



The Board of Education of School District No. 83 (North Okanagan-Shuswap)

BRIEFING NOTE

TO: The Board of Education
FROM: Dale Culler, Secretary-Treasurer
RE: **2024-25 Annual Budget**

DATE: June 18, 2024

Purpose

As per Section 113 (2) of the *School Act*, the Minister of Education and Child Care requires that Annual Budgets are prepared, adopted by bylaw, and submitted on or before June 30th each fiscal year. The 2024-25 Annual Budget Bylaw for School District No. 83 (North Okanagan-Shuswap) is presented to the Board of Education for second reading as well as third and final reading.

Background

One of the primary responsibilities of an elected school board is to pass, by bylaw, a balanced annual budget for each school year on or before June 30 of the year prior. The information on the 2024-25 proposed Annual Budget has been prepared in accordance with *Public Sector Accounting Standards* and includes the Operating Fund, Special Purpose Funds, and the Capital Fund. School districts operate on a fiscal year of July 1 to June 30.

This briefing note provides a summary of the 2024-25 Provincial Operating Grant allocation as well as updated information since the first reading of the Annual Budget Bylaw at the May 21st, 2024 Board Meeting on proposed changes, budget pressures, other Provincial grants, other revenues, accumulated operating surplus, school allocations, Special Purpose Funds, and Capital regarding the proposed 2024-25 Annual Budget.

Supporting Documentation

- 2024-25 Annual Budget PowerPoint
- Staffing tables
- Expenditure detail listings
- Department listing

Operating Funds

2024-25 Operating Revenue

Provincial Operating Grant – Ministry of Education and Child Care

Based on the Preliminary Operating Grant allocations announced March 15, 2024, the District can expect to receive \$87,586,555 in operational funding for the 2024-25 school year. An estimated decrease to the base enrolment of 93.7071 FTE from the current year resulted in a reduction of funding in the amount of

\$806,975. This was offset by an increase of \$1,933,001 due to the average rate increase of per student funding by 3.4% and the Supplement for Enrolment Decline of \$116,305. See summary table and expanded explanations below for details.

MINISTRY OF EDUCATION & CHILD CARE OPERATING GRANT SUMMARY 2024/25 ANNUAL BUDGET

FUNDING SOURCE	2025 Annual Budget	2024 Amended Budget	Change from Amended Budget	Rate Change	Enrolment Change
FTE September Enrolment	6,668.1054	6,761.8125	(93.7071)	\$ 290.00	(93.7071)
Enrollment Based Funding					
Standard (Regular) Schools	58,946,920	57,736,289	1,210,631	1,917,511	(706,880)
Continuing Education	-	-	-	-	-
Alternate Schools	365,515	448,500	(82,985)	11,890	(94,875)
Online Learning	108,000	109,620	(1,620)	3,600	(5,220)
Home Schooling	9,000	9,000	-	-	-
Course Challenges	-	-	-	-	-
Sub-total	59,429,435	58,303,409	1,126,026	1,933,001	(806,975)
Supplement for Enrolment Decline	116,305	-	116,305	116,305	-
Special Education					
level 1	253,650	245,350	8,300	8,300	-
level 2	11,336,970	10,778,640	558,330	372,090	186,240
level 3	1,836,160	1,987,440	(151,280)	60,400	(211,680)
Sub-total	13,426,780	13,011,430	415,350	440,790	(25,440)
Additional Enrollment Based					
July Count (Summer Learning)	-	-	-	-	-
Feb Count	321,530	435,465	(113,935)	10,625	(124,560)
May Count	36,000	113,680	(77,680)	1,200	(78,880)
Sub-total	357,530	549,145	(191,615)	11,825	(203,440)
English Language Learning	127,445	137,065	(9,620)	4,260	(13,880)
Indigenous Education	2,072,670	2,101,590	(28,920)	70,260	(99,180)
Adult Education	-	688	(688)	-	(688)
Equity of Opportunity	290,676	281,419	9,257	9,257	-
Salary Differential	863,127	893,305	(30,178)	(30,178)	-
Unique Geographical Factor	10,742,447	10,471,208	271,239	271,239	-
Curriculum and Learning Support Fund	60,856	61,102	(246)	(246)	-
Indigenous Education Council	99,284	-	99,284	99,284	-
TOTAL	87,586,555	85,810,361	1,776,194	2,925,797	(1,149,603)
Labour Settlement Funding	-	1,468,736	(1,468,736)	(1,468,736)	-
Equivalent Full Year Grant	87,586,555	87,279,097	307,458	1,457,061	(1,149,603)

