



PRELIMINARY BUDGET 2022/23

EXECUTIVE SUMMARY

APRIL 27, 2022

PRELIMINARY BUDGET 2022/23

MAPLE RIDGE - PITT MEADOWS SCHOOL DISTRICT NO. 42

Maple Ridge, BC, Canada

V2X 8N6

www.sd42.ca





Executive Summary



Organizational Section



Financial Section



Informational Section

EXECUTIVE SUMMARY

MESSAGE FROM THE BOARD OF EDUCATION AND SENIOR STAFF

In preparing the 2022/23 Preliminary Budget, we have been guided by our school district’s vision, mission and values, and have relied on school growth plans, operational plans, and the strategic priorities and goals of the district to further inform our work. We have endeavored to protect the structures and supports that best serve our students even as we implement reductions in some areas, as required in our current deficit context.

As we work through the budget process for the 2022/23 school year, we must remain mindful of the enrolment growth that is projected for next year and beyond, and consider as well the shifting demographics in our community. We must also be responsive to reductions in locally generated revenues, which have not quite fully rebounded to pre-pandemic levels.

Within a context of enrolment growth and recovery from the impacts of the COVID-19 pandemic, we know that we must continue to build skillful supports across each of our schools to address the needs of our learners. We know that we must invest in proactive, early intervention measures to address complex learning and developmental needs in the formative years when these investments will have the greatest impact. These and many other considerations have shaped the thoughtful development of this proposed budget, which attempt to balance the needs of the system against the demands of our context.

Thank you for taking the time to review and provide feedback on our 2022/23 Proposed Preliminary Budget. A summary of the feedback received is available on the school district website in the *2022/23 Proposed Preliminary Budget Consultation Summary* document.

BOARD of EDUCATION
SCHOOL DISTRICT NO.42

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VICE-CHAIRPERSON

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SUPERINTENDENT / CEO

FLAVIA COUGHLAN
SECRETARY TREASURER / CFO

BUDGET OVERVIEW

School District No. 42 meets the learning needs of over 15,000 students of all ages in Maple Ridge and Pitt Meadows, and is defined by its determination to keep student learning and growth at the heart of all its decisions. The district provides K-12 educational services in 22 elementary schools, six secondary schools, and two alternate schools. It also provides a variety of certificate programs and relevant, quality, life-long learning opportunities through Ridge Meadows College and Continuing Education.

All decisions made by Maple Ridge – Pitt Meadows School District are guided by its vision and core values, and are based on research and consultation. Similarly, the district's initiatives and resources are all aligned to support its firm commitment to fostering a culture of care and belonging where the well-being and success of all learners is supported; providing intentional support for a growth mindset, collaboration, interdependence, and staff development; and being a forward-thinking, research-based, ethical, effective, efficient, sustainable, and connected organization.

School District No. 42 (Maple Ridge – Pitt Meadows) is estimating that an operating funding shortfall of \$0.23 million will have to be addressed in 2022/23. This is estimated to be followed by budget funding shortfalls of approximately \$0.07 million for 2023/24, \$0.79 million for 2024/25, and \$0.70 million for 2025/26.

The Strategic Facilities Plan adopted by the board in March 2022 clearly identifies capital needs that are not funded by the province as part of the capital plan. These include new temporary classroom spaces, sustainability upgrades and the renewal of facilities other than schools. The estimated capital investment required over the next four years is \$6.03 million. An estimated \$0.03 million is also required to expand the electric vehicle charging infrastructure. In addition, the Ministry of Education advised that in order for the Eric Langton Elementary seismic upgrade and expansion project to be approved to proceed a school district contribution of \$2.50 million is required. Also, by board policy a contingency reserve of minimum 1% of budgeted operating expenses (\$1.74 million) must be maintained to address financial risks that materialize after the budget is adopted. The available capital funds total \$4.62 million (\$2.82 million local capital and \$1.80 million Ministry of Education restricted capital), which means that the capital funding shortfall over four years is \$5.68 million. This funding shortfall can be addressed by securing funding from the provincial government for eligible capital projects and by allocating future available operating surplus funds to local capital.

The school district operates under the authority of the School Act of British Columbia as a corporation and receives over 90% of revenue from the B.C. provincial government through the Ministry of Education. Any changes to provincial grants will consequently have a significant impact on the school district's budget. The school district is exempt from federal and provincial corporate income taxes.

In accordance with the School Act, school districts in the province must approve a balanced budget for the 2022/23 fiscal year (July 1, 2022 - June 30, 2023) and submit it to the Ministry of Education by June 30, 2022. The Maple Ridge – Pitt Meadows School District aims to develop a preliminary budget that supports its vision, and considers its shared priorities and the needs of its community of learners.

This budget has been prepared in accordance with Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia supplemented by Regulations 257/2010 and 198/2011 issued by the Province of British Columbia Treasury Board.

