

Burnaby School District Preliminary Budget Report 2026-27

Introduction

The Burnaby School District (District) continues to experience increasing financial pressure as the cost of delivering K-12 education rises faster than provincial funding. Historically, enrolment growth has helped offset inflationary pressures. However, following a period of slowed enrolment growth due to changes in federal immigration policies, overall enrolment is now projected to decline slightly in the 2026-2027 school year. This shift reduces enrolment-based revenue, intensifying existing structural budget pressures. Funding rate adjustments have not kept pace with inflationary pressures across core cost drivers, including employee benefits, utilities, technology, facility maintenance, and services and supplies. In addition, targeted funding provides limited flexibility as it cannot be redirected to address core program cost pressures.

As a result, the District, like most school districts across the province, faces increasingly difficult budget decisions. Unfunded inflationary pressures have already required program spending reductions, with further constraints expected. Legislative requirements and Collective Agreement obligations limit available options, and reductions are increasingly affecting classroom and student support services, technology, and professional development. At the same time, fiscal constraints impede the District's ability to address operational risks, including cybersecurity vulnerabilities and deferred facility maintenance.

While enrolment projections are decreasing, the District must continue to invest in staffing to maintain service levels, meet educational and safety standards, and support student learning. Ongoing investments in technology are also necessary to sustain, secure, and modernize the District's technology infrastructure and assets.

A positive outcome of declining local enrolment is increased classroom capacity, creating additional opportunities to enroll International students, which may generate incremental revenue for the District.

In previous years, high enrolment growth resulted in significant demand for portable classrooms. However, recently approved Ministry of Education and Child Care (Ministry) capital projects that added permanent classroom space in capacity-constrained schools, along with the implementation of a 5-block day schedule in some secondary schools, have reduced the need for additional portables.

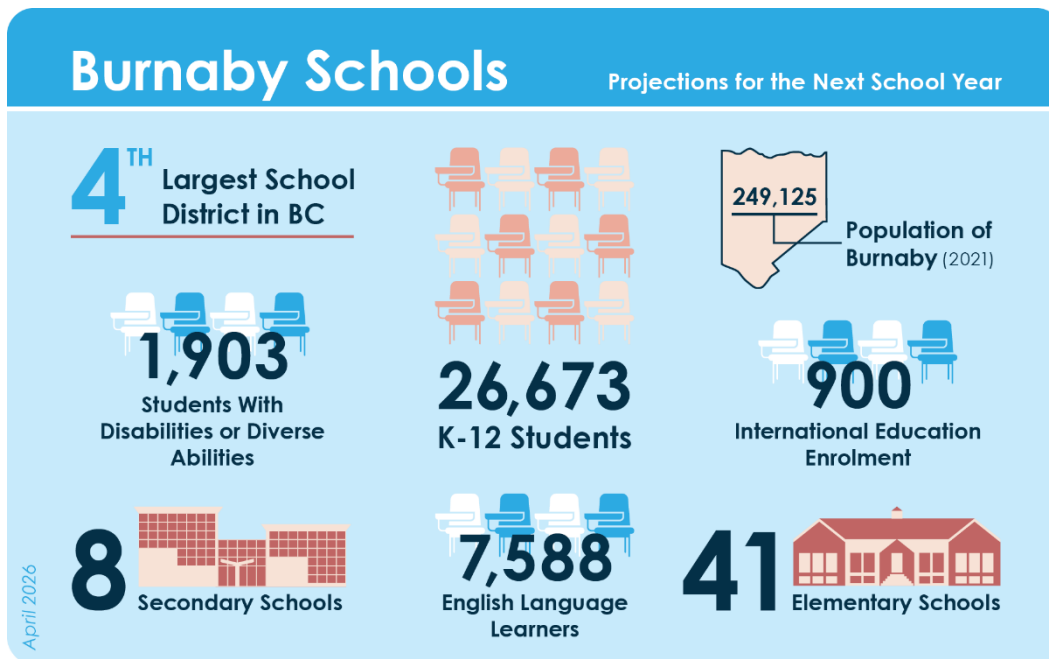
As the District looks forward, it will be guided by the Burnaby Board of Education's vision, mission, and core values as outlined in their [2025-2030 Strategic Plan](#) to continue meeting the evolving needs of learners. Budget decisions are further informed by the District's Enterprise Risk Management Strategy and student achievement and well-being outcomes identified in the Enhancing Student Learning Report.