Supplement for Salary Differential Funding

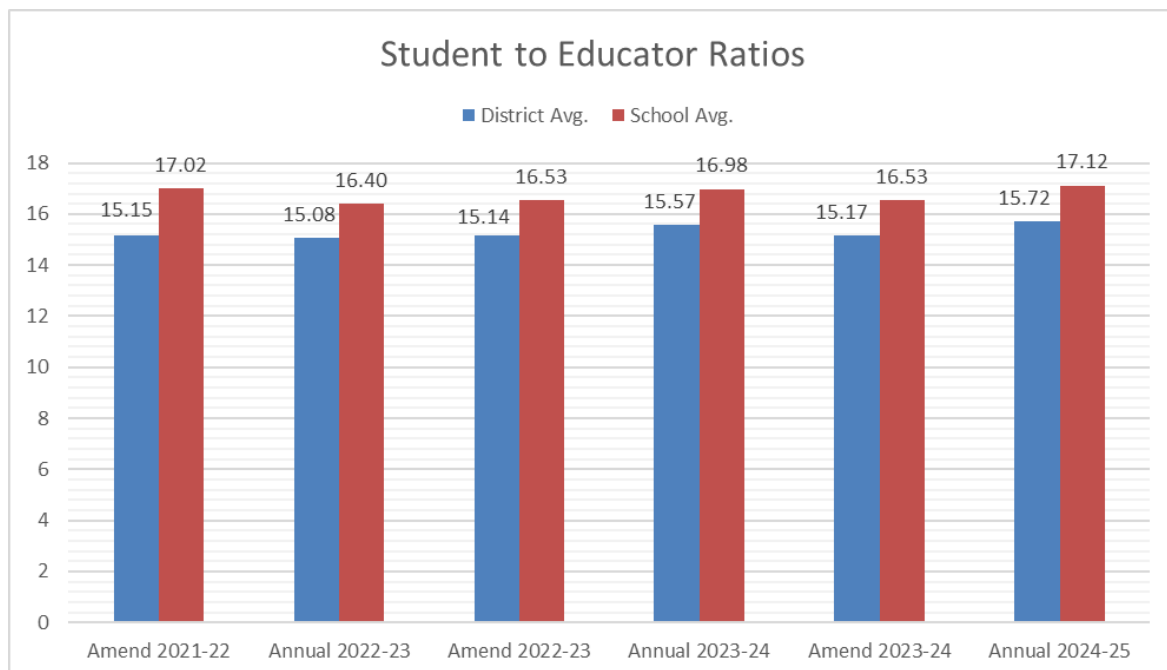
The Ministry collects educator staffing data through the Employment Data & Analysis System (EDAS). Quarterly the District submits staffing details to BCPSEA for collection in the EDAS system and then the Ministry uses this information to calculate Districts' supplement for salary differential funding. The

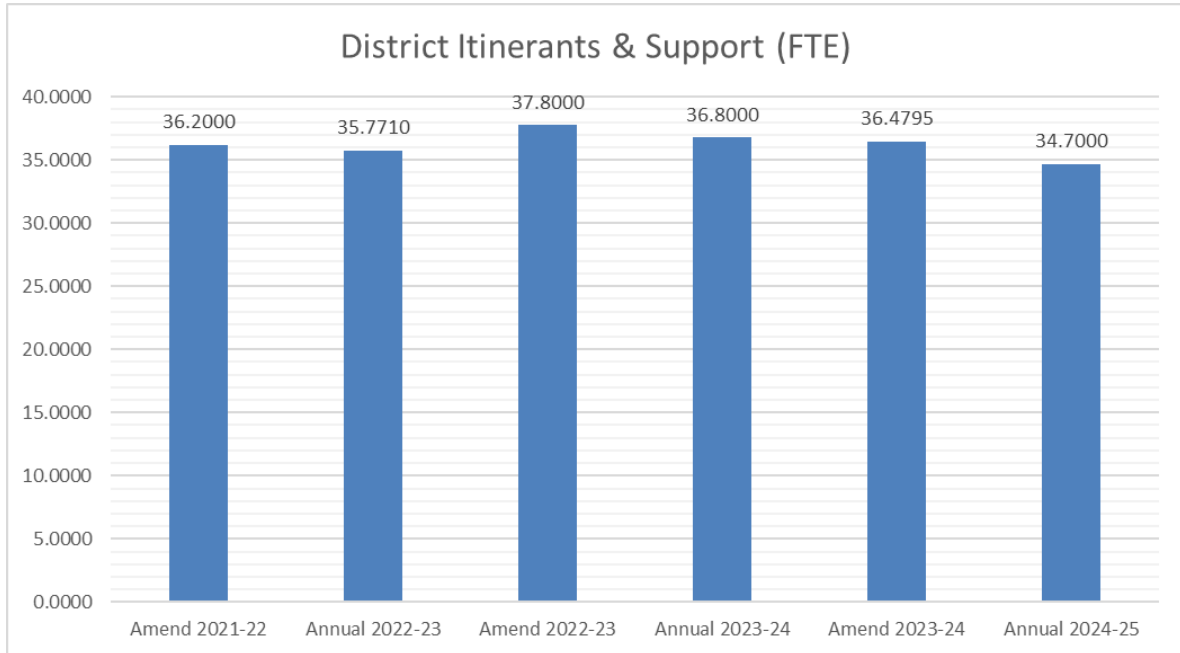
District's base supplement for salary differential is \$1,202,459 which is calculated as 6,668.105 times the funding level of \$180.33 per FTE.