As required by the Ministry of Education and Public Sector Accounting Standards (PSAB), the Maple Ridge - Pitt Meadows School District tracks and reports revenue and expenditures under three separate funds: the operating fund, the special purpose fund, and the capital fund.

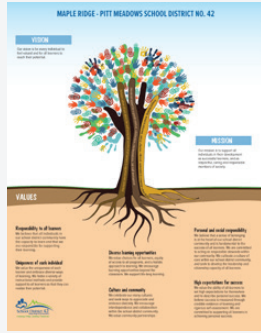
OPERATING FUND: The operating fund includes operating grants and other revenue used to fund instructional programs, school and district administration, facilities operations, maintenance, and transportation.

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 other sources that have restrictions on how they may be spent (e.g. Classroom Enhancement Fund, Annual Facilities Grant, 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 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.



STRATEGIC DIRECTION



VISION

The district vision is for every individual to feel valued and for all learners to reach their potential.

MISSION

Our mission is to support all individuals in their development as successful learners, and as respectful, caring, and responsible members of society.

STRATEGIC DIRECTIONS

1. Inclusive culture of care and belonging where the well-being and success of all learners is supported and celebrated.
2. Intentional support for a growth mindset, collaboration, interdependence, and staff development.
3. Forward-thinking, research-informed, effective, efficient, sustainable, value-based, and connected school district.

STRATEGIC PRIORITIES AND GOALS

The strategic priorities and goals for the Maple Ridge - Pitt Meadows School District are established on a rolling four-year planning cycle and are summarized in departmental operational plans and school growth plans.

The board-approved budget supports the specific strategic goals identified in operational plans and school growth plans. Specifically, the board has made allocations that support collaborative teaching, safe and caring schools, early learning, literacy, educational leadership, and technology infrastructure. For additional information on these allocations, please refer to the budget changes table on page 9.

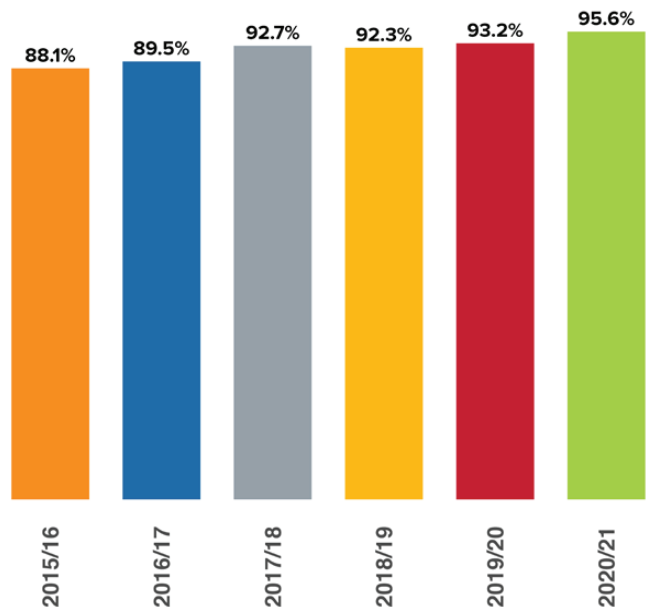
STUDENT ACHIEVEMENT

The six-year completion rate for B.C. students for the 2020/21 school year was 95.6% - exceeding the provincial average of 90% and within the range of the highest performing school districts in the province with regard to school completion. These results place us as one of the top districts in the province with a graduating class in excess of 1,000 students.

Six years ago, in 2015/2016, the school district's overall six-year completion rate was 88.1%. We have dedicated considerable attention and effort to providing engaging and inclusive programming for students, focussing both on improving graduation rates and the quality of graduation. Our graduation rates for students of Aboriginal ancestry and our students with diverse needs also show favourable trends. For 2020/21 our six year completion rate for students of aboriginal ancestry is 84.1% which compares favourably with the provincial average of 72%. Similarly, our completion rate for students in the diverse learners/special needs sub-group is 85.3% for 2020/21 which also compares favourably with the provincial average of 74%.

A comprehensive review and analysis of student achievement is provided in the *Supporting All Learners: Enhancing Student Learning Report (September, 2021)*.