Who We Are

Formed in 1906, the Burnaby School District is located on the traditional territories of the hən̓q̓əmin̓əm̓ and Sḵwxwú7mesh sn̓ichim-speaking people.

The District is the fourth largest district in BC, with a student count of approximately 26,670 students (K-12) and approximately 4,600 dedicated employees. The District operates 41 elementary schools and 8 secondary schools, including a range of District programs and Provincial Resource Programs. Also provided are lifelong learning opportunities with more than 6,000 Adult Learners through the established Burnaby Community and Continuing Education Program.

The District's work is governed by our Board of Education, which is comprised of seven elected Trustees, whose four-year term began in 2022.



2026-2027 Budget Timeline

The Burnaby School District's (District) annual budget process typically occurs in April and includes consultation with Partner Groups and the public. Prior to the start of this process, an amended budget update to the previous year's annual budget is prepared and is approved by the Board of Education (Board) at its regular meeting at the end of February.

The amended budget reflects in-year updates based on actual enrolment and other known changes at that time and also includes consultation with Partner Groups and the public. The annual budget is informed by the approved amended budget from the prior year, and, under the regular timeline, the process concludes with final approval of the annual budget in April.

For the 2026-2027 budget year, the District is proposing a modification to this regular timeline. A key driver of this proposed change is the uncertain outcome of the Teacher Salary Arbitration, further discussed later in this report. The results of the Teacher Salary Arbitration funding process represents a material cost pressure and remains unresolved at the time preliminary budget approval would normally occur. Consultation with Partner Groups and the public will continue as part of the revised timeline. The annual budget is proposed to be brought forward to the Board for final approval at the May 26, 2026, regular Board meeting.

2026-2027 BUDGET PROCESS CALENDAR			
DATE	TIME	TOPIC	AUDIENCE
Thu, Apr 9, 2026	9:15 AM	2026-2027 Annual Budget Update	Burnaby Leadership Team
	(virtual)	Present 2026-2027 Status Quo budget with budget balancing proposals	
Tue, Apr 14, 2026	5:00 PM	2026-2027 Annual Budget Update	Partner Groups
		Present 2026-2027 Status Quo budget with budget balancing proposals	
Tue, Apr 14, 2026	7:00 PM	2026-2027 Annual Budget Update	Public Budget Meeting
		Present 2026-2027 Status Quo budget with budget balancing proposals	
Wed, Apr 15, 2026	7:00 PM	2026-2027 Annual Budget Update	District Parent Advisory Council
		Present 2026-2027 Status Quo budget with budget balancing proposals	
Thu, Apr 16, 2026	4:30 PM	2026-2027 Annual Budget Update	District Student Advisory Council
		Present 2026-2027 Status Quo budget with budget balancing proposals	
Wed, May 6, 2026	4:30 PM	2026-2027 Annual Budget Input on Priorities	Partner Groups
		Partner Groups to provide feedback on budget proposals	
Tue, May 26, 2026	7:00 PM	2026-2027 Annual Budget	Board Public
		Present 2026-2027 Annual Budget for Board approval	

2025-2026 Status Quo Budget

The development of the 2026-2027 Status Quo Budget is guided by three key drivers that guide resource allocation decisions made by the Board.



Strategic Plan Considerations

The Board's 2025-2030 Strategic Plan sets the direction of the District for the next five years. It identifies the District's focus and articulates the District's vision, mission, values, priorities, and sets out measurable goals and objectives. The District's four strategic priorities are: Empowered Learners, Safe & Caring Community, Connection & Partnership, and Inspired Learning Environments.

The most recent Strategic Plan is posted to the District website at [Strategic Plan 2025-2030](#).

Enhancing Student Learning Report

The Enhancing Student Learning Report (ESLR) provides a framework for system-wide improvement of student outcomes and supports all children and youth to be well positioned for future opportunities beyond secondary school. ESLR focuses on improving literacy and numeracy for all students, as well as continuing to focus on priority student populations, including Indigenous students, Children and Youth in Care, Students with Disabilities or Diverse Abilities, and English Language Learners. The report outlines specific actions and strategies the District will implement, promising practices to sustain, and performance data to monitor to ensure improved outcomes for these specific student populations.

The most recent ESLR information is posted to the District website at [ESLR Report](#) and is reported regularly through the Board's regular public meetings.