The District's average teacher salary of \$96,405 remains below the provincial average level of \$97,321 resulting in a variance from Provincial average equal to (\$916). The Ministry then adjusts the base funding for the variance from the Provincial average educator salary. Our variance of (\$916) is multiplied by an estimate for our number of educators calculated as 370.450. This is determined by dividing our enrolment-based student FTE by an estimate of 18 students (our actual educators are 425.739 FTE or a ratio of 15.66 when remedy positions are included). This results in a total funding supplement for Salary Differential in the amount of \$863,127.

	Factors	Funding Level	Supplement Funding
FTE Distribution	6,668.105	\$180.33	\$1,202,459
Students to Educator Ratio	18.00		
Variance from Provincial Avg	370.450	-\$916	-\$339,332
2025 Annual Budget (A)			\$863,127
FTE Distribution	6,761.938	\$180.33	\$1,219,380
Students to Educator Ratio	18.00		
Variance from Provincial Avg	375.663	-\$868	-\$326,075
2024 Amended Budget (B)			\$893,305
Increase / (Decrease) (A-B)			-\$30,178

The preliminary funding tables used to calculate the funding for the 2024 amended budget resulted in a variance from the Provincial average in the amount of (\$868). Our average teacher's salary continues to be less than the Provincial average primarily because fewer of our teachers have reached the top of the pay scale compared to other Districts. Our average teacher salary dropped a small amount compared to the provincial average resulting in an overall decrease of (\$30,178) in funding for the 2025 annual budget.





Unique Geographic Factors

	2025 Annual Budget	2024 Amended Budget	Funding Change	Rate Change %
Small Community Supplement	\$3,223,160	\$3,099,079	\$124,081	4.00%
Low Enrolment Factor	\$1,138,270	\$1,124,406	\$13,864	1.23%
Rural Factor	\$764,823	\$701,661	\$63,162	9.00%
Climate Factor	\$486,875	\$446,667	\$40,208	9.00%
Sparseness Factor	\$54,284	\$50,763	\$3,521	6.94%
Student Location Factor	\$4,587,035	\$4,563,632	\$23,403	0.51%
Supplemental Student Location Factor	\$488,000	\$485,000	\$3,000	0.62%
Unique Geographic Factors	\$10,742,447	\$10,471,208	\$271,239	2.59%

Budget Overview as of May 21st – First Reading

Accumulated Surplus Opening*	\$ 79,189
*Unrestricted surplus opening amount = (667,722)	
Revenue Change	227,785
Salary and Benefit Rate Change with GWI	<u>(2,798,719)</u>
Deficit from Operations - Budget Shortfall	<u>(2,491,745)</u>
Staffing FTE Change	
<i>Teachers</i>	
<i>Optimization of Enrolling Teachers</i>	1,150,710
<i>Service Level Change</i>	305,025
<i>PVP</i>	(134,048)
<i>Educational Assistants</i>	1,107,321
<i>Support Staff</i>	
<i>School</i>	23,027
<i>Desc</i>	60,915
<i>Operations</i>	281,336
<i>Other Professionals</i>	<u>102,926</u>
Total Staffing FTE Change	2,897,212
Substitutes and Extra Hours Change	79,087
Services and Supplies	185,664
Tangible Capital Assets	<u>582,723</u>
Budget Changes	1,252,941
Less: Appropriation from Prior Year	<u>(427,356)</u>
Accumulated Surplus Closing*	\$ 825,585
*Unrestricted surplus closing amount = 250,175	

