



Executive Summary



Organizational Section



Financial Section



Informational Section

EXECUTIVE SUMMARY

MESSAGE FROM THE BOARD OF EDUCATION AND SENIOR STAFF

In preparing the 2023/24 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 2023/24 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, 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 budget, which attempt to balance the needs of the system against the demands of our context.

Thank you for taking the time to review our 2023/24 Proposed Preliminary Budget. A summary of the feedback received is available on the school district website in the *2023/24 Proposed Preliminary Budget Consultation Summary* document.

BOARD of EDUCATION
SCHOOL DISTRICT NO.42

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BOARD CHAIR

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FLAVIA COUGHLAN
SECRETARY TREASURER / CFO

BUDGET OVERVIEW

School District No. 42 meets the learning needs of over 16,000 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-informed, ethical, effective, efficient, sustainable, value-based, and connected organization.

For 2023/24, School District No. 42 (Maple Ridge – Pitt Meadows) is estimating that an ongoing operating funding shortfall of \$0.08 million will have to be addressed, offset by a one-time budget surplus of \$1.0 million that can be utilized to fund one-time initiatives in 2023/24. This is estimated to be followed by budget funding shortfalls of approximately \$0.91 million for 2024/25, \$1.26 million for 2025/26, and \$1.20 million for 2026/27.

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 from 2022/23 to 2026/27 is \$6.72 million. Also, by board policy a contingency reserve of minimum 1% of budgeted operating expenses (\$2.01 million) must be maintained to address financial risks that materialize after the budget is adopted. The local capital funding shortfall over four years is estimated to be \$3.28 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 and Child Care. 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 2023/24 fiscal year (July 1, 2023 - June 30, 2024) and submit it to the Ministry of Education and Child Care by June 30, 2023. The Maple Ridge – Pitt Meadows School District developed 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 Child Care and Public Sector Accounting (PSA) Standards, 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.

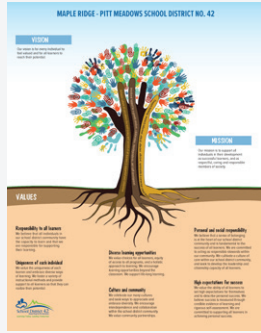
OPERATING FUND: The operating fund includes operating grants and other revenue used to fund instructional programs, school and district administration, facilities operations, maintenance, and transportation.

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 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.



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, diversity, identity, 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.

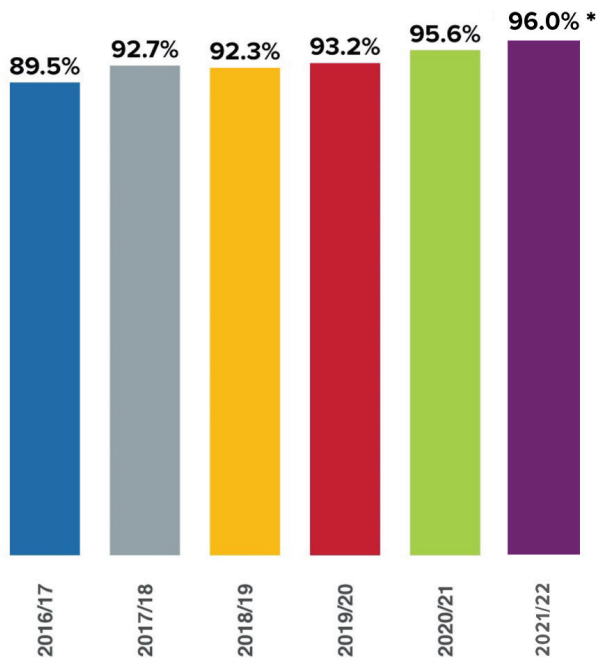
STUDENT ACHIEVEMENT

The six-year completion rate for B.C. students for the 2021/22 school year was 96% - exceeding the provincial range of 79-90% 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 2016/17 the school district's overall six-year completion rate was 89.5%. We have dedicated considerable attention and effort to providing engaging and inclusive programming for students, focusing both on improving graduation rates and the quality of graduation. Our graduation rates for students of Indigenous ancestry and our students with diverse needs also show favourable trends. For 2021/22, our six year completion rate for students of Indigenous ancestry is 90%, which is higher than the provincial range of 67-83%. Similarly, our completion rate for students in the diverse learners/special needs sub-group is 87% for 2021/22, which is also higher than the provincial range of 67-81%.