Enterprise Risk Management

Through the Board's Audit Sub-Committee, an Enterprise Risk Management strategy has been developed. Organizational risks were identified through consultation with District senior staff and a rating system for evaluating risks was developed based on the matrix shown below.

RISK RATING MATRIX (LIKELIHOOD AND CONSEQUENCE)																																																																	
Likelihood and Consequence Descriptors for Risk Assessments																																																																	
Likelihood	Rating	Criteria	Probability																																																														
Almost certain	5	It is expected to happen. Will certainly happen this fiscal year or during the three year period of the Service Plan.	80% to 100% or once a year or more frequently																																																														
Likely	4	We expect it to happen. It would be surprising if this did not happen.	61% to 79% or once every 3 yrs																																																														
Possible	3	Just as likely to happen as not. We don't expect it to happen, but there is a chance.	40% to 60% or once every 5 yrs																																																														
Unlikely	2	Not anticipated. We won't worry about it happening.	11% to 39% or once every 15 years																																																														
Almost certain not to happen	1	It would be surprising if this happened. There would have to be a combination of unlikely events for it to happen.	0 to 10% or once every 25 yrs																																																														
Consequence	Rating	Criteria / Examples																																																															
Catastrophic	5	- Major problem from which there is no recovery. - Significant damage to organization credibility or integrity. - Complete loss of ability to deliver a critical program.																																																															
Major	4	- Event that requires a major realignment of how service is delivered. - Significant event which has a long recovery period. - Failure to deliver a major political commitment.																																																															
Moderate	3	- Recovery from the event requires cooperation across departments. - May generate media attention.																																																															
Minor	2	- Can be dealt with at a department level but requires Executive notification. - Delay in funding or change in funding criteria. - Stakeholder or client would take note.																																																															
Insignificant	1	- Can be dealt with internally at the business unit level. - No escalation of the issue required. - No media attention. - No or manageable stakeholder or client interest.																																																															
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The risk register is reviewed annually by the Audit Sub-Committee and then is referred to the Board for consideration ahead of key periods, such as the annual budget or Strategic Planning processes. Below are some key strategic risks highlighted as they pertain to the development of the budget.

Extreme Strategic or Operational Risks

1. Recent salary arbitration impacting teachers' salary payments is not fully funded by the Ministry.
2. Budget projections are inaccurate.
3. Students identified in the Enhancing Students Learning Report not achieving success.
4. Students not having equitable access to literacy interventions, particularly in the primary years.
5. Employee recruitment and retention challenges.
6. Cyber disruption occurs (e.g., cyber-attack, phishing scam, hacking).
7. School infrastructure cannot support enrolment increases.
8. There is a decrease in enrolment from International students.
9. A payroll error occurs.
10. A primary infrastructure fails.
11. Immigration laws change.
12. Maintenance Service Centre cannot accommodate growth.
13. Settlement service programs are not offered to students and their families.
14. Special Programs (Cultural Program, LINC, SWIS) do not receive adequate funding.
15. High rates of replacement costs due to staff absenteeism impacting continuity of service delivery to students and the budget.

Budget Assumptions

The development of the 2026-2027 Status Quo budget required the District to make several assumptions related to the provincial budget and local factors.

