

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

DATE: April 8, 2026
TO: Strategic Directions Committee
FROM: Mark Walsh, Secretary-Treasurer and Tautia Sutton, Associate Secretary-Treasurer
SUBJECT: 2026-27 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 2026-27 Preliminary Annual Budget has been prepared, and how it compares to the 2025-26 Amended Annual Budget. The overview provides enrolments, funding, staffing and expense adjustments, as well as identifies any areas of risk to be aware of that may have impact on future operations.

Discussion

School district operations are for the most part funded by the districts Operating Fund. The Operating Fund consists of a group of consolidated resources predominantly provided by the Ministry of Education and Child Care. The largest contributor is the Operating Grant which provides preliminary funding now based on estimated student enrolment and is then recalculated in Fall based on actual enrolment. Additional Operating Fund contributors include Pay Equity, Student Transportation, Integrated Child and Youth Teams, International Student Education, Before and After School Care, Rentals, Leases, and Investment Income, along with other miscellaneous funding sources.

In addition to the district's Operating Fund there are a multitude of Special Purpose Funds that are provided each year and targeted to particular educational programming or initiatives. This report will focus on the Operating Fund, detail on the 2026-27 Special Purpose Funds will be included within the more fulsome Annual Budget report in early May.

The 2026-27 Preliminary Annual Operating Budget has been prepared by taking the 2025-26 Amended Annual Operating Budget that was presented and approved by the Board in February, then adjusting it to account for all currently known or anticipated changes required for the coming fiscal year.

The most notable changes include:

- All items within the 2025-26 Amended Annual Operating 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 2026-27 estimates.
- Revenues and expenses have been adjusted for the International Student Education and Before and After School Child Care programming for the coming year.
- Adjustments to account for the average teacher salary, along with estimated benefit and replacement cost have been incorporated.
- Staffing has been adjusted to remove any one-time supports applicable to the prior school year, and to align support with the anticipated number of students in 2026-27.
- Contractual obligations, inflationary cost pressures, and other miscellaneous expenses and revenues have all have been audited and adjusted where necessary.

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 funded student enrolment, as compared to the enrolment recorded in September 2025 which our current 2025-26 Amended Annual Budgeted is resourced on, is less (71.004) funded student FTE.

Nanaimo Ladysmith Public Schools - 3 Year Enrolment Projection at Feb 15, 2026	2025/26 Amended Budget	2026/27 Annual Budget	Variance
September Student FTE Enrolment			
Elementary FTE	8,810.000	8,727.000	(83.000)
Secondary FTE	5,836.750	5,856.213	19.463
Career Technical Center (CTC)	95.250	97.138	1.888
Continuing Education (School Age)	1.250	0.625	(0.625)
Alternate Schools	272.000	272.000	-
Online Learning	260.625	248.645	(11.980)
September School Aged FTE	15,275.875	15,201.621	(74.254)
Adult Education (Non-Graduates only)	6.750	4.000	(2.750)
September total FTE	15,282.625	15,205.621	(77.004)
February Enrolment Count total FTE	86.250	88.250	2.000
May Enrolment Count total FTE	64.225	68.225	4.000
Full Year Total FTE	15,433.100	15,362.096	(71.004)
Other Enrolment Categories - Headcount			
Level 1 Diverse Needs	19	19	-
Level 2 Diverse Needs	832	825	7
Level 3 Diverse Needs	164	176	(12)
English Language Learning	806	839	(33)
Indigenous Education	2,535	2,597	(62)

The 2026-27 Preliminary Operating Grant, which was confirmed by the Ministry of Education and Child Care on March 12, 2026, reflects this decreased enrolment, as well, there were other small funding losses within some of the supplemental funding categories due to the lower anticipated enrolments, for an overall Operating Grant reduction of \$890,303.

Also important to note that the Ministry did not increase the per student funding rates in any funding category for the 2026-27 fiscal year in order to account for general inflationary operating pressures, which means the district must absorb cost escalations with no additional funding.