2020/21 SIX-YEAR GRADUATION RATES BC STUDENTS



* 2020/21 provincial average 90%

BUDGET PROCESS

Wednesday, December 8, 2021	BOARD MEETING <ul style="list-style-type: none"> Presentation and approval of the Proposed Budget Process/Timeline.
Wednesday, February 2, 2022	BUDGET COMMITTEE OF THE WHOLE <ul style="list-style-type: none"> Partner groups presentation of impact on budget-driven changes implemented as part of the 2021/22 Preliminary Budget.
Wednesday, February 23, 2022	BOARD MEETING <ul style="list-style-type: none"> Presentation of projected enrolment for 2022/23, 2023/24, 2024/25, 2025/26.
Wednesday, February 23, 2022	BOARD MEETING <ul style="list-style-type: none"> Presentation and board approval of the 2021/22 Amended Annual Budget.
Tuesday, March 29, 2022	ABORIGINAL EDUCATION ADVISORY <ul style="list-style-type: none"> Presentation of the 2022/23 preliminary budget estimates and consultation on budget priorities
Wednesday, March 30, 2022	BUDGET COMMITTEE OF THE WHOLE <ul style="list-style-type: none"> Partner groups individual presentations to the board of the 2022/23 budget considerations.
Wednesday, April 13, 2022	BOARD MEETING <ul style="list-style-type: none"> Presentation of the Proposed 2022/23 Preliminary Budget
Tuesday, April 19, 2022	ABORIGINAL EDUCATION ADVISORY <ul style="list-style-type: none"> Feedback on the Proposed 2022/23 Preliminary Budget
Wednesday, April 20, 2022	BUDGET COMMITTEE OF THE WHOLE <ul style="list-style-type: none"> Public and partner group input on the Proposed 2022/23 Preliminary Budget
Wednesday, April 27, 2022	BOARD MEETING <ul style="list-style-type: none"> Approval of 2022/23 Budget Balancing Proposals and Adoption of 2022/23 Preliminary Budget

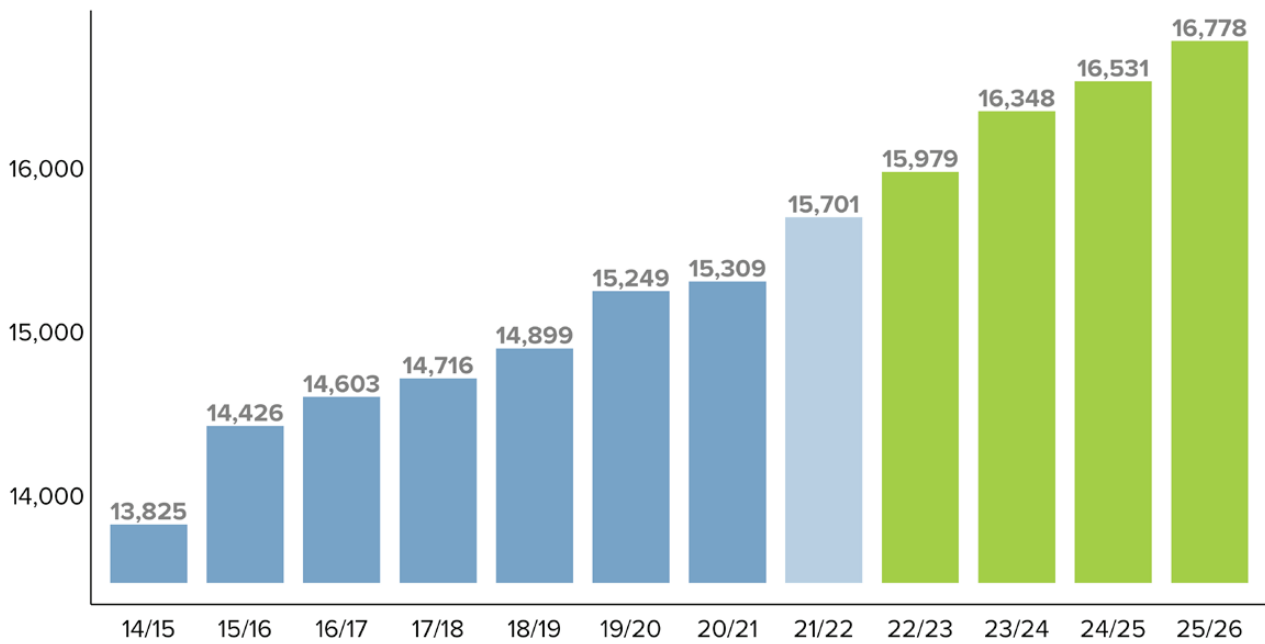


Download the budget document at:
<https://www.sd42.ca/board-of-education/budget-process/2022-budget-process/>



STUDENT ENROLMENT TRENDS AND FORECAST

The enrolment information presented below is based on actual full-year enrolment (regular, alternate, distributed learning, continuing education, summer school, and non-graduated adult learners) for 2014/15 to 2020/21, actual enrolment for September and estimated February and May for 2021/22, and forecasted enrolment for 2022/23, 2023/24, 2024/25, and 2025/26.



STAFFING

Since 2014/15, total operating staffing in the Maple Ridge – Pitt Meadows School District has increased by approximately 309 FTE, primarily to support increased enrolment. Also, there are an additional 160 FTE positions funded from the Classroom Enhancement Fund (CEF).