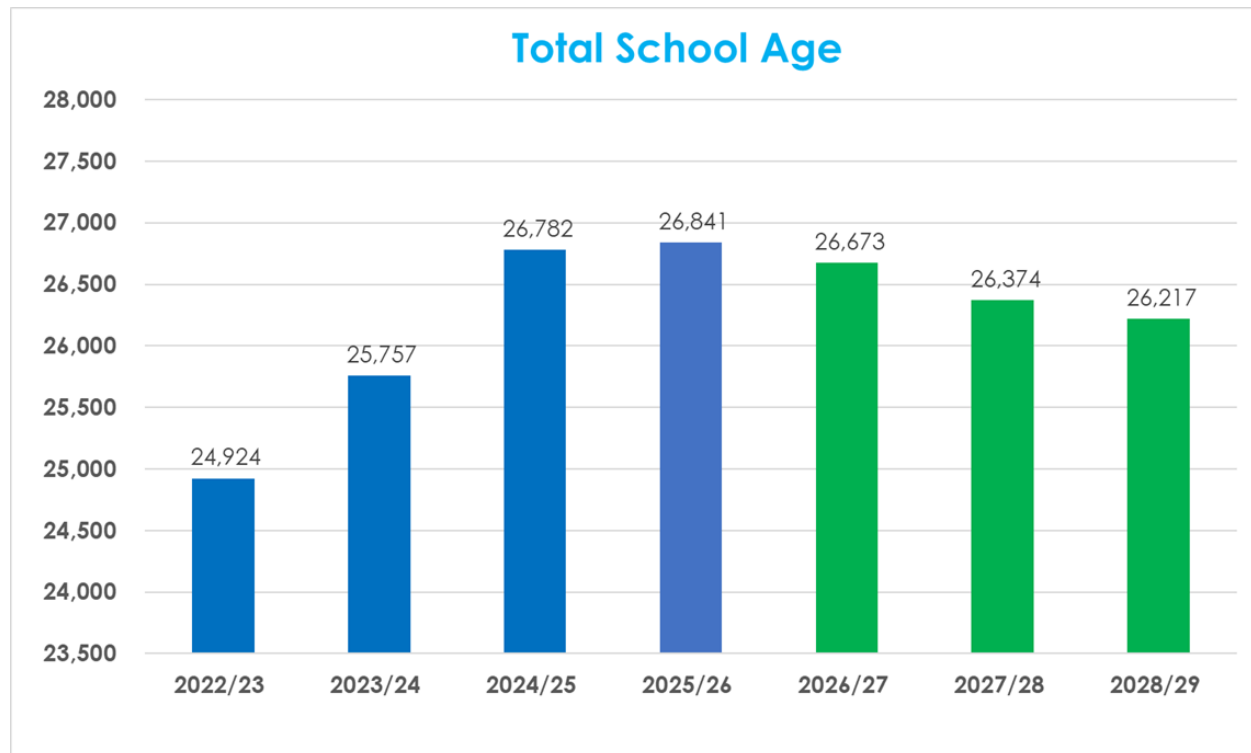
Enrolment
Enrolment is expected to decline in the coming years due to changes in government policies regarding immigration.
International education enrolment is expected to grow moderately due to increased school capacity as a result of a decline in regular enrolment.
Continued growth in Students with Disabilities or Diverse Abilities is expected, leading to a need for additional resources in Learning Support Services.
A decline in ELL student enrolment is expected.
Revenues
Provincial government will fund total provincial enrolment including any growth.
Funding allocation model will not change for 2026/27 school year.
No labour settlement funding has been accounted for, as the collective agreements have not been finalized.
Investment income is expected to remain the same in 2026/27, based on current macroeconomic conditions and the District's cash management practices.
Continuing Education, rental, and other revenue items are assumed to remain the same in 2026/27.
Salaries and Benefits
Additional FTEs, in line with enrolment growth assumptions, have been considered for teachers and EAs.
Teacher Teaching on Call (TTOC) and CUPE Casual utilization ratios considered to be the same as 2025/2026.
Additional benefit costs in line with additional FTEs and salary increases have been considered.
Services and Supplies
Based on the current trend of rising service and supply costs due to inflation, a general increase has been considered.

