
TO: Board of Education **DATE:** April 22, 2025
FROM: Carrie McVeigh, Secretary-Treasurer
RE: **2025-26 Annual Budget – Preliminary Operating Grant Announcement**

Introduction

The Board of Education of School District No. 71 (Comox Valley) is accountable for the public funds that support the school district. One of the Board's responsibilities is the adoption of the District's budget. The budget must conform to legislative requirements set out in the *School Act* and is the financial plan that supports the District's goals.

The Board is currently planning for the next school year, which includes:

- Setting priorities for the delivery of student learning
- Projecting student enrolment
- Projecting the costs of providing the existing services into the next year (salaries, benefits, utilities, inflation, etc.)
- Determining which costs will change
- Projecting revenues (international student fees, rental fees, interest revenue, Ministry grants, etc.)
- Identifying strategies and options to address the net budget position (projected revenues less projected expenditures)
- Reviewing the budget against the Board's strategic priorities
- Finalizing decisions

Boards of Education operate on a fiscal year of July 1st to June 30th. For 2025-2026, Section 113 of the *School Act* requires Boards to prepare an annual budget and have it adopted by bylaw and submitted to the Ministry of Education by June 30, 2025.

Background

The Board approved the annual 2025-26 budget schedule at the January 28, 2025 board meeting. The Ministry of Education and Child Care announced the preliminary operating grant for 2025-26 on March 14th. This report provides a summary of the impacts on the Districts' revenue with respect to the announcement. Staff are currently reviewing staffing levels and operational budgets across the organization and identifying cost pressures and efficiencies. The

full impact of all revenues and expenses will be communicated at the Committee of the Whole meeting on May 13, 2025 with an opportunity for feedback from our educational partners.

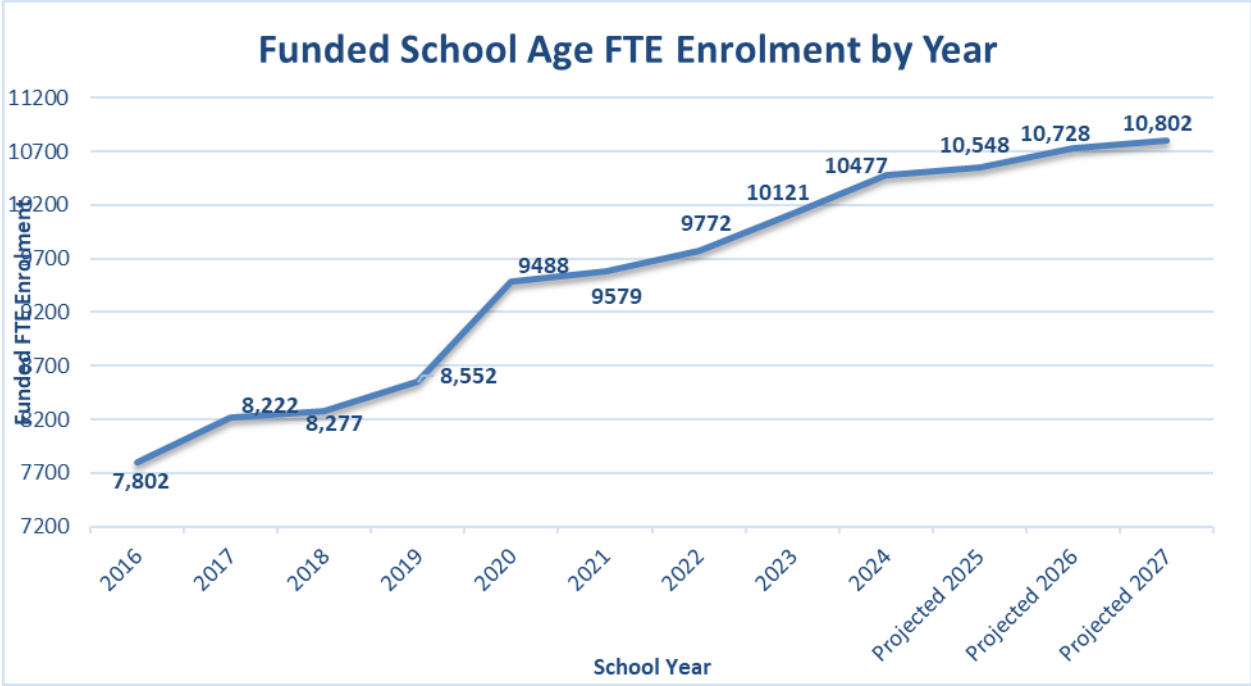
Student Enrolment

Student enrolment is the primary factor determining how much operating grant funding the District receives from the Ministry of Education and Child Care, the number of staff to employ and the number of classrooms and schools that are required.