The table below summarizes staffing levels by type for the years 2014/15 to 2021/22.

	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2021/22 with CEF	2021/22 Student to staff ratio
Teachers	763.35	785.46	804.24	807.15	811.60	825.53	834.36	833.53	989.30	16.22
Principals/VPs - Admin	39.48	40.31	43.97	42.00	45.44	49.24	48.72	48.70	50.20	319.61
Principals/VPs - Teaching	10.70	10.82	10.00	11.10	11.40	13.60	14.20	14.20	14.20	1,129.78
Other Professionals	30.50	31.71	35.71	32.30	36.30	39.30	40.30	43.30	43.30	370.51
Education Assistants	300.81	317.91	337.60	343.08	368.43	418.43	446.91	478.44	478.44	33.53
Support Staff	297.14	302.62	308.66	310.23	313.18	325.26	329.99	332.54	334.83	47.91
Trustees	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	2,291.85
Total	1,448.98	1,495.83	1,547.18	1,552.86	1,593.35	1,678.36	1,721.48	1,757.70	1,917.26	8.37
Student to Staff Ratio	9.90	9.95	9.72	9.76	9.60	9.29	8.96	9.13	8.37	

Source: 1530 report submissions for each year as restated to reflect calculation of budgeted hours per week divided by full time hours per week per position, child care worker FTE removed for all prior years as paid from Special Purpose Funds. Principal/VP FTEs have been split to show the admin and teaching components of the positions. 2016/17 to 2021/22 FTEs have been restated to reflect ongoing allocations only.

SUMMARY: PRELIMINARY OPERATING BUDGET 2022/23

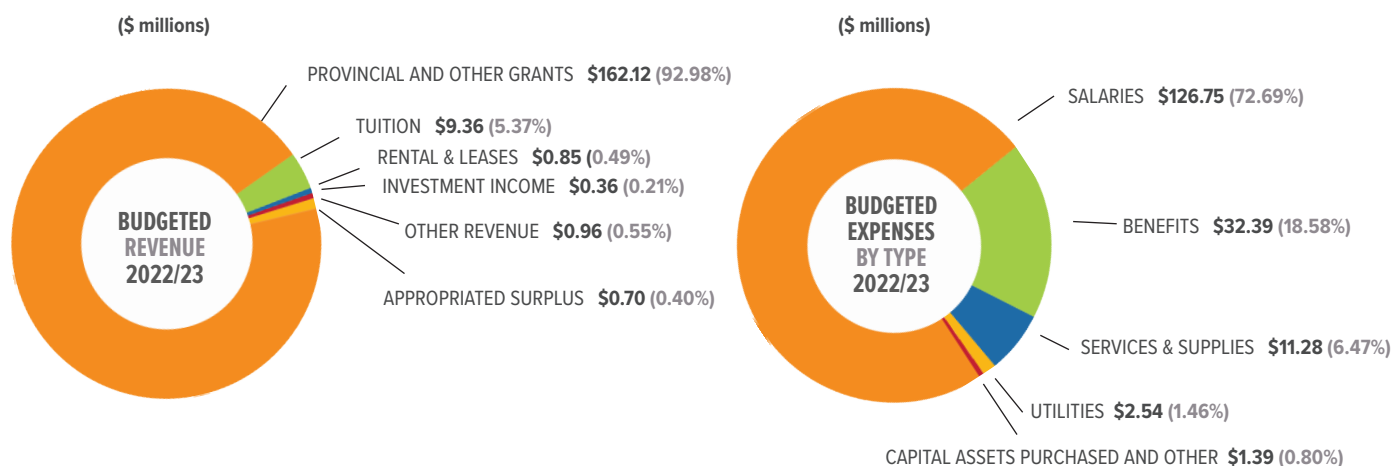
The operating fund includes operating grants and other revenues used to fund instructional programs, school and district administration, facilities operations, maintenance, and transportation.

The following table summarizes revenue and expenses by object for the Operating Fund: actual for 2020/21 and budgeted for fiscal years 2021/22 - 2025/26.