NLPS Operating Grant - 2026-27 Annual Budget vs. 2025-26 Amended Budget							
	Funded FTE			RATES	Funding \$		
	2026-27 Est. Budget	25-26 Amended Budget	Change		2026-27 Est. Budget	25-26 Amended Budget	Change
September Enrolment							
Standard (Regular) Schools	14,680.351	14,742.000	(61.65)	9,015	132,343,364	132,899,130	(555,766)
Alternate Schools	272.000	272.000	-	9,015	2,452,080	2,452,080	-
Distributed Learning	248.645	260.625	(11.98)	7,280	1,810,136	1,897,350	(87,214)
Continuing Education	0.625	1.250	(0.63)	9,015	5,634	11,269	(5,634)
Adult Education (Non-Graduates)	4.000	6.750	(2.75)	5,755	23,020	38,846	(15,826)
Total September Enrolment	15,205.621	15,282.625	(77.004)		136,634,234	137,298,675	(664,441)
Unique Student Supplements							
Home Schooling	78.00	78.00	-	250	19,500	19,500	-
Course Challenges	8.00	8.00	-	282	2,256	2,256	-
Level 1 Diverse Needs	19.00	19.000	-	51,300	974,700	974,700	-
Level 2 Diverse Needs	832.00	825.000	7.00	24,340	20,250,880	20,080,500	170,380
Level 3 Diverse Needs	164.00	176.000	(12.00)	12,300	2,017,200	2,164,800	(147,600)
English Language Learning	806.00	839.000	(33.00)	1,815	1,462,890	1,522,785	(59,895)
Indigenous Education	2,535.00	2,597.000	(62.00)	1,790	4,537,650	4,648,630	(110,980)
Total Unique Student Supplements	-	-	-		29,265,076	29,413,171	(148,095)
Other Funding Categories							
Equity of Opportunity Supplement					847,875	873,224	(25,349)
Salary Differential Supplement					3,404,319	3,421,559	(17,240)
Unique Geographic Factor Supplement					3,865,724	3,893,332	(27,608)
Education Plan Supplement					137,483	137,489	(6)
Indigenous Education Council					37,058	98,712	(61,654)
February Data Count (New DED/DL/ELL)	88.250	86.250	2.00		778,024	759,994	18,030
May Data Count (New DL Only)	68.225	64.225	4.00		501,750	465,690	36,060
Total Other Funding Supplements	156.475	150.475	6.000		9,572,233	9,650,000	(77,767)
Total September Enrolment	15,205.621	15,282.625	(77.004)		136,634,234	137,298,675	(664,441)
Total Unique Student Supplements					29,265,076	29,413,171	(148,095)
Total Other Funding Categories	156.475	150.475	(6.000)		9,572,233	9,650,000	(77,767)
Grand Total - FTE and Revenue	15,362.096	15,433.100	(71.004)		175,471,543	176,361,846	(890,303)

Operating Fund Revenue and Expense changes

As noted, the 2026-27 Preliminary Annual Operating Budget includes all changes necessary to account for estimated operations for the year based on all known or anticipated variables at this time. A summary of the changes made to both revenues and expenses are reflected in the following chart:

2026-27 Annual Budget - Summary of Revenue and Expense changes

Revenues	Increases	Decreases
Operating Grant - Enrolment decrease		(758,446)
Operating Grant - Funding decrease		(131,857)
One-time revenue removal (Hydro Rebate)		(51,140)
SkilledTradesBC/FSA one-time 2025-26 increases removed		(8,500)
Before and After School Care revenue increase per expansion	685,000	
International Student Education tuition increase	350,000	
Microsoft rebate revenue added to cover IT staffing cost	185,000	
February Work In Trades revenue est. added to cover WEX pilot costs	153,075	
Rentals revenue change	96,170	
Integrated Child & Youth Team (ICY) revenue change	43,664	
Cafeteria revenue change	25,000	
Changes in revenue	1,537,909	(949,943)
Total changes in revenue		587,966
Expenses	Costs	Savings
2025-26 Restricted Surplus removed		(2,811,726)
2025-26 Unrestricted Surplus removed		(1,155,000)
General staffing adjustments for estimated 2026-27 enrolments and divisions		(1,067,945)
Removal of contingency Secondary/Elementary staffing historically unused		(322,179)
BCTEA change in budget practice, retaining SPF so no Operating supplement needed		(288,866)
Island Connect Ed shifts to align with estimated enrolment		(232,495)
School calendar adjustment		(111,392)
Enrolment adjustment for Indigenous Target		(110,980)
Transfer of costs from Nanaimo Schools Foundation to National School Foods Program		(75,000)
Secretary Treasurer budget reduction		(75,000)
Indigenous Education Council Target funding reduction per revenue reduction		(61,654)
One-time direct expense removal (Hydro Rebate)		(51,140)
LOU18 adjustment to recover prior enhancement no longer required		(43,246)
Corrective transfer of costs from Operating to CEF		(43,116)
Skills Trades/FSA one-time increases removed		(8,500)
Misc. expense changes		(3,144)
Average Teacher Salary update (Incremental costs only, not general wage increases)	931,991	
Identified one-time staffing/benefit/expense costs (surplus funded)	756,000	
Before and After School Care adjustment for planned expansion	685,000	
District replacement cost adjustment	379,027	
Education Assistant staffing adjustment	332,283	
IT staffing adjustments for enhanced in-house programming initiatives	185,000	
Work Experience (WEX) Pilot Program costs/FTE	153,075	
Rental expense adj/3rd Party Child Care additional sites/future cost reserve added	146,170	
Utilities expense increase	100,000	
ICY .5FTE Coordinator moved to the Operating Fund	68,554	
ICY expense adjustment to match revenue	43,664	
.20FTE Indigenous Staffing moved from the Target into the Operating Fund	26,948	
Cafeteria expense adjustment to match revenue	25,000	
ND/Cedar/ISE Clerical adj - funded partially by contingent Clerical FTE	3,189	
Misc. salary changes	2,722	
Changes in expense	3,838,623	(6,461,383)
Total changes in expense		(2,622,760)
Net Revenue/Expense		3,210,726
2025-26 Restricted Surplus removed		(2,811,726)
2025-26 Unrestricted Surplus removed		(1,155,000)
Appropriation of Accumulated Operating Surplus added		756,000
Surplus (Deficit)		-

Revenue adjustments:

In addition to the Operating Grant reduction and some other small miscellaneous shifts and changes the most significant increases in revenue relate to the expansion of Before and After School Care and adjusting our 2026-27 International Student Education tuition for the coming year’s anticipated enrolment. Estimates are generally aligned with the current year enrolment, however the revenue was not adjusted fully within the 2025-26 Amended Budget as second semester intake was still taking place and total revenues had not yet been confirmed.

Of additional note, in order to account for and reflect current year revenues properly, any addition or removal of restricted and unrestricted accumulated operating surplus is recognized separately and recorded after the impact of net revenue and expense is presented. As shown above, a total of \$3.97 million of surplus allocations from the 2025-26 fiscal year were removed as they were supporting one-time initiatives, and \$756k was added to the 2026-27 fiscal year to support identified one-time salary, benefit, and expense costs. Also, although the summary of change reflects \$756,000 of surplus being appropriated for use in 2026-27, the Preliminary Annual Operating Budget includes a total of \$876,000 as two multi-year expenses are being funded by surplus which means they have carried from the prior year so do not constitute change.

After accounting for all revenue and expense changes, reflected below is the Operating Fund financial summary for the 2026-27 Preliminary Annual Budget, versus the 2025-26 Amended Annual Budget.