Given that student enrolment is the primary driver in the operating grant revenue formula, all budget planning begins with the projected enrolments for the next school year.

Projected September enrolment for the 2025-26 school year is 10,548 FTE.

The chart below illustrates the growth in enrolment over the last ten years.



Enrolment in September is projected to be 10,548 FTE, which is an increase of 71 FTE students over the prior year. The number of school-age students attending School District No. 71 (Comox Valley) schools is continuing to grow, however projected to slow and level off in the upcoming years.

Changing enrolment affects school district revenue. Revenue changes from enrolment changes are mainly offset by increases or decreases in expenditures as staffing and services and supplies are related to enrolment.

Budgets and staffing are typically conservative in the annual budget to reflect the risk of actual enrolment being lower than projected. As funding is determined and finalized on actual enrolments in September, budgets and staffing are then adjusted in the amended annual budget.

Ministry of Education and Child Care Operating Grant

Approximately 96% of the Districts' revenue comes from the Ministry of Education and Child Care through the Funding Allocation System (FAS). The FAS contains a number of formulae and is based primarily on student enrolment. There are additional allocations for differences in teacher salary costs, geographic factors, and unique student needs such as Inclusive Education, Indigenous students, and English Language Learners.

The Ministry announced the preliminary operating grant for 2025-26 on March 14, 2025. The Ministry has provided additional funds for enrolment growth and increased the per pupil FTE rates to incorporate past labour settlement funding from the third and final year of the 2022 Shared Recovery Mandate that was allocated as a special grant in 2024/25. This includes cost-of-living adjustments (COLA) for teachers and support staff, salary increases for administrators in leadership roles, and Teacher professional development. In addition, the per pupil FTE rate now includes labour settlement funding for extended health benefits plan standardization and improvements for support staff. No additional funding has been added for other cost pressures including general inflation.

Based on the 2025-26 preliminary operating grant announcement, the district is projected to receive approximately \$2.9 million in additional Ministry revenue in 2025-26 as reflected in Attachment #3. It should be noted that these additional funds will be used to fund the cost pressures related to increased enrolment and contractual obligations; as well as other operational cost pressures related to inflation and growth. Staff are currently reviewing existing cost pressures and service levels and ensuring alignment with the Boards strategic plan. Any remaining funds that could potentially be put towards new initiatives would be brought forward to the Board for consideration at a future public meeting.

Strategic Alignment

Providing the update on the 2025-26 Annual Budget – Preliminary Operating Grant Announcement aligns with the Boards Strategic Plan Value of **INTEGRITY**, by upholding high ethical standards through transparency, honesty and accountability.

Next Steps

The Board is required to approve an Annual Budget on or before June 30, 2025 for the 2025-26 school year.

The budget development process and timelines have been structured to facilitate a consultation process that will ensure timely decisions are made in order to adopt a balanced budget in June; and allow for implementation of the budget for the 2025-26 school year. The process allows the Human Resources Department time to process any staffing changes in compliance with collective agreements and allows schools and departments to prepare for the following year.

District staff are continuing to work on identifying estimated cost pressures and efficiencies and will be providing a projected financial position at the Committee of the Whole Meeting on May 13, 2025 as per the Board approved budget timeline.

Partners and the public are invited to attend the public meetings and will be provided with opportunities to ask questions and offer feedback to the Board. In addition, our budget webpage has been launched and all reports and presentations will be posted as they become available. There will also be an opportunity to provide feedback electronically through a budget survey that will be launched April 23 through May 7, 2025.

Staff will summarize and bring all feedback to the Board throughout the process.

The 2025-26 Annual Budget and Bylaw will be prepared in the required format and will be presented for adoption at the Board Meeting on June 24, 2025.