A comprehensive review and analysis of student achievement is provided in the *Supporting All Learners: Enhancing Student Learning Report (September, 2022)*.

2021/22 SIX-YEAR GRADUATION RATES BC STUDENTS



* 2021/22 provincial range 79-90%



BUDGET PROCESS AND CONSULTATION TIMELINE

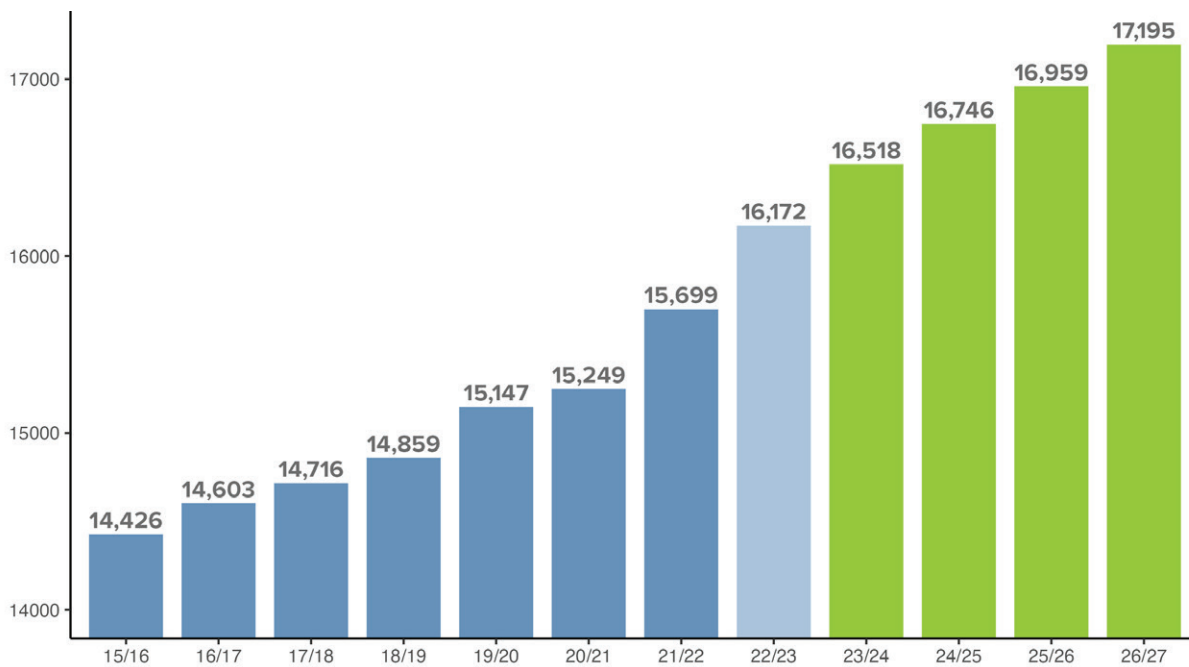
Wednesday, January 18, 2023	BOARD MEETING <ul style="list-style-type: none"> Presentation and approval of the Proposed Budget Process/Timeline
Wednesday, February 15, 2023	BOARD MEETING <ul style="list-style-type: none"> Presentation of projected enrolment for 2023/24, 2024/25, 2025/26, 2026/27
Wednesday, March 1, 2023	BOARD MEETING <ul style="list-style-type: none"> Presentation and board approval of the 2022/23 Amended Annual Budget
Wednesday, March 1, 2023	BUDGET COMMITTEE OF THE WHOLE <ul style="list-style-type: none"> Presentation of the 2023/24 preliminary budget estimates to partner groups and preliminary feedback from partner groups on budget priorities
Tuesday, March 28, 2023	ABORIGINAL EDUCATION ADVISORY <ul style="list-style-type: none"> Presentation of the 2023/24 preliminary budget estimates and consultation on budget priorities
Wednesday, March 29, 2023	BUDGET COMMITTEE OF THE WHOLE <ul style="list-style-type: none"> Partner groups individual presentations to the board of the 2023/24 budget considerations
Wednesday, April 12, 2023	BOARD MEETING <ul style="list-style-type: none"> Presentation of the Proposed 2023/24 Preliminary Budget
Tuesday, April 18, 2023	ABORIGINAL EDUCATION ADVISORY <ul style="list-style-type: none"> Feedback on the Proposed 2023/24 Preliminary Budget
Wednesday, April 19, 2023	BUDGET COMMITTEE OF THE WHOLE <ul style="list-style-type: none"> Public and partner group input on the Proposed 2023/24 Preliminary Budget
Wednesday, April 26, 2023	BOARD MEETING <ul style="list-style-type: none"> Approval of 2023/24 Budget Balancing Proposals and Adoption of 2023/24 Preliminary Budget