(\$millions)	2020/21 ACTUAL	2021/22 BUDGET	2022/23 BUDGET	2023/24 BUDGET	2024/25 BUDGET	2025/26 BUDGET
Revenues						
Provincial Grants - Ministry of Education	150.64	157.26	161.57	167.06	171.38	176.37
Provincial Grants - Other	0.30	0.31	0.28	0.28	0.28	0.28
Federal Grants	-	0.17	0.27	0.27	0.27	0.27
Tuition	4.61	8.33	9.36	10.57	10.65	10.65
Other Revenue	0.89	0.86	0.96	0.88	0.88	0.88
Rentals and Leases	0.49	0.61	0.85	0.85	0.85	0.85
Investment Income	0.35	0.24	0.36	0.36	0.36	0.36
Total Revenue	157.28	167.78	173.65	180.27	184.67	189.66
Expenses						
Salaries and Benefits	144.50	155.94	159.14	164.74	169.66	174.63
Services and Supplies	11.18	15.49	13.82	14.17	14.37	14.30
Total Expenses	155.68	171.43	172.96	178.91	184.03	188.93
Capital Purchases and Other	2.74	2.53	1.39	1.43	1.43	1.43
Surplus (Deficit) for the year	(1.14)	(6.18)	(0.70)	(0.07)	(0.79)	(0.70)
Accumulated Surplus (Deficit), beginning of year			0.19			
Use of Prior Year Appropriated Surplus	7.51	6.37	0.51			
Accumulated Surplus (Deficit), end of year	6.37	0.19	0.00	(0.07)	(0.79)	(0.70)

Source: 2020/21 Annual Audited Financial Statements and 2021/22 Amended Annual Budget.

School District No. 42 (Maple Ridge - Pitt Meadows) is estimating to receive 92.98% of its operating revenue from the province and other grants, 5.37% from tuition, 0.40% from prior year appropriated surplus, and 1.25% from other sources. The proposed operating budget for 2022/23 is allocated for salaries and benefits (91.27%); services and supplies (6.47%); utilities (1.46%); and capital assets purchased and other (0.80%).



The table below summarizes the changes to the operating budget four-year projections. Additional information about these estimates can be found in the financial section of the budget document.

OPERATING BUDGET FOUR-YEAR PROJECTIONS (\$ millions)	2022/23	2023/24	2024/25	2025/26
Incremental Cost Increases				
Changes in Salaries and Benefits				
Salary and benefit changes (excluding labour settlement)	(0.92)	(0.34)	(0.34)	(0.34)
Other benefit cost changes	(0.74)	(0.60)	(0.60)	(0.60)
Services, Supplies & Utilities	0.06	(0.25)	(0.22)	(0.22)
	(1.60)	(1.19)	(1.16)	(1.16)
Enrolment Driven Changes	1.16	0.67	0.34	0.46
Ministry of Education Funding Changes	0.16			
Revenue and Expense Changes				
Impact of previous year's budget	(0.38)	0.12		
International education	0.09	0.21	0.03	
Other ongoing revenue and expenses	0.25			
	(0.04)	0.33	0.03	-
Total Projected Surplus / (Shortfall) Before One-time Items	(0.32)	(0.19)	(0.79)	(0.70)
One-Time Revenue and Expenditures				
International education	(0.10)	0.10		
One-time revenue and expenses	0.19	(0.19)		
Total Projected Surplus / (Shortfall)	(0.23)	(0.28)	(0.79)	(0.70)
Use of Prior Year Surplus	0.70	(0.70)		
Total Projected Surplus / (Shortfall)	0.47	(0.98)	(0.79)	(0.70)
Ongoing Budget Changes	0.44			
One-Time Budget Changes	(0.91)	0.91		
Total Projected Surplus / (Shortfall)	-	(0.07)	(0.79)	(0.70)

BUDGET CHANGES

The operating context for our school district has changed significantly in the past four years. After almost a decade of enrolment decline and budget reductions, in 2015/16 enrolment in the Maple Ridge – Pitt Meadows School District started to increase and this trend is projected to continue for the foreseeable future.

To effectively support the projected continued enrolment increase and the changed operational context, the school district has to review existing systems and structures and, where necessary, implement the changes required.

The preliminary budget changes summarized below were developed through a review of all current school district budget allocations, and restored MRTA collective agreement language and associated funding. The review included meetings with all partner groups, managers, principals, and the board. The budget review process also aimed to ensure the alignment of budget allocations with the strategic directions set in the board's strategic plan, strategic facilities plan, divisional operational plans, and school growth plans.

In March 2020, the World Health Organization declared coronavirus COVID-19 a pandemic. The continued impact of COVID-19 on the global economy and on school district finances and operations is very difficult to estimate. This proposed preliminary budget reflects the need for flexibility in addressing emergent issues over the next year.



ONGOING PRELIMINARY BUDGET CHANGES 2022/23	
Support for School Growth Plans	
Education Leadership	
French Immersion and FSL Support	11,080
Secondary Administration Staffing	74,778
Secondary Staffing Bank	26,453
	112,311
Learning Services	
Collaborative Teaching	190,567
Support for Operational Plans	
Riverside Centre	
Vice Principal - International and ELL	(151,295)
Helping Teacher - ELL	46,008
Assistant Manager, International Education	122,215
Business Operations and Governance	
Procurement Software	(14,157)
Reallocations of Existing Budgets	14,157
Other Operational Savings	
Education Leadership	4,784
International Education and Ridge Meadows College	13,662
Information Technology	18,762
Human Resources	29,787
Business Operations and Governance	4,247
Emergent Expenditures Fund	50,000
	138,170
Implementation of Strategic Facilities Plan	
Sustainability - Electric Vehicle Charging Infrastructure	3,775
Total Ongoing Budget Changes	\$444,823