Respectfully submitted,

Carrie McVeigh

Carrie McVeigh
Secretary-Treasurer

Attachment #1 – Preliminary 2025/26 Operating Grant Summary

Attachment #2 – Estimated Operating Grants Overview – 2025/26 School Year

Attachment #3 – Ministry of Education Operating Grant Estimated Revenue Impact 2025-26

Preliminary 2025/26 Operating Grants

Summary of 2025/26 Preliminary Operating Grant Announcement

The operating grant block is projected to grow by \$123.7 million to over \$7.2 billion in 2025/26. The increase is the result of the addition of \$76.5 million in labour settlement funding plus estimated enrolment growth totalling \$47.2 million.

Per student funding rates have increased by an average of 1.2% as detailed in the table below.

Supplement	2025/26 Rates	2024/25 Rates	\$ Change	% Change
Basic Allocation (Standard, Continuing Education and Alternate schools)	\$9,015	\$8,915	\$100	1.1%
Basic Allocation (Online Learning)	\$7,280	\$7,200	\$80	1.1%
Inclusive Education – Level 1	\$51,300	\$50,730	\$570	1.1%
Inclusive Education – Level 2	\$24,340	\$24,070	\$270	1.1%
Inclusive Education – Level 3	\$12,300	\$12,160	\$140	1.2%
English/French Language Learning	\$1,815	\$1,795	\$20	1.1%
Indigenous Education	\$1,790	\$1,770	\$20	1.1%
Adult Education	\$5,755	\$5,690	\$65	1.1%
Summer Learning (Grades 1-9)	\$260	\$255	\$5	2.0%
Summer Learning (Grades 10-12)	\$510	\$505	\$5	1.0%

Supplements that are provided based on a formula have also increased:

Supplement	2025/26	2024/25	\$ Change	% Change
Equity of Opportunity Supplement	\$28.0M	\$27.5M	\$0.5M	1.8%
Student Location Factor	\$106.6M	\$104.8M	\$1.8M	1.7%

Labour Settlement Funding

Labour settlement funding from the third and final year of the 2022 Shared Recovery Mandate that was allocated as a special grant in 2024/25 has been rolled into the 2025/26 operating grant rates. This includes:

- Cost-of-Living Adjustment (COLA) for teachers and support staff (\$53.0 million);
- Salary increases for administrators in leadership roles (\$15.9 million); and
- Teachers' professional development (\$2.2 million; allocations to be announced in April 2025).

In addition, \$5.5 million in labour settlement funding for extended health benefits plan standardization and improvements for support staff from the 2014 and 2019 Provincial Framework Agreements has also been allocated through the operating grant rates. This funding had previously been disbursed as annual payments to districts.

Enrolment Changes

School districts are estimating they will enrol 590,658 school-age FTE in September 2025, a slight increase of 1,249 FTE (or 0.2%) over the September 2024 total. Twenty-six (26) districts are estimating they will have increased enrolment in September 2025.

School districts are estimating slower or declining enrolment growth across the Unique Student Needs funding categories, including a 3.1% increase in Level 2 students (+1,074) compared to 8.6% growth in 2024/25, and fewer Level 1 (-19), Level 3 (-87), ELL/FLL (-141) and Indigenous Education (-422) students.

Operating Grant Changes

Forty-five (45) districts are estimated to have increases to their operating grants for the upcoming school year. The per student average, including all special grants, is an estimated \$13,596 for 2025/26, a 44.2% increase from 2016/17.

Funding for students with L1, L2 & L3 disabilities or diverse abilities is projected to grow by \$35.1 million, or 3.6%, from \$975 million to just over \$1.0 billion, as Level 2 enrolment continues to grow and labour settlement funding is added.

Funding will be recalculated when actual enrolment is known in the September 2025 enrolment count.

Funding Protection/Enrolment Decline

A total of 13 districts are receiving an estimated total of \$7.6 million in Funding Protection; this is more than double the amount compared to 2024/25 (\$3.3 million).

In 2025/26 it is estimated that 17 districts will receive \$3.9 million from the Supplement for Enrolment Decline, up from 16 districts and \$2.2 million in 2024/25.