Download the budget and consultation summary documents at:
<https://www.sd42.ca/board-of-education/budget-process/2023-budget-process/>

STUDENT ENROLMENT TRENDS AND FORECAST

The enrolment information presented below is based on actual full-year enrolment (regular, alternate, online learning, continuing education, summer learning, and non-graduated adult learners) for 2015/16 to 2021/22, actual enrolment for September and February and estimated for May for 2022/23, and forecasted enrolment for 2023/24 to 2026/27.



STAFFING

Since 2015/16, total operating staffing in the Maple Ridge – Pitt Meadows School District has increased by approximately 493 FTE, primarily to support increased enrolment. Also, there are an additional 159 FTE positions funded from the Classroom Enhancement Fund (CEF).

The table below summarizes staffing levels by type for the years 2015/16 to 2022/23.

	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2022/23 with CEF	2022/23 Student to staff ratio
Teachers	785.46	804.24	807.15	811.60	825.53	834.36	833.53	847.36	1,002.97	16.58
Principals/VPs - Admin	40.31	43.97	42.00	45.44	49.24	48.72	48.70	49.70	51.30	324.12
Principals/VPs - Teaching	10.82	10.00	11.10	11.40	13.60	14.20	14.20	15.17	15.17	1,096.06
Other Professionals	31.71	35.71	32.30	36.30	39.30	40.30	43.30	46.30	46.30	359.12
Educational Assistants	317.91	337.60	343.08	368.43	418.43	446.91	478.44	529.36	529.36	31.41
Support Staff	302.62	308.66	310.23	313.18	325.26	329.99	332.54	335.24	336.79	49.37
Trustees	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	2,375.31
Total FTE	1,495.83	1,547.18	1,552.86	1,593.35	1,678.36	1,721.48	1,757.70	1,830.13	1,988.89	8.36
Student to Staff Ratio	9.95	9.72	9.76	9.60	9.29	8.96	9.14	9.09	8.36	

Source: 1530 report submissions for 2015/16 to 2019/20, restated to reflect ongoing allocations only and calculation of budgeted hours per week divided by full time hours per week per position; child and youth 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. Comparable information is presented for 2020/21 to 2022/23 for which 1530 report submissions not required.