Enrolment

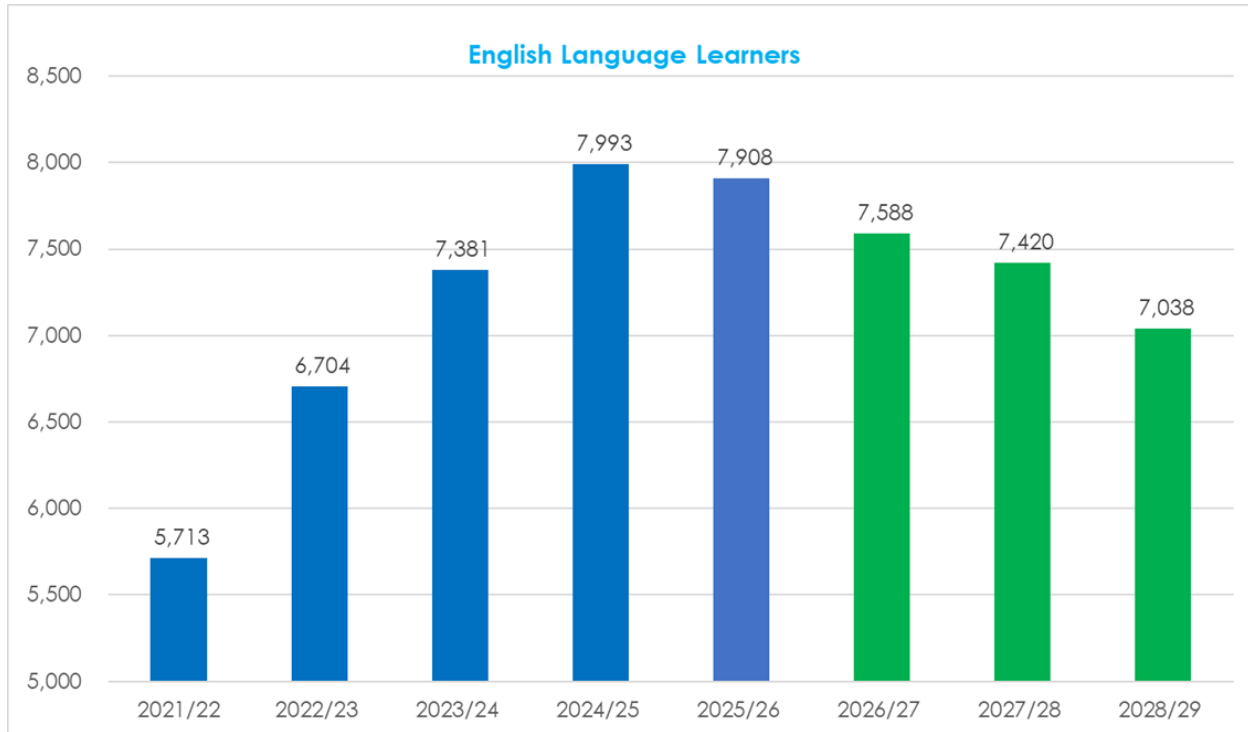
The District is funded primarily through an Operating Grant received from the Ministry. The Operating Grant is based on student enrolment which is compiled through a data collection process in September, February, May, and July. The District receives a fixed amount per full-time equivalent student (FTE). The District also receives supplementary grants for students who are identified as having disabilities or diverse abilities and for other demographic and unique geographical factors.

District staffing levels are driven directly by student enrolment. Since salaries and benefits make up approximately 90% of District expenses, reliable enrolment data is essential for financial planning. Each year the District completes an analysis of historical enrolment and student retention trends, reviews population data, and new municipal development approvals to develop an estimate of elementary and secondary student FTE for the ensuing three budget years.

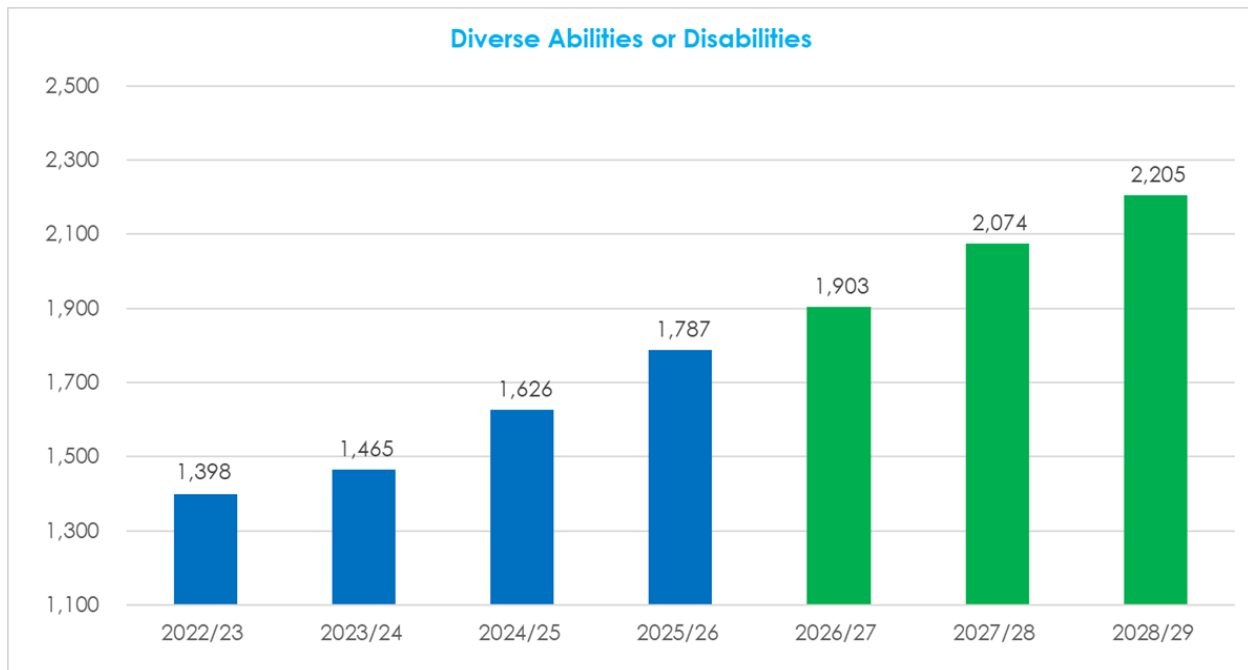
In 2025-2026, regular school-aged enrolment remained relatively stable, with modest growth of 59 FTE students compared to the prior year. Enrolment is projected to decline in the 2026-2027 school year by approximately 0.6%, representing a reduction of 168 FTE students. This represents the first year of enrolment decline in the past seven years and is primarily attributable to recent changes in federal immigration policies.



