7FTE adj. in 24-25 being maintained)	42,759
IST increase of 1.0135FTE (adds to the .9865FTE adj. in 24-25 being maintained)	135,168
Counselling increase of .7FTE (adds to the 1.0FTE adj. in 24-25 being maintained)	93,357
Maintain CYSFW added mid 24-25 but annualized	31,545
Reduction to EA Meetings bank to maintain Supervision enhancement	(83,231)
Funding for Distributed Leadership	84,096
VP reserve to support schools in 25-26	207,387
Director of Priority Learners added	223,847
Adjustment to the Indigenous Education Target per estimated 25-26 enrolment	(70,360)
Update to the Indigenous Education Council (IEC) expenses per confirmed funding in 25-26	10,539
Average Teacher Salary update for 25-26 to account for salary increments	503,770
Exempt Compensation increment estimate 25-26	275,000
Benefit Rate adjustment for 25-26 per cost estimates	242,129
Direct benefit supplement using historic funding from Ministry no longer applicable removed	(172,920)
Replacement Cost adjustment for 25-26 per cost estimates	358,310
Increase to First Aid premiums per new WorkSafe BC regulations	41,146
Increase to Department Head and Teacher in Charge Allowances per 25-26 estimated costs	18,000
Direct offset to the ICY Revenue adjustment as funds are targeted to the Program	791,960
Moved Custodial staffing from Operating to CEF	(77,771)
Reduction to the inflated LOU18 Hour bank to align with estimated top-ups applicable to 25-26	(33,948)
Add BCTEA bus route costs to Operating (it supplements these costs until new year funding is approved)	263,507
ISE Expense adjustments for 25-26 programming levels	90,917
Miscellaneous expense savings adjustments	(90,334)
Total change in Expense	(193,803)
Total Budgeted Expense - 2025-26 Preliminary Annual Budget (May 2025)	188,926,404

Restricted and Unrestricted Surplus removal – All revenue that is not applicable to a particular year is removed from the new year's budget as previously noted under the revenue section. This would therefore require a removal of offsetting expenses to balance, or, leaving all/some of the expenses in place if they are being carried forward and supported by ongoing operating dollars. Such is the case for the 2025-26 Annual Budget as a number of the mid-year budget priorities added using surplus dollars were so well received by the system that they are being continued. Other one-time surplus funded expenses have been removed accordingly.

Replacement and Benefit Costs – The 2025-26 Annual Budget has been adjusted to account for estimated replacement and benefit costs based on a blending of historic costs as well as the average % of each expense in relation to the districts Operating revenue. These expense adjustments are extensively analysed in order to ensure there are enough resources earmarked for the total estimated fiscal expense with as little variance as possible so other expense areas are not affected.

Average Teacher Salary – As bargaining is currently underway and future general wage increases are still to be determined, the average teacher salary for 2025-26 has only been adjusted to account for the number of teachers who are not at the top of their Grid and will increment to the next salary range in the coming year. Once bargaining has completed and Unions have ratified the new Collective Agreements, any applicable wage increases will be added to budget and funding for this will flow from the Ministry of Education and Child Care under a separate Grant which will be reported and reflected in the applicable quarterly financial report.

Budget Priorities – Initiatives implemented within the 2024-25 school year that were funded by surplus and have enhanced student experiences have been retained in 2025-26 using ongoing operating dollars. In addition, changes have been made that shift resources from initiatives that are no longer effective or directly in support of student outcomes to new initiatives. Costs and savings are identified with the summary of expense and have been previously communicated in more detail to the Board.

Apart from staffing, all other expense adjustments have been made either as a direct offset to a targeted revenue or pursuant to analysis of the prior year in order to adjust to 2025-26 cost estimates (+/-)

Staffing – Changes in district staffing include adjustments to account for one-time staffing in a prior year being removed, new staffing based on student enrolment being provided, and staffing to account for the opening of Rutherford Elementary. As summary is below, with further detail on the following page:

FTE Changes - 2025-26 Preliminary Annual Budget versus the 2024-25 Amended Budget

Staffing Category	25/26 Annual Budget			24/25 Amended Budget			Change		
	Op	SPF	Total	Op	SPF	Total	OP	SP	TOTAL
Teachers	813.570	121.501	935.071	809.252	121.701	930.953	4.318	(0.200)	4.117
Admin Officers	71.800	2.200	74.000	70.600	2.400	73.000	1.200	(0.200)	1.000
Education Assistants	309.738	53.241	362.979	308.392	54.099	362.491	1.346	(0.858)	0.488
Support Staff	238.434	29.790	268.224	237.468	30.927	268.396	0.966	(1.137)	(0.172)
Other Professionals	52.650	3.850	56.500	52.000	5.500	57.500	0.650	(1.650)	(1.000)
Total FTE	1,486.192	210.582	1,696.774	1,477.713	214.627	1,692.340	8.479	(4.045)	4.434