ONE-TIME PRELIMINARY BUDGET CHANGES 2022/23	
Support for School Growth Plans	
Literacy	(154,993)
Numeracy	(20,000)
Early Learning	(63,247)
Safe & Caring Schools	
School Based Staffing at Secondary	(285,216)
School Based Staffing at Elementary	(78,031)
Racial Inclusivity and Equity	(82,220)
Reallocation of Existing Budgets	221,826
Education Leadership	
Elementary Administration Staffing	74,096
	(387,785)
Learning Services	
Collaborative Teaching-Supporting Early Intervention Inclusionary Programming	(886,431)
Inclusion Support Consultation Services	(69,000)
Instructional Bank	(200,000)
Reallocation of Existing Budgets	955,431
	(200,000)
Support for Operational Plans	
Indigenous Education	(154,516)
Reallocation of Existing Budgets	139,355
Human Resources	
Human Resources Staff	(45,585)
Health and Safety Staff - Disability Management Administrator	(85,445)
Health and Safety Staff- HR Assistant	(79,930)
HR Manager, Projects	56,334
Succession Planning	(20,000)
Technology Support - IT Staffing	(190,361)
Other Operational Savings	
Education Leadership	137,044
International Education and English Language Learners	36,100
Communications	15,000
Business Operations and Governance	12,185
Human Resources	4,040
Facilities Vehicles	39,022
Secondary Equipment Grant	97,000
	(39,757)
Transportation	
Regular Student Transportation	(280,708)
Use of Prior Year Surplus	696,691
Total One-time Budget Changes	(211,559)
Total Budget Changes	\$233,264

SUMMARY: SPECIAL PURPOSE FUNDS BUDGET 2022/23

The special purpose fund is comprised of separate funds established to track revenue and expenditures received from the Ministry of Education and other sources that have restrictions on how the funds are spent. The following special purpose funds have been included in the 2022/23 preliminary budget:

- Classroom Enhancement Fund (CEF)
- Learning Improvement Fund (LIF)
- Annual Facility Grants (AFG) (excluding amounts paid via bylaw certificates of approval)
- Official Languages in Education French Programs Grants (OLEP)
- Community LINK Grants
- StrongStart Centre Grants
- Ready Set Learn Grants
- Youth Education Support Fund
- Scholarships and Bursaries
- School Generated Funds

The following table summarizes budgeted deferred contributions, revenue, and expenditure by object for all special purpose funds.

Budget changes are not contemplated for funds other than the Classroom Enhancement Fund and the Annual Facilities Grant Fund.

(\$ millions)	2020/21 Actual	2021/22 Budget	2022/23 Budget	2023/24 Budget	2024/25 Budget	2025/26 Budget
Deferred Revenue, beginning of year	(1.38)	(1.56)	(1.25)	(1.25)	(1.25)	(1.25)
Received Contributions						
Provincial Grants - Ministry of Education	(22.38)	(20.90)	(19.31)	(19.31)	(19.31)	(19.31)
Other	(2.24)	(2.07)	(4.58)	(4.58)	(4.58)	(4.58)
Investment Income	-	-	-	-	-	-
Total Contributions Received	(24.62)	(22.97)	(23.89)	(23.89)	(23.89)	(23.89)
Less: Allocated to Revenue or Recovered by MOE	24.44	23.28	23.89	23.89	23.89	23.89
Deferred Revenue, end of year	(1.56)	(1.25)	(1.25)	(1.25)	(1.25)	(1.25)
Allocated to Revenue						
Provincial Grants	22.30	21.14	19.31	19.31	19.31	19.31
Other Revenue	2.14	2.14	4.58	4.58	4.58	4.58
Investment Income	-	-	-	-	-	-
Total Allocated to Revenue	24.44	23.28	23.89	23.89	23.89	23.89
Expenses						
Salaries and Benefits	18.32	19.95	18.73	18.73	18.73	18.73
Service and Supplies	3.20	2.86	4.82	4.82	4.82	4.82
Total Expenses	21.52	22.81	23.55	23.55	23.55	23.55
Capital Purchases and Other	2.92	0.47	0.34	0.34	0.34	0.34
Total Expenses and Capital Purchases	24.44	23.28	23.89	23.89	23.89	23.89
Net Revenue (Expense)	-	-	-	-	-	-

Classroom Enhancement Fund

For 2022/23, the Maple Ridge - Pitt Meadows School District has been provided with a preliminary Classroom Enhancement Fund (CEF) allocation of \$17.09 million, sufficient to fund an estimated 153.36 FTE teachers and overhead costs of \$0.73 million. It is estimated that an additional \$0.85 million will be required in order to fund the 161.37 FTE teachers needed to fulfill the collective agreement obligations funded under CEF.

