

November 13, 2024

ITEM 1.2

TO: Finance and Personnel Committee

FROM: Flavia Coughlan, Secretary Treasurer | CFO

RE: 2025-2026 Financial Planning Process

*Reference to
[Education Plan](#)*

- GOAL:** The Vancouver School Board will increase equity by...
- OBJECTIVE:**
- Improving stewardship of the district’s resources by focusing on effectiveness, efficiency, and sustainability.

INTRODUCTION

The Board of Education is responsible, through the Superintendent of Schools, for overseeing the educational and operational activities of the District and for all statutory requirements of provincial legislation to implement educational standards and policies. The approval of the Annual Budget is one of those responsibilities under the *School Act*, specifically school districts must annually approve, by bylaw, a balanced budget for the next fiscal year and submit it to the Ministry of Education and Child Care by June 30 of the current fiscal year. In addition, under Section 9.1 of Board [Policy 2](#), the Board must approve the budget process and timeline at the outset of the budget process.

This financial plan development process and timeline document is presented for the committee’s consideration and recommendation to the Board of Education for approval.

BACKGROUND

The school district is required to prepare and submit budgets to the Minister of Education and Child Care, in the form, with the information, and at the time required by the Minister (see Appendix A). The annual budget must be prepared in accordance with the [Accounting Practices Order](#), Section 23.1 of the [Budget Transparency and Accountability Act](#), Regulations [257/2010](#) and [198/2011](#) issued by the Province of BC Treasury Board the [Financial Planning and Reporting Policy](#) and the [K-12 Accumulated Operating Surplus Policy](#).

The school district reports revenues and expenses under three separate funds as described below.

OPERATING FUND: The operating fund includes operating grants and other revenue used to fund instructional programs, school and district administration, facilities operations, maintenance and transportation.

SPECIAL PURPOSE FUND: The special purpose fund is comprised of separate funds established to track revenue and expenditures received from the Ministry of Education and Child Care and other sources that have restrictions on how they may be spent (e.g. Classroom Enhancement Fund, Annual Facilities Grant, Feeding Futures School Food Programs Fund, Community LINK, Ready Set Learn and School Generated Funds).

CAPITAL FUND: The capital fund includes capital expenditures related to facilities (purchases and enhancements) and equipment (purchases) that are funded by Ministry of Education and Child Care capital grants, operating funds and special purpose funds. An annual deficit in the capital fund that is a result of amortization expense and budgeted capital assets purchased from operating and special purpose funds exceeding the amortization of deferred capital revenue plus budgeted local capital revenue is permitted under the Accounting Practices Order of the Ministry of Education and Child Care.

FINANCIAL PLAN DEVELOPMENT

GUIDING PRINCIPLES

All operating and financial decisions at VSB are informed by the [Education Plan 2026](#) and the priorities outlined in the [Framework for Enhancing Student Learning report](#). The Education Plan presents the District’s values and its commitment to creating an equitable learning environment.

EDUCATION PLAN

Values Statement

The Vancouver School Board believes an effective public education system will prepare students to be active, productive, and socially responsible citizens. Students who complete their education with the Vancouver School Board should possess a strong educational foundation; be disposed to treat others with respect and work cooperatively with them; act upon the values and principles that make us human; care for themselves, for others, and for the planet; and exercise a critical intelligence adaptable to new situations.

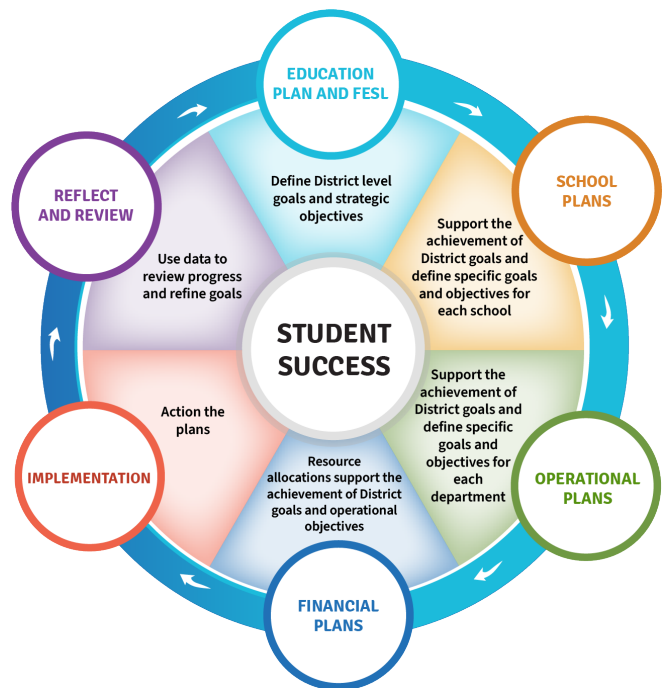
VSB will foster school communities where students can learn, see themselves, feel supported and connected so that they develop a love of learning and become lifelong learners.

Equity Statement

The Vancouver School Board – a large, urban school district located on the unceded, traditional lands of the xʷməθkʷəyəm (Musqueam), Skwxwú7mesh Úxwumixw (Squamish Nation) and səiləlwətaʔ (Tseil-Waututh Nation) – respects and supports Indigenous ways of knowing and learning.