Operating Fund Revenues and Expenses Summary			
	2026-27 Annual Budget	Change	2025-26 Amended Budget
Revenues - Operating			
Ministry of Education Grants	176,049,817	(385,064)	176,434,881
Other Provincial	238,416	(7,000)	245,416
International Student Tuition	6,835,000	350,000	6,485,000
Other Revenue	4,486,644	533,860	3,952,784
Rentals & Leases	926,170	96,170	830,000
Investment Income	815,000	-	815,000
Total Revenues	189,351,047	587,966	188,763,081
Expenses - Operating			
Salaries			
Teachers	80,179,310	(545,967)	80,725,277
Administrative Officers	11,409,498	187,325	11,222,173
Education Assistants	15,861,964	175,982	15,685,982
Support Staff	14,533,917	64,288	14,469,629
Other Professionals	6,470,273	(22,704)	6,492,977
Substitutes	8,193,593	(161,811)	8,355,404
Total Salaries	136,648,555	(302,887)	136,951,442
Benefits	35,548,467	2,752	35,545,715
Total Salaries and Benefits	172,197,022	(300,135)	172,497,157
Services & Supplies	18,030,025	(2,322,625)	20,352,650
Total Expenses	190,227,047	(2,622,760)	192,849,807
Net Revenue (Expense)	(876,000)	3,210,726	(4,086,726)
Restricted Surplus	876,000	(4,194,572)	5,070,572
Unrestricted Surplus	-	(1,330,000)	1,330,000
Local Capital Transfer	-	2,313,846	(2,313,846)
Budgeted Surplus (Deficit)	-	-	-

Operating Fund – District Expenses:

The majority of district expenses relate to salary, benefit, and employee replacement costs (approx. 91%) with the balance providing for supplies and services in support of school-based and general district operations. Pursuant to the changes in district revenue for the 2026-27 fiscal year, and to update expenses to align with future estimated costs, some of the most significant changes in expense are as follows:

Removal of one-time expenses funded by surplus - All initiatives or expenses funded in the prior year using one-time surplus allocations are automatically removed.

Replacement and Benefit Costs – The 2026-27 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 – Although teacher bargaining has concluded and the new Collective Agreement includes general wage increases; the Ministry of Education and Child Care has yet to provided funding to cover the costs applicable to 2026-27 so they have not been accounted for within the Preliminary Annual Budget. Alternately, the estimated cost for teaching staff incrementing to the next salary grid level according to Collective Agreement language is not funded by the Ministry and must instead be absorbed within district operating resources annually.

District Programs – For the 2026-27 fiscal year the planned expansion to the Before and After School Care program has been incorporated, as well, adjustments were made to account for the anticipated enrolment for the coming year within the districts online learning program.

Staffing – Changes in district staffing include adjustments to account for one-time staffing in a prior year being removed and staffing realignments to support the year’s estimated student enrolment. The summary of staffing changes per employee category for the coming year versus 2025-26 are shown below.

FTE Changes - 2026-27 Preliminary Annual Budget versus the 2025-26 Amended Budget									
Staffing Category	26-27 Annual Budget			25-26 Amended Budget			Change		
	Op	SPF	Total	Op	SPF	Total	OP	SPF	TOTAL
Teachers	790.065	140.791	930.856	802.819	140.791	943.610	(12.754)	-	(12.754)
Admin Officers	72.800	1.200	74.000	71.800	2.200	74.000	1.000	(1.000)	-
Education Assistants	328.216	50.528	378.744	323.981	51.471	375.452	4.235	(0.943)	3.292
Support Staff	235.595	48.462	284.057	236.387	46.837	283.224	(0.792)	1.625	0.833
Other Professionals	53.150	4.850	58.000	53.650	3.850	57.500	(0.500)	1.000	0.500
Total FTE	1,479.825	245.831	1,725.657	1,488.637	245.149	1,733.786	(8.812)	0.682	(8.129)

The most significant change is to teacher staffing which has been reduced to account for lower enrolment at both elementary, secondary, and within the online learning programming. As well, there was historic contingent FTE within budget to mitigate enrolment variances from projections, however, with funding pressures that FTE is no longer able to be maintained so it has been removed, however it is noted as an area of risk.