USE OF CLASSROOM ENHANCEMENT FUND 2022/23		
	FTE	BUDGET
Classroom Enhancement Fund Grant		\$ 17,091,726
Estimated Additional Funding Required		854,362
Preliminary Staffing Plan	161.37	(17,219,279)
CEF Substitutes		(356,761)
Educational Leadership	1.60	(244,825)
Facilities & Other Implementation Costs	1.55	(125,223)
Total Classroom Enhancement Fund	164.52	-

Annual Facilities Grant

For 2022/23, the Maple Ridge - Pitt Meadows School District has been provided with a special purpose annual facilities grant allocation of \$517,597 and a capital annual facilities grant allocation of \$2,136,463. The board-approved annual facilities grant spending plan for 2022/23 is presented in the following tables.

LOCATION	PROJECT DESCRIPTION	BUDGET	LOCATION	PROJECT DESCRIPTION	BUDGET
District	Capital asset management system	44,051	Albion Elementary	Fire alarm system upgrade	20,000
Blue Mountain Elementary	Roofing upgrades	9,000	Alouette Elementary	Roofing upgrades - section 9	382,234
Davie Jones Elementary	Power factor correction	7,000	District Education Office	Replace lighting control system at end of life	80,000
Eric Langton Elementary	Portable ramp repairs	10,000	District Education Office	HVAC upgrades - replace failed cooling tower	340,000
Eric Langton Elementary	Power factor correction	7,600	Edith McDermott Elementary	Roofing upgrades - sections 4,5,6,7	450,975
Fairview Elementary	Washroom upgrade	70,000	Fairview Elementary	Fire alarm full system replacement	20,000
Garibaldi Secondary	Power factor correction	10,000	Garibaldi Secondary	HVAC upgrades - rooftop units for theatre	204,000
Glenwood Elementary	Roofing upgrades	13,546	Garibaldi Secondary	HVAC upgrades - geo-loop renewal and for heat pump repairs	15,000
Laity View Elementary	Power factor correction	7,000	Glenwood Elementary	Parking lot paving renewal	60,000
Laity View Elementary	HVAC upgrades - rooftop units upgrade	40,000	Harry Hooge Elementary	Flooring upgrade	45,000
Maple Ridge Elementary	Power factor correction	7,000	Highland Park Elementary	Window shutter replacement	168,000
Maple Ridge Secondary	Ramp construction for portable cluster	40,000	Highland Park Elementary	Bathrooms upgrade	134,737
Maple Ridge Secondary	HVAC upgrades - domestic hot water upgrade	25,000	Maple Ridge Secondary	HVAC upgrades – partial upgrade of unit ventilators	56,517
Pitt Meadows Secondary	Power factor correction	8,400	Thomas Haney Secondary	Great hall flooring upgrade	80,000
Whonnock Elementary	Roofing upgrades	9,000	Thomas Haney Secondary	Paving and sidewalks upgrades	80,000
Yennadon Elementary	Key scan card installation	10,000	Total Capital AFG		\$2,136,463
Various	HVAC upgrades - duct cleaning and maintenance	100,000	TOTAL AFG		\$2,654,060
Various	Interior painting	50,000			
Various	Asbestos survey/inventory and asbestos abatement	50,000			
Total Special Purpose Fund AFG		\$517,597			

SUMMARY: CAPITAL FUND BUDGET 2022/23

The capital fund includes capital expenditures related to facilities (purchases and enhancements) and equipment (purchases) that are funded by Ministry of Education 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.

CAPITAL (\$ millions)	2020/21 Actual	2021/22 Budget	2022/23 Budget	2023/24 Budget	2024/25 Budget	2025/26 Budget
Capital Surplus (Deficit), beginning of year	87.23	89.25	88.29	86.09	84.10	82.18
Revenues						
Provincial Grants - Ministry of Education	-					
School Site Acquisition Fees	0.19					
Investment Income	0.08	0.05	0.07	0.07	0.07	0.07
Other Revenue	0.16					
Loss on Disposal of Tangible Capital Assets	-					
Amortization of Deferred Capital Revenue	6.46	6.55	6.59	6.77	6.81	6.85
Total Revenue	6.89	6.60	6.66	6.84	6.88	6.92
Expenses						
Amortization of Tangible Capital Assets	(10.55)	(10.56)	(10.58)	(10.59)	(10.56)	(10.47)
Capital Lease Interest						
Total Expenses	(10.55)	(10.56)	(10.58)	(10.59)	(10.56)	(10.47)
Net Transfers (to) from other funds						
Tangible Capital Assets Purchased	4.96	2.14	0.70	0.70	0.70	0.70
Tangible Capital Assets - Work in Progress	-	-	-	-	-	-
Local Capital	0.72	0.86	1.02	1.06	1.06	1.06
Capital Lease Payment	-	-	-	-	-	-
Total Net Transfers	5.68	3.00	1.72	1.76	1.76	1.76
Total Capital Surplus (Deficit) for the year	2.02	(0.96)	(2.20)	(1.99)	(1.92)	(1.79)
Capital Surplus (Deficit), end of year	89.25	88.29	86.09	84.10	82.18	80.39