Proposed Changes

<u>Proposed Reductions (Increases)</u>		
Tuition Revenue	\$ (12,200)	Increase to tuition revenue from International Student program
<i>Teacher position</i>	<i>(52,890)</i>	Add back in the 0.4287 FTE reduction to the SPARK program at PVSS
<i>Optimization</i>	<u>15,724</u>	Net changes due to enrolment projection update
Teachers	(37,166)	
PVP	193,016	Removal of position as EOP will be closed at the end of June

Educational Assistants	(168,703)	Analysis of Educational Assistant formula and allocation process resulting in a recommendation that has added back in approximately 117.50 additional hours per week
Substitutes and Extra Hours	114,468	Proposed strategies to support wellness as well as help to address absenteeism
Services - (contracts)	11,950	Miscellaneous amendments following Board requested review from 1st Reading
<i>Staff Development</i>	<i>2,000</i>	
<i>Conferences, Travel and Subsistence, Mileage, and Vehicle Allowances</i>	<i>66,420</i>	
<i>Administrators and Teachers Contract Allowance, Field Trips Travel, and Education Initiatives</i>	<i>(500)</i>	
Professional Development	67,920	Request from the Board from 1st Reading to look again at Pro-D. All non-essential Pro-D has been removed specifically for District Administration. This is a short-term solution that has been added back to future projections.
Insurance and Rent	(10,600)	Estimated additional rent adjustment for programming spaces
Supplies	4,500	Minor reductions after review
<i>Vehicles</i>	<i>(140,000)</i>	
<i>Furniture and Equipment</i>	<i>20,000</i>	
<i>Computer Hardware</i>	<i>23,300</i>	
Capital Purchases	(96,700)	Significant changes to capital purchases (deferral). This is a short-term solution that may cost the District more in other areas (repairs, emergency maintenance/replacement, etc.)
Total Proposed Reductions (Increases)	90,885	
Proposed Accumulated Surplus Closing*	916,470	*Unrestricted surplus closing amount = 146,631

Staffing Tables

The change in staffing is provided in the charts following and additional supporting documentation:

Operating Staffing Change Summary Table

Group	2024 Amended Annual Budget (FTE)	2025 Annual Budget (FTE)	Change (FTE)	Change \$
Class Configuration/Optimization	354.970	345.567	(9.403)	(1,116,129)
Teacher - Bridge	6.600	4.000	(2.600)	(305,529)
Teacher – Behavior Support Specialist	0.643	0.000	(0.643)	(75,560)
Inclusion Support	1.000	2.000	1.000	117,511
District Psychologist	2.000	1.000	(1.000)	(117,511)
District Counseling	5.600	6.200	0.600	76,063
Teacher Subtotal	370.813	358.767	(12.046)	(1,421,155)
Principals	37.679	37.600	(0.079)	(58,968)
Educational Assistants	190.664	171.986	(18.678)	(938,618)
School Support Staff	116.386	115.986	(0.400)	(23,027)
DESC Support Staff	10.400	9.514	(0.886)	(60,915)
IT Support Staff	6.800	6.800	0.000	0
Operation Support Staff	95.621	91.263	(4.358)	(283,227)
Other Professionals	32.333	30.500	(1.833)	(102,926)
Other Subtotal	489.883	463.649	(26.234)	(1,467,681)
Total	860.696	822.416	(38.280)	(2,888,836)

Extra Hours Change Summary

Group	2024 Amended Annual Budget (Extra Hours)	2025 Annual Budget (Extra Hours)	Change (Extra Hours)	Change \$
Clerical	560	420	(140)	(4,544)
Custodial	7,200	2,400	(4,800)	(154,862)
Grounds	960	480	(480)	(15,284)
IT Technician	120	64	(56)	(2,621)
Trades	3,180	2,540	(640)	(29,006)
Bus Trainer	1,800	975	(825)	(33,930)
Total	13,820	6,879	(6,941)	(240,247)

Educational Assistant Change Summary – Annual to Annual Budget Comparison

	2025 Annual Budget (FTE)	2024 Annual Budget (FTE)	Change (FTE)
Certified Education Assistant	133.143	142.901	(9.758)
Certified Education Assistant Personal Care	13.357	15.429	(2.071)
Certified Education Intervenor	1.571	1.571	-
Certified Education Signing	0.857	0.857	-
Total	148.929	160.758	(11.829)