SUMMARY: PRELIMINARY OPERATING BUDGET 2023/24

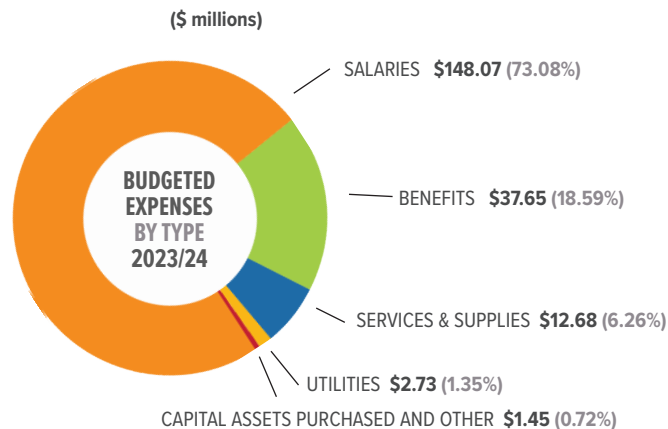
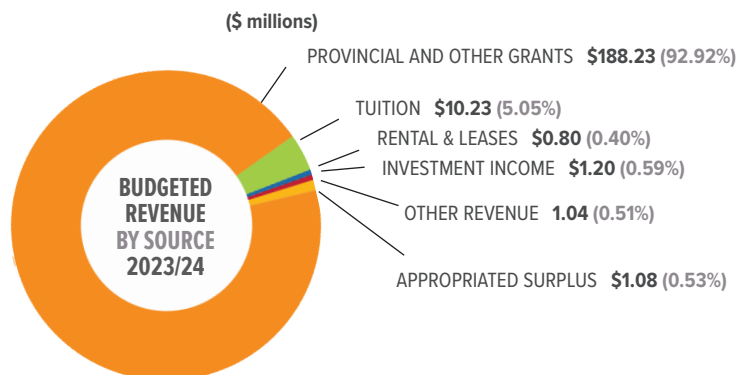
The operating fund includes operating grants and other revenues used to fund instructional programs, school and district administration, facilities operations, maintenance, and transportation.

The following table summarizes revenue and expense by object for the Operating Fund — actuals for years 2019/20 to 2021/22 and budgeted for 2022/23 to 2026/27.

(\$ millions)	2019/20 Actual	2020/21 Actual	2021/22 Actual	2022/23 Budget	2023/24 Budget	2024/25 Budget	2025/26 Budget	2026/27 Budget
Revenues								
Provincial Grants - MECC	\$145.49	\$150.64	\$157.36	\$170.37	\$187.57	\$196.20	\$201.52	\$207.06
Provincial Grants - Other	0.33	0.30	0.39	0.33	0.32	0.32	0.32	0.32
Federal Grants	0.17	0.00	0.07	0.28	0.34	0.34	0.34	0.34
Tuition	9.10	4.61	8.16	9.62	10.23	10.96	10.96	10.96
Other Revenue	0.84	0.89	0.89	1.03	1.04	0.98	0.98	0.98
Rentals and Leases	0.64	0.49	0.66	0.75	0.80	0.80	0.80	0.80
Investment Income	0.63	0.35	0.31	1.19	1.20	1.20	1.20	1.20
Total Revenue	157.20	157.28	167.84	183.57	201.50	210.80	216.12	221.66
Expenses								
Salaries and Benefits	139.93	144.50	153.53	168.40	185.72	194.91	200.22	205.37
Services and Supplies	12.28	11.18	13.07	16.47	15.41	15.35	15.71	16.04
Total Expenses	152.21	155.68	166.60	184.87	201.13	210.26	215.93	221.41
Capital Purchases and Other	2.13	2.74	3.13	3.18	1.45	1.45	1.45	1.45
Surplus (Deficit) for the year	2.86	(1.14)	(1.89)	(4.48)	(1.08)	(0.91)	(1.26)	(1.20)
Use of Prior Year Operating Surplus	4.65	7.51	6.37	4.48	1.08			
Operating Surplus (Deficit), end of year	\$7.51	\$6.37	\$4.48	\$-	\$-	\$(0.91)	\$(1.26)	\$(1.20)

Source: 2019/20 - 2021/22 Annual Audited Financial Statements and 2022/23 Amended Annual Budget.