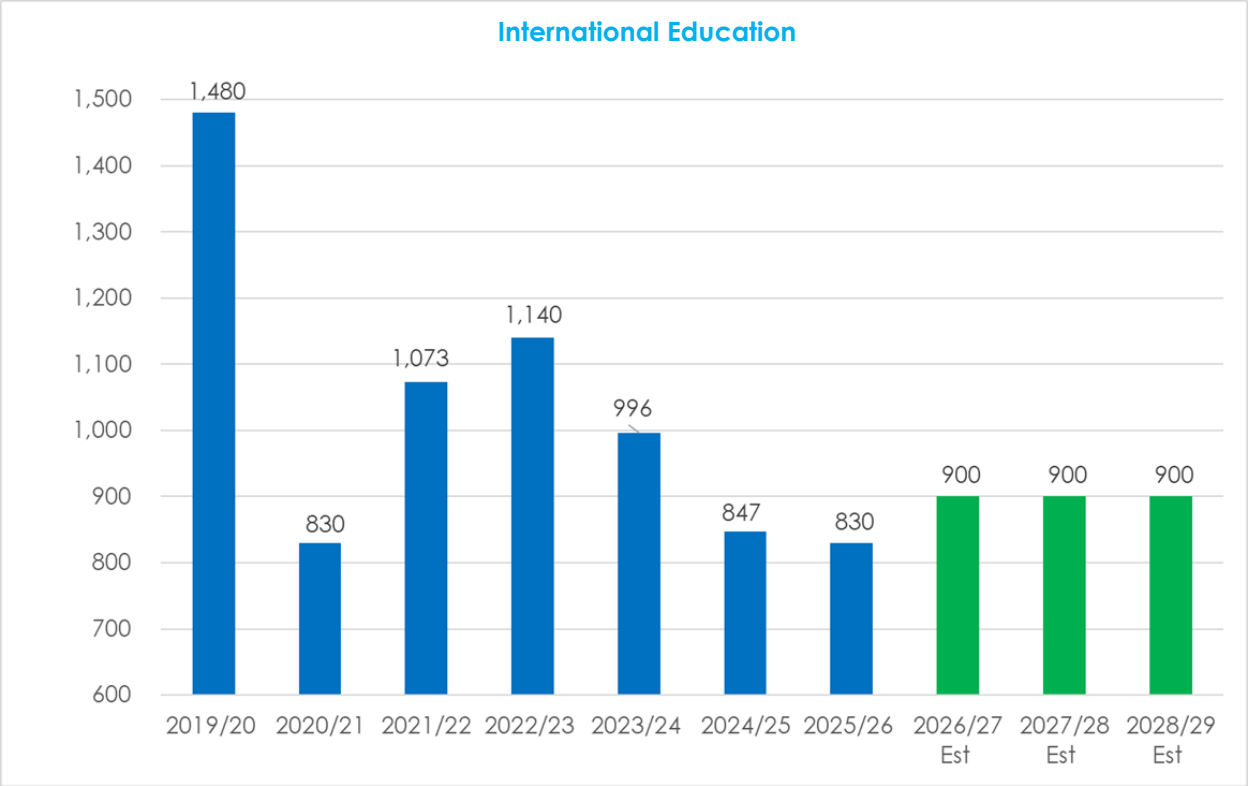
Consistent with overall school-age enrolment trends, growth in the number of English Language Learners has slowed. A decrease of 4% projected for the 2026-2027 school year compared to 2025-2026 levels. This decline is primarily attributed to changes in federal immigration policies, as outlined above.