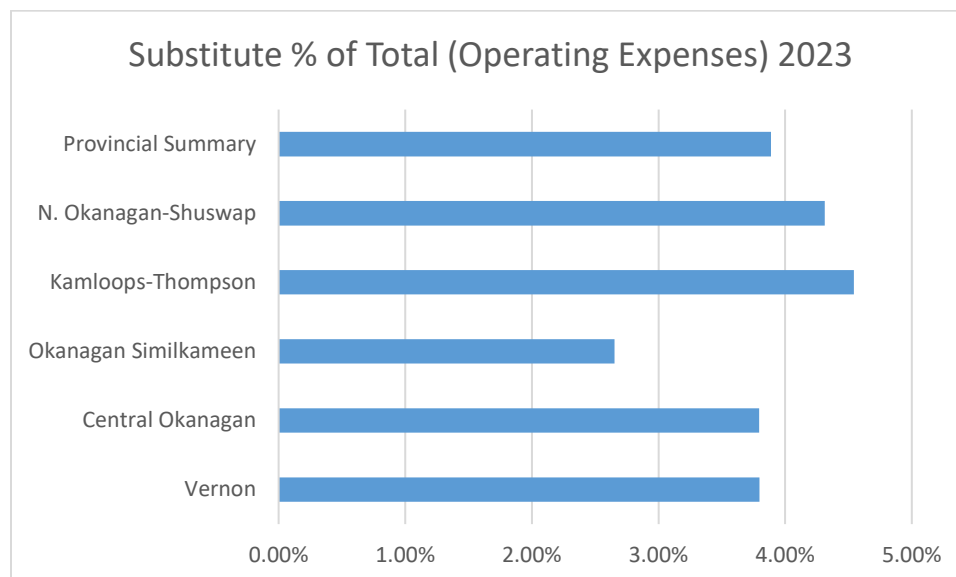
Budget Pressures

The District continues to face mounting pressure in several areas including employee absence, employee benefits, utilities, and inflationary impacts to services and supplies.

Specifically, benefits costs are estimated to cost the District a further \$839,400 for the coming year. This is driven by additional utilization of benefits; school districts requirement to move to a differentiated premium plan for benefits from a composite benefit plan for specific groups; and an increase in costs associated in both extended health and dental services/supplies.

The impact of recent wage increases combined with continued sick leave amongst staff requiring replacement (teachers and support staff) has resulted in a proposed increase of approximately \$150,000 to cover substitute costs. As a result, the District is planning on implementing a strategic initiative that will provide a TTOC wellness reserve to schools for discretionary use when they sense that staff are feeling an unusual increase in stress. The estimated net cost for the initiative is expected to be approximately \$150,000. The District will continue to monitor the effectiveness of this initiative and may discontinue it part way through the year if there is no measurable reduction in absenteeism.

The below chart provides a comparison of substitute costs (represented as a percent of total operating expenses) for districts located in the interior as well as the provincial average. Overall, the provincial average for districts comes in at 3.90%, compared to our district average at 4.31%.



Other Provincial Grants - MoECC

Other Ministry of Education and Child Care Grants include the following:

- Pay Equity - \$641,286 - This is an annually recurring grant that has not changed in value.
- Support Staff Benefit Standardization - \$66,101 - This is for improvements to support staff benefits from prior years.
- Funding for Graduated Adults – Estimated at \$2,000 and has not changed in value.
- Transportation Supplement - \$561,925 - This is an annually recurring grant that has not changed in value.

- NGN Self-Provisioning - \$28,470 - Comes in bi-annual payments and is used to support the transition to a provincially administrated high-speed internet network which all sixty (60) districts are using.
- Foundation Skills Assessment - \$12,964 - This amount has not changed in value.
- Early Learning Framework Implementation - \$987 - This grant has not changed in value.
- Integrated Child and Youth (ICY) Initiative - \$203,071 - This is the anticipated amount for year two which will be confirmed for the amended budget.
- Child Care Funding - \$8,090 - This is additional funding from Ministry for support staff wage enhancement and before school child care.
- Cost of Living Increase (COLA) - The Ministry of Education and Child Care provided the following message regarding the anticipated COLA grant:
"This is an update on the COLA for Teachers and Support Staff and Salary Increases for Exempt Positions. In our March announcement, we anticipated being able to publish updated figures at the end of April. Due to timing of government approvals, we now project that it will be late June when we can update the Summary of Grants tables to reflect COLA and Salary Increases for Exempt Positions.
We understand that this introduces some uncertainty in your planning for the next school year, however, the circumstances are beyond our control. We appreciate your patience and understanding."
 Due to this announcement the salaries have been presented using a two (2) percent increase to base salary and the expected one (1) percent COLA increase will be included in the Amended Budget once the actual grant is known.

Other Provincial Grants

This includes various grants for sources such as Ministry of Children and Family Development, Industry Training Authority (ITA), and Interior Health for wellness grants. There has not been any significant change from the prior year.