School District No. 42 (Maple Ridge - Pitt Meadows) is estimating to receive 92.92% of its operating revenue from the province and other grants, 5.05% from tuition, 0.53% from prior year appropriated surplus, and 1.50% from other sources. The proposed operating budget for 2023/24 is allocated for salaries and benefits (91.67%); services and supplies (6.26%); utilities (1.35%); and capital assets purchased and other (0.72%).



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)	2023/24	2024/25	2025/26	2026/27
Incremental Cost Increases				
Changes in Salaries and Benefits				
Salary and benefit changes (excluding labour settlement)	\$(1.73)	\$(0.92)	\$(0.53)	\$(0.53)
Contractual changes for unionized staff (MRTA and CUPE)	(10.36)	(3.28)		
Other benefit cost changes	(0.77)	(0.71)	(0.71)	(0.71)
Services, Supplies and Utilities	(0.38)	(0.41)	(0.36)	(0.33)
	(13.24)	(5.32)	(1.60)	(1.57)
Enrolment Driven Changes	1.58	0.25	0.34	0.37
MECC Funding Changes	10.91	3.28		
Other Revenue and Expense Changes				
Impact of previous year's budget	0.57	(0.05)		
International Education	0.05	0.61		
Other ongoing revenue and expenses	0.05			
	0.67	0.56	-	-
Total Projected Surplus (Shortfall) Before One-time Items	(0.08)	(1.23)	(1.26)	(1.20)
One-Time Revenue and Expenses Included in Base Budget	1.00	(0.63)		
Total Projected Surplus (Shortfall)	0.92	(1.86)	(1.26)	(1.20)
Use of Prior Year Surplus	1.08	(1.08)		
Total Projected Surplus (Shortfall)	2.00	(2.94)	(1.26)	(1.20)
Ongoing Budget Changes	0.03			
One-Time Budget Changes	(2.03)	2.03		
Total Projected Surplus (Shortfall)	\$-	\$(0.91)	\$(1.26)	\$(1.20)

PRELIMINARY OPERATING BUDGET CHANGES

Since 2015/16 enrolment in the Maple Ridge – Pitt Meadows School District has been increasing every year, 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, structures and strategies and, where necessary, implement the changes required.

The preliminary budget changes presented in this section were developed through a zero-based review of all current school district budget allocations, restored MRTA collective agreement language, and associated funding. The review included meetings with the Aboriginal Education Advisory Committee, 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, divisional operational plans, and school growth plans.



ONGOING PRELIMINARY BUDGET CHANGES 2023/24	
Support for School Growth Plans	
Education Leadership	
Secondary Administration Staffing	\$15,472
	15,472
Support for Operational Plans	
Ridge Meadows College	
Staffing - General Clerk	(9,542)
Staffing - Program Chair	(45,676)
International Education	
Staffing - General Clerk	59,999
Staffing - Program Coordinator	(106,443)
Short-Term Program	75,583
Business Operations	
Senior Contracts Administrator	83,974
Assistant Procurement Manager	(118,158)
Other Operational Savings	
Education Leadership	3,048
Human Resources	27,900
Business Operations	6,700
Rentals	765
School Allocations	18,779
Transportation	13,000
	9,929
Transportation	
Student Transportation	4,900
	4,900
Total Ongoing Budget Changes	\$30,301

ONE-TIME PRELIMINARY BUDGET CHANGES 2023/24	
Support for School Growth Plans	
Literacy	\$(148,428)
Numeracy	(20,000)
Early Learning - Strong Start	(59,883)
Secondary Assessment Committee	(18,000)
Safe and Caring Schools	
School Based Staffing at Riverside Centre	61,890
School Based Staffing at Secondary	(318,607)
Racial Inclusivity and Equity	(207,646)
Reallocation of Existing Budgets	190,139
Elementary Administration Staffing	73,015
School Staffing	(25,534)
	(473,054)
Learning Services	
Supporting Early Intervention Inclusionary Programming	
Collaborative Teaching	(990,229)
Instructional Bank	(820,000)
Education Assistant Training	(50,000)
Reallocation of Existing Budgets	990,229
	(870,000)
Support for Operational Plans	
Indigenous Education	(20,000)
Before and After School Programming	20,872
Human Resources	
Disability Management Administrator	(91,351)
Health and Safety HR Assistant	(80,907)
Dispatch Coordinator	(59,385)
Technology Support - IT Staffing	(203,670)
Business Operations	
Senior Accountant	(85,858)
Payroll Succession Planning	(20,016)
Other Operational Savings	
Education Leadership	70,311
International Education	20,000
Human Resources	2,480
School Supply Allocations	1,400
	(446,124)
Transportation	
Student Transportation	(242,444)
Use of Prior Year Surplus	1,080,220
Total One-time Budget Changes	(951,402)
TOTAL OPERATING BUDGET CHANGES	\$(921,101)