Special Grants

In addition to the operating grant block, the following amounts are being provided for school district operations:

- Preliminary Classroom Enhancement Fund: \$757.4 million
- Learning Improvement Fund: \$25.0 million, unchanged
- CommunityLINK: \$60.4 million, unchanged
- Pay Equity: \$50.9 million, unchanged
- Student Transportation Fund: \$15.4 million, unchanged
- Feeding Futures Fund: \$71.5 million, unchanged

Classroom Enhancement Fund (CEF)

The Ministry is announcing CEF staffing funding at 100% of the amounts for the current school year to facilitate budgeting and planning for the next school year. The overhead allocations will remain unchanged for 2025/26.

Thus, the preliminary Classroom Enhancement Fund is set at \$757.4 million:

- \$710.6 million for CEF staffing
- \$46.8 million for CEF overhead

As in previous years, the Ministry is not announcing CEF remedy funding at this time. CEF remedies will be allocated based on school district reporting of actual remedies incurred in October 2025.

The process for applying for any additional funding for the 2025/26 CEF staffing allocations will be the same as this year.

Indigenous Education Councils

Funding to support the implementation of Indigenous Education Councils (IECs) is increasing by approximately \$0.7 million to \$6.4 million in 2025/26.

IEC allocations are detailed in Table 14 of the [2025/26 Estimated Operating Grants](#).

Estimated Operating Grants Overview - 2025/26 School Year

School District 71 (Comox Valley)

September 2025 Enrolment Count				
	School-Age Enrolment	Funding Level	Funding	Total Supplement
Standard (Regular) Schools	8,424.0000	\$9,015	\$75,942,360	
Continuing Education	21.0000	\$9,015	\$189,315	
Alternate Schools	178.0000	\$9,015	\$1,604,670	
Online Learning	1,925.0000	\$7,280	\$14,014,000	
Home Schooling	52	\$250	\$13,000	
Course Challenges	3	\$282	\$846	
Total Enrolment-Based Funding (September)	10,548.0000			\$91,764,191
	Total Enrol. Change	Funding Level	Funding	Total Supplement
1% to 4% Enrolment Decline	70.9375	\$4,508	\$0	
4%+ Enrolment Decline		\$6,761	\$0	
Significant Cumulative Decline (7%+)	705.0000	\$4,508	\$0	
Supplement for Enrolment Decline				\$0
	Enrolment	Funding Level	Funding	Total Supplement
Level 1 Inclusive Education	4	\$51,300	\$205,200	
Level 2 Inclusive Education	539	\$24,340	\$13,119,260	
Level 3 Inclusive Education	88	\$12,300	\$1,082,400	
English Language Learning	200	\$1,815	\$363,000	
Indigenous Education	1,781	\$1,790	\$3,187,990	
Adult Education	25.0000	\$5,755	\$143,875	
Equity of Opportunity Supplement			\$449,334	
Supplement for Unique Student Needs				\$18,551,059
			Funding	Total Supplement
Variance from Provincial Average	\$1,843			
Estimated Number of Educators	587.389		\$1,082,558	
	Enrolment	Funding Level	Funding	Total Supplement
FTE Distribution	10,573.0000	\$180.33	\$1,906,629	
Supplement for Salary Differential				\$2,989,187
Supplement for Unique Geographic Factors				\$7,446,817
Funding Protection				\$0
Curriculum and Learning Support Fund				\$94,294
September 2025 Enrolment Count, Total				\$120,845,548