Tuition – International/Out of Province Students

Overall, the revenue generated for the upcoming year is projected to increase by approximately \$4,880 to \$470,920. The upcoming year will also see a transition for the program as the district has entered into an agreement with School District No. 6 (Rocky Mountain) where they will provide services moving forward. The agreement has two components, the first agreement for the 2024/25 year, SD 6 will provide management, oversight, and recruiting (interim agreement). Then for the 2025/26 school year they will assume full operational oversight of the program. This will reduce risk and associated operating costs for our District while still allowing the District to generate revenue and provide a unique Canadian experience for students wishing to improve their language and participate in monthly activities and trips.

Other Revenues

Includes revenue from sale of assets, miscellaneous grants from non-provincial organizations, and rebates from suppliers. The decrease compared to 2023/24 amended budget is due to the insurance proceeds received on two buses.

2024-25 Accumulated Operating Surplus

The following table summarizes the approved appropriation of the *2022-23 Accumulated Operating Surplus* as per *Schedule 2* and *Note 19* of the *2022-23 Audited Financial Statements* as well as the budgeted figures for the 2023-24 year.

	Accumulated Surplus (Opening)	Appropriated	Budgeted Accumulated Surplus (Ending)
Schools Budget Balances	\$250,000	(\$68,484)	\$181,516
Career Program	\$30,000	\$2,600	\$32,600
Indigenous Education Targeted Grant	\$146,911	(\$40,855)	\$106,056
Various Outstanding Projects	\$20,000	\$-	\$20,000
Integrated Child and Youth Funding 2023/24	\$100,000	(\$2,200)	\$97,800
Union Commitments	\$200,000	(\$64,188)	\$135,812
Labour Reserve	\$-	\$196,055	\$196,055
Total Internally Restricted	\$746,911	\$22,928	\$769,839
Unrestricted Operating Surplus	(\$667,722)	\$814,353	\$146,631
Total Operating Surplus	\$79,189	\$837,281	\$916,470

Where appropriate, these funds have been appropriated into the proposed **2024-25 Annual Budget** and are included on **Schedule 1** in the **“Operating Fund”** opening balance. The District’s “target” for Accumulated Operating Surplus (Reserve) is one to two percent (1% - 2%) of operating expenses; however for preliminary budget discussions indicated that the shortfall was predicted to be (1.31%). The draft budget presented for first reading on May 21, 2024 proposed an unrestricted surplus percentage of 0.28%. This did not include the amount for the Labour Reserve shown in the chart above. Adjusting for this transfer the unrestricted surplus percentage would have been 0.06%. The proposed changes presented in this budget increase that amount by 0.11% resulting in an unrestricted operating surplus percentage of 0.17%. Overall the Accumulated Operating Surplus including projected internally restricted amounts is 1.04%. We continue to emphasize the importance of developing budgets that are sustainable in that one to two percent (1% - 2%) range to provide a contingency for unforeseen events and initiatives that will benefit students. See three-year budget projection for additional information.

School Allocations

Below is an example of Salmon Arm Secondary's school funding allocation based on the various per pupil factor determinations. These allocation factors have remained the same since the 2021 Amended Budget.

School	K-5	6-7	8-12	Home Schooling	Adult	Non-resident	International Students	Fixed Base Funding	Small School Subsidy	Additional Travel Subsidy	Dual Credit Allocation Reduction	Misc	Total
001 SAS	-	-	663.4770	3.0000	-	-	7.5000						673.9770
Learning Resources	\$ -	\$ -	\$ 49	\$ 29		\$ -	\$ 49						\$ 31,317
Base Funding	\$ -	\$ -	\$ 95		\$ -	\$ -	\$ 95	\$ 22,500	\$ -	\$ -	\$ -		\$ 83,056
In Lieu of School Fees	\$ -	\$ -	\$ 33		\$ -	\$ -	\$ 33						\$ 21,036
School Improvement Fund												\$ 1,800	\$ 1,800
Grad Transitions												\$ 6,330	\$ 6,330
Total	\$ -	\$ -	\$ 111,564	\$ 83	\$ -	\$ -	\$ 1,261	\$ 22,500	\$ -	\$ -	\$ -	\$ 8,130	\$ 143,539

Note:

The Annual Budget is prepared using a factor of 95% of the estimated school allocation due to the variation expected in the estimate of the February student enrolment projection versus the unknown September 1701 count. The schools receive this preliminary allocation in March. Once the September 1701 enrolment count is complete schools receive their full allocation and amend their resource allocation in October.