SUMMARY: SPECIAL PURPOSE FUNDS BUDGET 2023/24

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 the funds are spent. The following special purpose funds have been included in the 2023/24 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 Programs (OLEP)
- Feeding Futures School Food Programs (FFSFP or School Food Program)
- Community LINK
- Early Learning Programs and Projects, including StrongStart BC; Ready, Set, Learn; Changing Results for Young Children; Strengthening Early Years to Kindergarten Transitions; Early Care and Learning
- Mental Health in Schools
- First Nation Student Transportation
- Youth Education Support Fund
- Scholarships and Bursaries
- School Generated Funds (restricted contributions only)
- Earnings and disbursements of endowments (excluding capital)
- Investment income earned on any of the above funds

The following table summarizes budgeted deferred contributions, revenue, and expenses 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)	2019/20 Actual	2020/21 Actual	2021/22 Actual	2022/23 Budget	2023/24 Budget	2024/25 Budget	2025/26 Budget	2026/27 Budget
Deferred Revenue, beginning of year	\$2.38	\$1.38	\$1.56	\$1.76	\$1.23	\$1.23	\$1.23	\$1.23
Received Contributions								
Provincial Grants - MECC	15.14	22.37	21.65	24.56	23.59	23.59	23.59	23.59
Other	3.51	2.25	3.54	5.52	5.09	5.09	5.09	5.09
Investment Income	0.04		0.01					
Total Contributions Received	18.69	24.62	25.20	30.08	28.68	28.68	28.68	28.68
Less: Allocated to Revenue or Recovered by MECC	(19.69)	(24.44)	(25.00)	(30.61)	(28.68)	(28.68)	(28.68)	(28.68)
Deferred Revenue, end of year	1.38	1.56	1.76	1.23	1.23	1.23	1.23	1.23
Allocated to Revenue								
Provincial Grants	15.32	22.30	21.61	24.83	23.59	23.59	23.59	23.59
Other Revenue	3.79	2.14	3.38	5.78	5.09	5.09	5.09	5.09
Investment Income	0.03		0.01					
Total Allocated to Revenue	19.14	24.44	25.00	30.61	28.68	28.68	28.68	28.68
Expenses								
Salaries and Benefits	13.32	18.32	18.81	22.24	21.48	21.48	21.48	21.48
Service and Supplies	4.80	3.20	5.41	8.11	6.82	6.82	6.82	6.82
Total Expenses	18.12	21.52	24.22	30.35	28.30	28.30	28.30	28.30
Capital Purchases and Other	1.02	2.92	0.78	0.26	0.38	0.38	0.38	0.38
Total Expenses and Capital Purchases	19.14	24.44	25.00	30.61	28.68	28.68	28.68	28.68
Net Revenue (Expense)	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-

Classroom Enhancement Fund

For 2023/24, the Maple Ridge - Pitt Meadows School District has been provided with a preliminary Classroom Enhancement Fund (CEF) allocation of \$18.97 million, sufficient to fund an estimated 153.01 FTE teachers and overhead costs of \$0.80 million. It is estimated that an additional \$1.73 million will be required to fund the 167.55 FTE teachers needed to fulfill the collective agreement obligations funded under CEF.