2025-26 Annual Budget Summary of Staffing Changes - All Funds				
Staffing Category	Op. Fund	Indigenous Target	SP Funds	Total FTE
Administrative Officers				
VP added to Learning Alternatives	1.000			1.000
Transfer of .20FTE Admin Time from CEF to Operating	0.200		(0.200)	-
Totals	1.200	-	(0.200)	1.000
Teachers				
Teacher staffing increased per enrolment	4.317			4.317
CommunityLINK prior year dollars added to 24/25 as SLP time now removed			(0.200)	(0.200)
Totals	4.317	-	(0.200)	4.117
Education Assistants				
EA Staffing increased per enrolment	2.344			2.344
Surplus funded Supervision enhancement rolled into Operating and annualized	0.686			0.686
Surplus funded EA Meeting Hours rolled into Operating but reduced	(1.335)			(1.335)
Surplus funded CYSFW rolled into Operating and annualized	0.472			0.472
CommunityLINK prior year dollars added as staffing contingency removed			(0.858)	(0.858)
Indigenous Ed prior year dollars added to 24/25 as ICSSW time now removed		(0.469)		(0.469)
LOU18 Hour bank adjusted to estimated top-ups in 25/26	(0.543)			(0.543)
Supervision for Rutherford added per school opening	0.191			0.191
Totals	1.815	(0.469)	(0.858)	0.488
Support Staff				
Bus Driver FTE shifted back from BCTEA to Operating until Fall 2025	3.521		(3.121)	0.400
Vacated HR Assistant position not replaced	(1.000)			(1.000)
Custodial added and also shifted to CEF	(0.984)		1.984	1.000
Temp clerical added in 24/25 removed	(0.571)			(0.571)
Totals	0.966	-	(1.137)	(0.171)
Other Professionals				
Removal of ongoing vacant position originally for recruitment			(1.000)	(1.000)
Staffing attrition - residual 25/26 cost funded by surplus			(1.000)	(1.000)
Transfer of FTE from Operating to CEF (AST/ASUP/DOI)	(0.350)		0.350	-
Director of Priority Learners added	1.000			1.000
Totals	0.650	-	(1.650)	(1.000)
Total All Categories	8.948	(0.469)	(4.045)	4.434

Pending

The Indigenous Education Target is still being confirmed for the coming school year and not all staffing that was within the 2024-25 Target using prior year surplus has been removed, further reductions are likely but still TBD.

As a reminder, Preliminary Annual Budget is currently in a deficit position and there are further adjustments pending that will be reflected within the final 2025-26 Preliminary Annual Budget.

Of further note, as all estimated revenues have been accounted for and there are no further resources available, the final adjustments to balance the budget will be internal shifts between identified expenses which may include transferring costs to Special Purpose Fund if there is opportunity to do so within the parameters of the Fund, and there is room within the Fund to do so.

Risks

Student registrations will be monitored closely to ensure they align with our projections in order to mitigate risk in advance of the school year if we don't hit targets.

The Local Capital transfer using Operating funds in support of the Technology Plan has once again not been included in the Annual Budget in order to direct resources to student and operational supports. We will rely on our Accumulated Operating Surplus and/or Local Capital balances to cover this expense in 2025-26. The amount of the transfer will be established following confirmation of our 2024-25 year-end financial position.

Many inflationary costs have been captured within the 2025-26 Preliminary Annual Budget, however, cost escalations due to current world events are highly unknown at this time but we are mindful of this risk and will be monitoring expense closely as the year commences.

Summary

The 2025-26 Preliminary Annual Budget is focused directly on the success of student learning, enhanced student experiences and outcomes, and student wellbeing with additional IST, Counselling, Supervision and EA FTE/hours, as well as increased focus on our Priority Learners.

It also addresses employee wellness through the newly implemented and continued support of the LifeSpeak and WellBeats programs which aims at providing employees with valuable mental health and wellbeing tools, Pro-D, and other resources.

Although the 2025-26 Preliminary Annual Budget is extremely tight, we are in the very fortunate position to be able to carry prior year surplus funded initiatives into our ongoing Operating Fund, and support general operations and educational needs throughout the district using current year dollars.