Also note that there could be a cross total error along the bottom columns; this is a rounding error that can't be eliminated.

The Amended Budget is prepared using a fully allocated factor of 100% based on the September 1701 count.

Learning Resources				Step Rate Change %				0.00%			
Learning Resources Allocation											
Step	Enrolment			K-5	6-7	8-12	Home Schooling	Non- Resident	International Students		
0	0	-	0	0	0	0	0	0	0		
1	0	-	50	29	29	49	29	49	49		
2	50	-	100	29	29	49	29	49	49		
3	100	-	150	29	29	49	29	49	49		
4	150	-	200	29	29	49	29	49	49		
5	200	-	250	29	29	49	29	49	49		
6	250	-	300	29	29	49	29	49	49		
7	300	-	350	29	29	49	29	49	49		
8	350	-	400	29	29	49	29	49	49		
9	400	-	450	29	29	49	29	49	49		
10	450	-	500	29	29	49	29	49	49		
11	500	-	550	29	29	49	29	49	49		
12	550	-	600	29	29	49	29	49	49		
13	600	-	650	29	29	49	29	49	49		
14	650	-	700	29	29	49	29	49	49		
15	700	-	750	29	29	49	29	49	49		
16	750	-	800	29	29	49	29	49	49		

Base Funding				Per Pupil Allocation						
Step	Enrolment			K-5	6-7	8-12	Adult	Non-Resident	International Students	
0	0	-	0	0	0	0	0	0	0	
1	0	-	50	57	57	95	114	95	95	
2	50	-	100	57	57	95	114	95	95	
3	100	-	150	57	57	95	114	95	95	
4	150	-	200	57	57	95	114	95	95	
5	200	-	250	57	57	95	114	95	95	
6	250	-	300	57	57	95	114	95	95	
7	300	-	350	57	57	95	114	95	95	
8	350	-	400	57	57	95	114	95	95	
9	400	-	450	57	57	95	114	95	95	
10	450	-	500	57	57	95	114	95	95	
11	500	-	550	57	57	95	114	95	95	
12	550	-	600	57	57	95	114	95	95	
13	600	-	650	57	57	95	114	95	95	
14	650	-	700	57	57	95	114	95	95	
15	700	-	750	57	57	95	114	95	95	
16	750	-	800	57	57	95	114	95	95	

In Lieu of School Fees				In Lieu of School Fees						
Step	Enrolment			K-5	6-7	8-12	Adult	Non-Resident	International Students	
0	0	-	0	0	0	0	0	0	0	
1	0	-	50	3	25	33	0	25	33	
2	50	-	100	3	25	33	0	25	33	
3	100	-	150	3	25	33	0	25	33	
4	150	-	200	3	25	33	0	25	33	
5	200	-	250	3	25	33	0	25	33	
6	250	-	300	3	25	33	0	25	33	
7	300	-	350	3	25	33	0	25	33	
8	350	-	400	3	25	33	0	25	33	
9	400	-	450	3	25	33	0	25	33	
10	450	-	500	3	25	33	0	25	33	
11	500	-	550	3	25	33	0	25	33	
12	550	-	600	3	25	33	0	25	33	
13	600	-	650	3	25	33	0	25	33	
14	650	-	700	3	25	33	0	25	33	
15	700	-	750	3	25	33	0	25	33	
16	750	-	800	3	25	33	0	25	33	

Special Purpose Funds

Special Purpose Funds include funds received from the Ministry of Education and Child Care or other sources that have been designated for specific purposes. Special Purpose Funds include the *Seamless Day Kindergarten pilot project at Silver Creek Elementary* which the Board has committed to support with an additional \$50,000 for 2024/25.

Classroom Enhancement Funds (CEF) are provided to Districts to address the restored class size and composition language that resulted from the Supreme Court of Canada ruling. The combined grant for overhead and staffing based on preliminary information is \$7,207,807. As in past years, final grant confirmation, based on September 30, 2024 enrolment submissions, which include provisions for remedy, are not provided to Districts until December or January.