	FTE	Salaries & Benefits	Supplies, Services & Other	Revenue	Total
Classroom Enhancement Fund Grant				\$18,969,373	\$18,969,373
Estimated Additional Funding Required				1,727,337	1,727,337
Preliminary Staffing Plan	167.55	\$(19,901,248)			(19,901,248)
CEF Substitutes		(388,035)			(388,035)
Educational Leadership	1.70	(271,060)			(271,060)
Facilities & Other Implementation Costs	1.55	(117,867)	\$(18,500)		(136,367)
Total Classroom Enhancement Fund	170.80	\$(20,678,210)	\$(18,500)	\$20,696,710	\$-

Annual Facilities Grant

For 2023/24, 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 \$2,722,339. The annual facilities grant spending plan for 2023/24 is presented in the following tables.

Location	Project Description	Budget	Location	Project Description	Budget
Blue Mountain Elementary	Phase 1 - Pretender Design - Boiler Plant Upgrade	\$43,000	Albion Elementary	Learning Environment Enhancement	\$21,000
Davie Jones Elementary	Phase 1 - Pretender Design - Unit Vent replacements (8)	36,000	Blue Mountain Elementary	Replace Flowguard DCW and DHW lines	138,000
District Wide	Capital Asset Management System	44,051	Blue Mountain Elementary	Fire Alarm System Replacement	35,000
District Wide	Phase 1 - Pretender Design - Exterior Painting	50,000	District Wide	Learning Environment Enhancement	181,000
Garibaldi Secondary	Refinish Gymnasium Floors	35,000	Garibaldi Secondary	Parking Lot Paving Repairs	65,000
Garibaldi Secondary	Replace Flooring & ACT in Cafeteria	38,000	Golden Ears Elementary	Wall Carpet Removal	50,000
Golden Ears Elementary	Phase 1 - Pretender Design - Boiler Plant Upgrade	68,000	Laity View Elementary	Roof Upgrade - Section 9	410,000
Highland Park Elementary	Phase 1 - Pretender Design - Unit Vent replacements (21)	90,000	Laity View Elementary	HVAC - Replace Roof Top Unit RTU-1	121,339
Maintenance Building	Phase 1 - Pretender Design - Boiler Plant Upgrade	40,000	Maple Ridge Secondary	Roof Upgrade - Sections 1-3 & 4	420,000
Maple Ridge Elementary	Phase 1 - Pretender Design - Boiler Plant Upgrade	43,000	Maple Ridge Secondary	Phase 2 - HVAC Unit Vent Replacement	593,000
Thomas Haney Secondary	Replace Exterior Sign	5,546	Thomas Haney Secondary	Great Hall Flooring Replacement	50,000
Webster's Corners Elementary	Metal Cladding Upgrade	25,000	Thomas Haney Secondary	Replace Sheet Flooring in Six Classrooms on Science Wing	110,000
Total Special Purpose Fund		\$517,597	Webster's Corners Elementary	Replace Sanitary Force Main	100,000
			Westview Secondary	Front Entrance Flooring	50,000
			Whonnock Elementary	Roof Upgrade - Sections 1-3-4 & 5	230,000
			Whonnock Elementary	Replace Flowguard DCW and DHW lines	100,000
			Yennadon Annex	Learning Environment Enhancement	48,000
			Total Capital Fund AFG		\$2,722,339
			TOTAL AFG		\$3,239,936

SUMMARY: CAPITAL FUND BUDGET 2023/24

The Capital Fund includes capital expenditures related to land, buildings (purchases and enhancements), computer hardware and software, vehicles and equipment that are funded from Ministry of Education and Child Care capital grants, land capital, local capital, the operating fund, 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.