VSB will create an equitable learning environment where every child can experience a deep sense of belonging and is free to pursue pathways of learning in ways that are authentic to themselves. The VSB will achieve this by:

- having students see themselves and their communities in the curriculum and in the staff throughout the District;
- prioritizing student needs by making informed decisions and engaging in open communication with rights holders and stakeholders; and
- actively fighting systems of oppression through relationship building, ongoing communication and transparency.



Goals and Priorities

The Education Plan provides direction for the financial planning process as Goal 2 indicates that “improving stewardship of the District’s resources by focusing on effectiveness, efficiency and sustainability” is essential for VSB to achieve its goal of increasing equity.

The Framework for Enhancing Student Learning identifies the link between effective planning and enhanced student learning and success. The document includes a commitment to Indigenous rights holders and Indigenous peoples, education partners and communities to work together to continuously improve student learning.

FRAMEWORK FOR ENHANCING STUDENT LEARNING

VSB provides an annual comprehensive update on its progress toward the goals outlined in the Education Plan. These goals are closely aligned with the [Framework for Enhancing Student Learning](#). The most recent update was presented in the [2023-2024 Framework for Enhancing Student Learning Report](#). Ongoing updates are provided regularly at the Education Plan committee.

The report centers around student success across three key areas: Intellectual Development, Human and Social Development and Career Development. To assess progress, VSB collects data from various sources, including the Foundation Skills Assessment, Graduation (Literacy and Numeracy) Assessments, Student Learning Surveys, report card information and Completion Rates.

Overall, VSB remains committed to enhancing student learning outcomes and addressing any disparities to ensure equitable education for all students.

FINANCIAL PLAN ENGAGEMENT PROCESS

VSB’s financial planning process is guided by the Education Plan, the 2023-2024 Framework for Enhancing Student Learning (FESL) report and applicable Board and provincial policies. Engagement activities follow best practice standards set by the International Association of Public Participation (IAP2) and in alignment with the District’s administrative procedures.

Our goal is to actively seek and incorporate feedback from the xʷməθkʷəy̓əm (Musqueam), Skwxwú7mesh Úxwumixw (Squamish Nation) and səlilwətał (Tsleil-Waututh Nation), District leaders and the District’s formal stakeholder groups, as well as feedback from students, their families, staff and the broader public in the annual budget and financial plan. We aim to provide clear information, ensure every voice is valued and make financial decisions that align with our community’s values and our District’s educational goals. All feedback will be considered by the Board. Any decisions regarding financial planning and engagement, will be made by the Board of Education.

A detailed engagement plan will be developed to ensure that the financial plan engagement goals are achieved.

A summary of key engagement timelines is provided below.



BUDGET ESTIMATES DEVELOPMENT PROCESS

In developing the balanced budget for the operating fund for 2025-2026 the overall goal is to provide, to the extent possible, a comparable level of programs and services as provided in 2024-2025. Priority will be given to initiatives that support the goals in the Education Plan, while also ensuring that VSB maintains a balanced budget. VSB is exposed to potential cost pressures due to numerous factors such as inflation, collective agreement wages lifts and costs of maintaining older buildings which may not be offset by additional funding. The development of the annual budget for 2025-2026 will include:

- development and approval of the 2024-2025 amended annual budget;
- development and submission to MECC of three-year enrolment projections;
- development of base budget which includes revenue and expense estimates and budget assumptions validation through a zero-based budget review process, estimated enrolment driven changes to revenue and expenditures, estimated changes to employee salaries and benefits; estimated changes to services, supplies, and utilities due to contractual rate changes; and adjustments for one-time revenue or expenditures included in the prior year budget;
- the creation of the balanced status quo budget;
- inclusion of structural deficit reduction strategies and additional costs included in multi-year plans consideration of using prior years' surpluses to balance the budget.

It is important to note that due to the provincial election held on October 19, 2024, the timeline for presenting the provincial budget in 2025 will differ from the usual schedule which would require the Minister of Finance to do so on or before the fourth Tuesday in February. According to the [Budget Transparency and Accountability Act](#), when a general election occurs on the third Saturday in October, the minister must present the main estimates for the following fiscal year by April 30, 2025. However, if new appointments for the Premier and minister are made following the election, the deadline extends to no later than 150 days after the designated date of these appointments. This adjustment ensures that a new government has adequate time to prepare and present the budget, reflecting any changes in leadership and policy direction.

CONCLUSION

The financial planning process detailed in this document represents a transparent and accountable approach to developing the annual budget for the Vancouver School Board. This process may be challenging due to the structural deficit and anticipated cost pressures, particularly those related to inflation and rising utility costs. In developing the budget, the focus should align with Goal 2 of the Education Plan, which addresses “increasing equity” by “improving stewardship of the District’s resources through effectiveness, efficiency, and sustainability.”

The Board is expected to carefully examine how the limited resources are allocated within the system so that the cost structure, primarily based on staffing and building operational costs, more closely aligns with the funding received. This examination should structurally review the budget and identify strategies where programs can be delivered more cost-effectively, where the costs of maintaining buildings can be reduced, where the cost of delivering educational programming per student can be lowered, and where unnecessary costs can be eliminated. Failure to do so may prevent the District from creating a balanced budget, as required by the School Act.

We believe that the budget development process outlined in this document provides a foundation for looking at resource allocation from a district perspective, striving for equity for students, and fostering cost consciousness; all of which aim to enhance learning experiences for Vancouver students.

RECOMMENDATION

The Finance and Personnel Committee recommends:

That the Board of Education approve the 2025-2026 Financial Planning Process.