The total planned spending under Special Purpose funds are as follows:

Annual Facility Grant – Operating portion	\$342,495
Learning Improvement Fund	\$380,128
Scholarships and Bursaries	\$6,000
School Generated Funds	\$1,750,000
Strong Start	\$192,000
Ready, Set, Learn (RSL)	\$41,650
Federal French Grant (OLEP)	\$143,411
CommunityLINK	\$406,197
Classroom Enhancement Fund - Overhead	\$355,731
Classroom Enhancement Fund - Staffing	\$6,852,076
Classroom Enhancement Fund - Remedy	\$0
First Nations Student Transportation (BCTEA)	\$20,000
Mental Health in Schools	\$52,000
Changing Results for Young Children (CR4YC)	\$6,750
Seamless Day Kindergarten	\$112,150
Student & Family Affordability	\$0
JustB4	\$40,000
Early Years to Kindergarten (SEY2KT)	\$34,000
Early Care & Learning (ECL)	\$175,000
Feeding Futures Fund	\$856,422
Health Career Dual Credit	\$105,000
ECE Dual Credit	\$80,000
Subtotal	\$11,951,010
Interfund Transfers – Annual Facility Grant Capital	\$ 0
Total Spending Special Purpose Funds	\$11,951,010

Capital

Currently, the Ministry of Education and Child Care provides capital project funding in the following categories:

Major Capital Programs

- SMP – Seismic Mitigation Program
- EXP – School Expansion Program (New School, Addition, and Site Acquisition)
- REP – School Replacement Program
- RDP – Rural Districts Program

Minor Capital Programs

- SEP – School Enhancement Program
- CNCP – Carbon Neutral Capital Program
- BUS – Bus Acquisition Program
- PEP – Playground Equipment Program
- FIP – Food Infrastructure Program

Other

- AFG – Annual Facility Grant (capital portion)
- BEP – Building Envelope Program
- CC – Child Care

For Ministry capital contributions, other than the Annual Facilities Grant, Districts are required to submit their proposed major capital plans in/around June of the year prior to the funding fiscal year and proposed minor capital plans in September. Capital allocations are granted on an April 1st to March 31st fiscal year.

Boards also have the autonomy to purchase capital assets using either operational funds, special purpose funds or local capital funds, which are generated through Board approved transfers of prior year operating surplus, and/or through sale of assets.

Tangible capital assets (TCAs) acquired or constructed are recorded at cost and are amortized on a straight-line basis over the estimated useful life of the asset. It is management's responsibility to determine the appropriate useful lives for tangible capital assets. These useful lives are reviewed on a regular basis or if significant events initiate the need to revise. Estimated useful life is as follows:

Buildings	40 years
Furniture and Equipment	10 years
Vehicles	10 years
Computer Software	5 years
Computer Hardware	5 years

The total planned projects under the Ministry capital programs are as follows:

AFG – Various Projects	\$1,846,557
SEP – CAR – HVAC Upgrades	\$1,530,000
CNCP – HPE, HIL, PAR, SOR – Electrical Upgrades	\$600,000
BUS – 5 x C 76 with 0 wheelchair spaces	TBD
Total	\$3,976,557

In addition, there are planned capital purchases being proposed from the Operating and Special Purpose Funds as follows:

<i>Buildings – Minor Renovations</i>	<i>\$0</i>
<i>Furniture and Equipment – Various Lifecycle Replacements</i>	<i>\$276,635</i>
<i>Vehicles – 2 Replacement Vans – Aged and/or mile out</i>	<i>\$140,000</i>
<i>Computer Hardware</i>	<i>\$392,411</i>
Operating Subtotal	\$809,046
<i>SPF - AFG Operating</i>	<i>\$16,414</i>
<i>SPF – Furniture and Equipment</i>	<i>\$0</i>
Special Purpose Fund Subtotal	\$16,414
<i>Operating & Special Purpose Fund Total</i>	<i>\$825,460</i>
<i>Furniture and Equipment</i>	<i>\$0</i>
<i>Computer Software – Financial and Budgeting</i>	<i>\$18,000</i>
<i>Computer Hardware – Air Fibre Projects</i>	<i>\$10,000</i>
<i>Computer Hardware – School Technology Purchases</i>	<i>\$374,129</i>
Local Capital Subtotal	\$402,129
Total	\$1,227,589

The total investment of \$5,204,146 can be referenced in “**Total Acquisition of Tangible Capital Assets**” on **Statement 4**.

Budget Bylaw Amount

Operating - Total Expense	\$88,310,014
Operating - Tangible Capital Assets Purchased	\$809,046
Special Purpose Funds - Total Expense	\$11,934,596
Special Purpose Funds - Tangible Capital Assets Purchased	\$16,414
Capital Fund - Total Expense	\$5,613,246
Capital Fund – Tangible Capital Assets Purchased from Local Capital	\$402,129
Total Budget Bylaw Amount	\$107,085,445

Recommendation

That School District No. 83 (North Okanagan-Shuswap) Annual Budget Bylaw for fiscal year 2024-25 be given second and third reading.

Respectfully submitted,

Dale Culler

Dale Culler
Secretary-Treasurer