Education Assistant staffing has been adjusted to account for the removal of surplus funded FTE added in 2025-26, the addition of staffing to support the estimated student support needed in 2026-27 and further increased for the expansion of Before and After Child Care.

These and all other staffing changes are detailed below:

2026-27 Amended Budget Summary of Staffing Changes - All Funds				
Staffing Category	Op. Fund	Indigenous Target	SP Funds	Total FTE
Administrative Officers				
VP adjustment	1.000			1.000
Position change in CEF from District VP to Director			(1.000)	(1.000)
Admin Totals	1.000	-	(1.000)	-
Teachers				
Staffing adjustment per enrolments	(7.792)			(7.792)
Online Learning staffing adjustment per enrolment	(1.200)			(1.200)
Historic unused contingent staffing removed	(2.762)			(2.762)
Indigenous Ed Coordinator removed		(1.000)		(1.000)
Teacher Totals	(11.754)	(1.000)	-	(12.754)
Education Assistants				
Computer Assistant Learning Tutor removal	(0.814)			(0.814)
Restricted Surplus EA Staffing removal	(6.261)			(6.261)
Supervision changes per enrolment	(0.191)			(0.191)
EA Staffing adjustment per Special Ed enrolment	4.640			4.640
EA Staffing to support BASC expansion	6.861			6.861
Youth Resilience Grant CYSEW removal			(0.943)	(0.943)
EA Totals	4.235	-	(0.943)	3.292
Support Staff				
IT position for in-house programming/contract reduction	1.000			1.000
ISE historic FTE for summer student leader removed	(1.000)			(1.000)
Secondary Clerical adjustment per enrolment	0.857			0.857
Clerical contingent FTE released to support above	(0.538)			(0.538)
Elementary Clerical adjustment per enrolment	(0.286)			(0.286)
Transportation FTE adjustment with BCTEA	0.175		(0.175)	-
Childcare coordinator removed	(1.000)			(1.000)
Youth Resilience Grant Clerical removed			(0.200)	(0.200)
Painters for AFG projects added			2.000	2.000
Support Staff Totals	(0.792)	-	1.625	0.833
Other Professionals				
Senior HR Manager (Surplus funded) retirement	(1.000)			(1.000)
Homestay coordinator increase	0.500			0.500
Position change in CEF from District VP to Director			1.000	1.000
Other Professionals Totals	(0.500)	-	1.000	0.500
Total All Categories	(7.811)	(1.000)	0.682	(8.129)

Pending

Labour settlement agreements pursuant to contract negotiations between both BCTF and CUPE have not been incorporated into the Annual Budget as funding levels have not yet been confirmed by Ministry, and CUPE bargaining is still underway. The districts Amended Annual Budget will reflect the additional funding and all related expenses.

Risks

District budgeted contingencies have historically been in place to mitigate staffing needs associated with enrolment variances from projections, however, due to estimated enrolment decline and Ministry funding pressures these contingencies are no longer able to be maintained and have therefore been removed. Additional staffing supports will be limited to a direct increase in funding for additional students if applicable.

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 2026-27. The amount of the transfer will be established following confirmation of our 2025-26 year-end financial position.

Many inflationary costs have been captured within the 2026-27 Preliminary Annual Budget, however, with ongoing cost escalations and no increased funding from the Ministry of Education and Child Care, there are limited resources to address further pressures and we will therefore be monitoring enrolments and expense obligations closely as the year commences.

Summary

The 2026-27 Preliminary Annual Budget is focused on utilizing district resources in support of educational and operational initiatives and priorities, in support of board goals, and as fiscally prudent as possible pursuant to current funding pressures.

Although resources are maximized, we are in the very fortunate position to be able to balance the budget without cutting services that aren't directly linked to decreased enrolment estimates.