CAPITAL (\$ millions)	2019/20 Actual	2020/21 Actual	2021/22 Actual	2022/23 Budget	2023/24 Budget	2024/25 Budget	2025/26 Budget	2026/27 Budget
Capital Surplus (Deficit), beginning of year	\$77.44	\$87.23	\$89.25	\$89.27	\$89.27	\$88.00	\$86.45	\$84.05
Revenues								
Provincial Grants - MECC	5.41	-						
School Site Acquisition Fees	4.96	0.19	-	-	-	-	-	-
Investment Income	0.14	0.08	0.06	0.47	0.47	0.47	0.47	0.47
Other Revenue	0.24	0.16	0.04	-	-	-	-	-
Amortization of Deferred Capital Revenue	6.01	6.46	6.55	6.68	6.76	6.85	7.69	9.94
Total Revenue	16.76	6.89	6.65	7.15	7.23	7.32	8.16	10.41
Expenses								
Amortization of Tangible Capital Assets	(10.13)	(10.55)	(10.55)	(10.59)	(10.64)	(10.70)	(11.37)	(13.33)
Total Expenses	(10.13)	(10.55)	(10.55)	(10.59)	(10.64)	(10.70)	(11.37)	(13.33)
Net Transfers from other funds								
Tangible Capital Assets Purchased	2.93	4.96	2.00	1.29	0.76	0.76	0.76	0.76
Local Capital	0.23	0.72	1.92	2.15	1.07	1.07	0.05	0.05
Total Net Transfers	3.16	5.68	3.92	3.44	1.83	1.83	0.81	0.81
Capital Surplus (Deficit) for the year	9.79	2.02	0.02	-	(1.58)	(1.55)	(2.40)	(2.11)
Use of Prior Year Operating Surplus					0.31			
Accumulated Capital Surplus, end of year	\$87.23	\$89.25	\$89.27	\$89.27	\$88.00	\$86.45	\$84.05	\$81.94

The following table presents capital projects supported by the provincial government and the estimated capital spending associated with these projects over the next four years. The funding for Harry Hooze Elementary addition and seismic upgrade and Pitt Meadows Secondary replacement school projects have not yet been confirmed by the Ministry of Education and Child Care. The budgeted amounts for these two projects are the estimated costs included in the 2023-28 Capital Plan submissions.

Facility Name	Project Description	Estimated Project Value	Amount Funded by Others	Local Funding	2023/24 Budget	2024/25 Budget	2025/26 Budget	2026/27 Budget
					(\$ millions)			
Eric Langton Elementary	Seismic Replacement and Expansion	\$48.86	\$46.36	\$2.50	\$4.30	\$22.00	\$17.00	\$4.00
Harry Hooze Elementary	Addition / Seismic	17.21	17.21		0.20	1.45	15.56	
Pitt Meadows Secondary	Replacement School	113.35	113.35		4.50	45.00	50.00	13.85
Whonnock Elementary	SEP – HVAC Upgrades	1.06	1.06					
Whonnock Elementary	CNCP – HVAC Upgrades	0.41	0.41					
Total		\$180.89	\$178.39	\$2.50	\$9.00	\$68.45	\$82.56	\$17.85

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)	2023/24 Base Budget	2023/24 Proposed Budget Changes	2023/24 Proposed Preliminary Budget	Funding Requirements
Contingency Reserve for Local Capital	\$1.85	\$0.16	\$2.01	-
IT Capital Plan	1.66		1.66	-
Facilities Equipment and Vehicles	0.18		0.18	-
Child Care Capital	0.20		0.20	-
Parent Portal Upgrades	0.02		0.02	-
Implementation of Strategic Facilities Plan				
New Classroom Setup	2.11	0.15	2.26	1.25
Capital Planning	0.32		0.32	-
Sustainability				
HVAC Upgrades	0.58		0.58	0.03
Other Sustainability Upgrades	0.17		0.17	-
Other Facilities Capital	-		-	2.00
Capital Cost Share	0.70		0.70	-
Total Local Capital	\$7.79	\$0.31	\$8.10	\$3.28

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

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 and Child Care 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 (\$2.01 million to \$6.03 million of 2023/24 operating expenditures). The current balance of \$1.85 million is held in local capital and equates to 0.92% of 2023/24 operating expenditures. An increase to the contingency reserve of \$0.16 million is proposed to meet the 1% minimum.