The number of Students with Disabilities or Diverse Abilities is expected to increase by 6.5% by the 2026-2027 school year compared to 2025-2026 levels.



The District is projecting an 8% increase in International education enrolment for the upcoming school year (an additional 70 students) followed by stable enrolment over the subsequent two years. It is important to note that projected enrolment for 2026-2027 remains 39% below the pre-pandemic level of 1,480 FTE.



2026-2027 Operating Grant Allocation Formula Overview

Public school districts in BC are primarily funded through an Operating Grant provided by the Ministry. The formula for the grant is based on student counts across various areas and other district factors as outlined below.

73% allocated through the Basic Allocation	Basic Allocation Common per student amount for every FTE student enrolled by school type.	
	Standard School	\$9,015 per school age FTE
	Alternate School	\$9,015 per school age FTE
	Continuing Education	\$9,015 per school age FTE
	Online Learning	\$7,280 per school age FTE
19% allocated to recognize unique student enrolment	Unique Student Additional per student funding to address uniqueness of district enrolment and support additional programming. Includes Equity of Opportunity Supplement for children and youth in care and students with mental health challenges.	
	Level 1 Inclusive Education	\$51,300 per student
	Level 2 Inclusive Education	\$24,340 per student
	Level 3 Inclusive Education	\$12,300 per student
	English/French Language Learning	\$1,815 per student
	Indigenous Education	\$1,790 per student
	Adult Education	\$5,755 per FTE
7% allocated to recognize unique district factors	Unique District Additional funding to address uniqueness of district factors.	
	Small Community	For small schools located a distance away from the next nearest school
	Low Enrolment	For districts with low total enrolment
	Rural Factor	Located some distance from Vancouver and the nearest large regional population centre
	Climate Factor	Operate schools in colder/warmer climates; additional heating or cooling requirements
	Sparseness Factor	Operate schools that are spread over a wide geographic area
	Student Location Factor	Based on population density of school communities
	Supplemental Student Location Factor	Level 1 and 2 inclusive education enrolment
0.4% allocated to buffer the effects of declining enrolment	Funding Protection / Enrolment Decline	
	Funding Protection	Funding to ensure that no district experiences a decline in operating grants greater than 1.5% when compared to the previous September
	Enrolment Decline	Funding to districts experiencing enrolment decline of at least 1% when compared to the previous year

Revenues

The table below summarizes projected revenues in the 2026-2027 Status Quo budget compared to the 2025-2026 Amended Budget:

	2025-26 - Amended	2026-27 - Status Quo	Variance
Ministry of Education Operating Grant	\$314,342,637	\$315,229,733	\$887,096
Other MECC Grants	\$2,075,178	\$16,676,526	\$14,601,348
Other Provincial Grants	\$126,500	\$126,500	\$0
International Education	\$14,423,579	\$15,915,579	\$1,492,000
Continuing Education	\$2,451,325	\$2,451,325	\$0
Investment Income	\$997,488	\$997,488	\$0
Rentals & Leases	\$1,499,665	\$1,499,665	\$0
School Generated Funds	\$4,168,375	\$4,168,375	\$0
Other Fees & Revenues	\$1,441,636	\$1,441,636	\$0
Total Grants & Revenues	\$341,526,384	\$358,506,828	\$16,980,444

Variance Analysis

Overall, the *Ministry of Education Operating Grant* is projected to increase modestly by \$0.9 million due to enrolment changes. This modest increase is primarily attributable to growth in higher-cost funding categories, particularly Level 2 Students with Disabilities or Diverse Abilities, which partially offsets funding losses associated with declining regular and English Language Learner enrolment. As in the previous year, the 2026-2027 allocation rate per student is \$9,015.

As noted earlier in this report, enrolment in International Education is projected to increase moderately. For 2026-2027, an 8% increase in enrolment is expected to result in a \$1.5 million increase in *International Education* tuition revenue compared to 2025-2026.

The increase in *Other MECC Grants* items relates to teacher salary increases. The Provincial Teacher Collective Agreement was ratified in March 2026, and the associated funding and salary and benefits costs have been included in the Status Quo Budget. Since the time of budget preparation, a tentative Collective Agreement has also been reached with CUPE; however, the related costs and corresponding funding will be reflected in the 2026-2027 Amended Budget.