July 2025 Enrolment Count				
	Enrolment	Funding Level	Funding	Total Supplement
Summer Learning Grade 1-7	0	\$260	\$0	
Summer Learning Grade 8-9	0	\$260	\$0	
Summer Learning Grade 10-12	0	\$510	\$0	
Supplemental Summer Learning Funding			\$0	
Cross-Enrolment, Grade 8 and 9	80	\$510	\$40,800	
Summer Learning, Total				\$40,800
February 2026 Enrolment Count				
	Enrolment	Funding Level	Funding	Total Supplement
School-Age FTE - Continuing Education	10.0000	\$9,015	\$90,150	
Adult FTE - Continuing Education	0.0000	\$5,755	\$0	
K-Gr 9 School-Age FTE - Online Learning	122.0000	\$3,640	\$444,080	
Gr 10-12 School-Age FTE - Online Learning	425.0000	\$7,280	\$3,094,000	
Adult FTE - Online Learning	25.0000	\$5,755	\$143,875	
Level 1 Inclusive Education Enrolment Growth	0	\$25,650	\$0	
Level 2 Inclusive Education Enrolment Growth	20	\$12,170	\$243,400	
Level 3 Inclusive Education Enrolment Growth	0	\$6,150	\$0	
Newcomer Refugees	0.0000	\$4,508	\$0	
ELL Supplement - Newcomer Refugees	0	\$908	\$0	
February 2026 Enrolment Count, Total				\$4,015,505
May 2026 Enrolment Count				
	Enrolment	Funding Level	Funding	Total Supplement
School-Age FTE - Continuing Education	0.0000	\$9,015	\$0	
Adult FTE - Continuing Education	0.0000	\$5,755	\$0	
K-Gr 9 School-Age FTE - Online Learning	10.0000	\$2,427	\$24,270	
Gr 10-12 School-Age FTE - Online Learning	300.0000	\$7,280	\$2,184,000	
Adult FTE - Online Learning	10.0000	\$5,755	\$57,550	
May 2026 Enrolment Count, Total				\$2,265,820
Indigenous Education Councils				\$77,946

2025/26 Full-Year Estimated Total	\$127,245,619
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Estimated 2025/26 Operating Grant from Indigenous Services Canada	\$123,306
Estimated 2025/26 Operating Grant from Ministry of Education and Child Care	\$127,122,313

SCHOOL DISTRICT NO. 71 (Comox Valley)
Ministry of Education Operating Grant - ESTIMATED - for the 2025-26 Year

	2024-25 Amended Annual Budget (based on actual Sept, 2024 enrolment)			2025-26 ESTIMATED Annual Budget (based on projected Sept, 2025 enrolment)		
	FTE	Grant	Total	FTE	Grant	Total
Enrolment Based Funding						
Standard (Regular) schools	8,399.63	8,915	74,882,657	8,424.00	9,015	75,942,360
Continuing education	20.50	8,915	182,758	21.00	9,015	189,315
Alternate schools	179.00	8,915	1,595,785	178.00	9,015	1,604,670
Online Learning	1,877.94	7,200	13,521,150	1,925.00	7,280	14,014,000
	10,477.06			10,548.00		
Home Schooling	52.00	250	13,000	52.00	250	13,000
Course Challenges	3.00	279	837	3.00	282	846
Total September Enrolment Based Funding			\$ 90,196,186			\$ 91,764,191
Unique Student Needs						
English as a second language	198.00	1,795	355,410	200.00	1,815	363,000
Indigenous Education	1,781.00	1,770	3,152,370	1,781.00	1,790	3,187,990
Level 1 Inclusive Education	4.00	50,730	202,920	4.00	51,300	205,200
Level 2 Inclusive Education	536.00	24,070	12,901,520	539.00	24,340	13,119,260
Level 3 Inclusive Education	83.00	12,160	1,009,280	88.00	12,300	1,082,400
Adult Education (Non Graduated)	25.44	5,690	144,739	25.00	5,755	143,875
Equity of Opportunity Supplement			442,701			449,334
Total September Enrolment Based Funding			18,208,940			18,551,059
Salary differential			2,969,255			2,989,187
Unique geographic factors			7,147,853			7,446,817
Subtotal September Operating Grant			118,522,236			120,751,254
Curriculum and Learning Support Fund			91,089			94,294
Total September Operating Grant			\$ 118,613,325			\$ 120,845,548
Summer learning			37,370			40,800
Estimated enrolment based funding - February			2,874,975			4,015,505
Online learning			2,529,520			3,681,955
Special needs enrolment growth			300,875			243,400
Newcomer Refugees			44,580			0
Continuing Education			0			90,150
Estimated enrolment based funding - May			1,504,450			2,265,820
Indigenous Education Councils - NEW 2024-25			69,614			77,946
Total Aggregate Funding Announced			\$ 123,099,734			\$ 127,245,619
Labour Settlement Funding in the 24/25 Amended Budget Tables that has now been rolled into the Operating Block Above (25/26)			-			1,160,049
Revised Aggregate Funding Announced - Estimated Budget Impact						\$ 2,985,836