The following table presents capital projects supported by the provincial government and the estimated capital spending associated with these projects over the next five years. The funding for Eric Langton Elementary seismic upgrade and addition has not yet been confirmed by the Ministry of Education. The budgeted amounts for this project are based on the estimated costs included in the most recent business case submission to government.

Facility Name	Project Description	Estimated Project Value	Amount Funded by Others	Local Funding	2022/23	2023/24	2024/25	2025/26
					Budget	Budget	Budget	Budget
(\$ millions)								
Eric Langton Elementary	Seismic upgrade and addition	\$46.15	\$43.65	\$2.50	\$0.20	\$1.80	\$9.20	\$23.00
Westview Secondary	SEP – Roofing Upgrades	\$0.54	\$0.54		\$0.54			
Alouette Elementary	SEP – Roofing Upgrades	\$0.93	\$0.93		\$0.93			
Webster's Corners Elementary	SEP – HVAC Upgrades	\$0.39	\$0.39		\$0.39			
Total		\$48.01	\$45.51	\$2.50	\$2.06	\$1.80	\$9.20	\$23.00

Local Capital

The local capital balance is comprised of previous years' operating surpluses, which are transferred to the local capital reserve (LCR) and proceeds from the sale of land. With board approval, the funds in the LCR can be used to assist in funding capital or operating expenses. The LCR can also be used to fund major initiatives that are not funded by the province.

The table below summarizes local capital funding priorities over the next four years.

Local Capital Budget Summary

(\$millions)	2022/23 Base Budget	2022/23 Base Budget Changes	2022/23 Proposed Budget Changes	2022/23 Proposed Preliminary Budget	Funding Required 2023/24-2025/26
Contingency Reserve for Local Capital (1% minimum)	\$2.14	\$0.68	\$(1.85)	\$0.97	\$0.77
IT Capital Plan	0.98	0.83	-	1.81	-
Facilities Equipment and Vehicles	-	0.14	-	0.14	-
Childcare Capital	0.10	0.05	-	0.15	-
Student Information System RMC	0.10	-	-	0.10	-
Implementation of Strategic Facilities Plan					
New Elementary School	0.39	(0.39)	-	-	-
New Classroom Setup	0.83	-	0.66	1.49	2.05
MRSS Annex Reconfiguration	0.29	(0.29)	-	-	-
Capital Planning	0.14	-	-	0.14	-
Sustainability	-	-	-	-	-
Electric Vehicle Charging Stations	-	-	0.03	0.03	-
HVAC Upgrades	-	-	0.46	0.46	1.26
Other Facilities Capital	-	-	-	-	1.60
Capital Cost Share	-	-	0.70	0.70	-
Total Local Capital	\$4.97	\$1.02	-	\$5.99	\$5.68

Contingency Reserve for Local Capital

The Board of Education is responsible for ensuring the district is protected financially from extraordinary circumstances that would negatively impact school district operations and the education of students. To discharge this responsibility, the board has established a contingency reserve from available operating surplus, which will be used to mitigate any negative impact such circumstances might cause.

Existing school district budgets are not sufficient to support the procurement or timely replacement of school district assets. The budget required to complete the building maintenance projects identified through facility condition assessments far exceeds the annual facilities grant and the capital funding for building enhancement projects received by School District No. 42.

Also, the local capital investment priorities identified in the Strategic Facilities Plan far exceed the funds available under local capital.

This means that the deferred maintenance for school district facilities continues to grow and the facility condition index for school district facilities continues to deteriorate. Major equipment failures must be covered from the contingency reserve. These include, but are not limited to, the following: building envelope remediation, roof repairs or replacement, boiler replacements, server replacements, and shop equipment replacements.

In addition, the board is responsible for any cost overruns incurred on Ministry of Education funded capital projects and this is the only fund available to cover such costs.

By board policy, a contingency reserve of at least 1% of operating expenditures and not exceeding 3% of operating expenditures shall be maintained (\$1.74 million to \$5.22 million). The current balance of \$3.01 million (\$2.82 million local capital and \$0.19 million operating) equates to 1.73% of operating expenditures.

After the proposed use of \$1.85 million of the contingency reserve for local capital, the estimated balance of the contingency reserve will be \$0.97 million (\$0.97 million contingency reserve for local capital and \$0 million contingency reserve for operating), and it represents approximately 0.56% of operating expenditures.





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