Expenses

The following tables summarize projected expenses in the 2026-2027 status quo budget compared to the 2025-2026 Amended budget:

	2025-26 - Amended	2026-27 - Status Quo	Variance
Salaries			
Teachers	\$155,315,215	\$164,993,372	(\$9,678,157)
Educational Assistants	\$33,548,951	\$34,639,093	(\$1,090,142)
Support Staff	\$24,214,001	\$24,214,001	\$0
Principals and Vice Principals	\$14,417,669	\$14,953,199	(\$535,530)
Other Professionals	\$6,516,475	\$6,759,515	(\$243,040)
Substitutes	\$12,698,308	\$13,215,958	(\$517,650)
Total Salaries	\$246,710,618	\$258,775,137	(\$12,064,519)
Benefits	\$63,984,560	\$68,000,487	(\$4,015,927)
Total Salaries and Benefits	\$310,695,178	\$326,775,624	(\$16,080,447)
Services & Supplies	\$24,831,339	\$25,405,308	(\$573,969)
School Generated Funds	\$4,168,375	\$4,168,375	\$0
Local Capital	\$2,004,000	\$2,502,000	(\$498,000)
Total	\$341,698,892	\$358,851,308	(\$17,152,416)

Variance Analysis

In response to projected enrolment decline for the 2026-2027 school year, teaching positions have been adjusted accordingly. At the same time, additional Inclusive Education positions have been allocated to support the anticipated increase in Students with Disabilities or Diverse Abilities. Staffing changes reflected below are funded through a combination of the Operating Fund and the Classroom Enhancement Fund (CEF), which supports class size and composition requirements under provincial collective agreements. The table below summarizes the staffing adjustments required to maintain class size targets and appropriate levels of student support.

Category	Operating Fund	CEF
Enrolling Teachers (BTA)	(7.00)	-
English Language Learners (BTA)	(5.00)	-
Impact of Increasing Number of International Students on Enrolling Teachers (BTA)	4.70	-
Education Assistants (CUPE 379) - Headcount	25.33	-
Non-Enrolling Teachers (BTA) - Inclusive Education - (CEF)	0.00	5.50
District Literacy (BTA) -(CEF)	0.00	0.40
District Numeracy (BTA) -(CEF)	0.00	5.00
Non-Enrolling Teachers (BTA) - Teacher Librarian - (CEF)	0.00	(0.70)
Total Staffing Change	18.03	10.20

Although the total number of teaching positions has decreased due to declining enrolment, overall teacher costs are projected to increase by \$9.7 million. This increase is primarily attributable to the ratification of the Provincial Teacher Collective Agreement and the associated salary and benefit adjustments. Additional cost pressures reflect targeted staffing increases to support growth in International student enrolment and the expansion of Learning Support Teacher positions to address rising needs among Students with Disabilities or Diverse Abilities.

Following a review of the District's Inclusive Education service delivery model, it was determined that increased Learning Support Teacher (LST) capacity would strengthen instructional support for Students with Disabilities or Diverse Abilities. Accordingly, LST staffing is proposed to increase by 5.5 FTE. Combined with an increase of 25.33 FTE Educational Assistants, the District is projected to support more than 1,900 Students with Disabilities or Diverse Abilities in the 2026-2027 school year.

A 3% salary increase has been included for all Exempt staff, including Principals and Vice-Principals, despite no corresponding increase in Ministry funding, as it is uncertain whether these increases will be funded. The eligibility for districts to implement this increase is determined by BC Public School Employers' Association (BCPSEA). As a result, Exempt staff salary costs have increased by \$0.77 million, primarily due to this remuneration increase.

Increased contributions to health premium plans, primarily due to higher claim expenditures, have led to a \$4.0 million rise in benefit costs, largely driven by wage increases, as high wages directly result in higher benefit premium costs. Approximately \$1.0 million of the increase is attributable to higher claims experience.

Projections for Services and Supplies have been maintained at the 2025-2026 Amended Budget levels, with an additional \$0.57 million included to account for inflation and other adjustments.

The contribution to the Local Capital Fund in the 2026-2027 budget is projected to remain roughly at the 2025-2026 Amended Budget level, with a slight decrease of \$0.5 million. The increased allocation will primarily support the next phase of the District's technology plan.

Operating Surplus

The table below shows the revenues, expenses, and total shortfalls in the 2026-2027 status quo budget compared to the 2025-2026 Amended budget:

	2025-26 - Amended	2026-27 - Status Quo	Variance
Revenues	\$ 341,526,384	\$ 358,506,828	\$ 16,980,444
Salaries	\$(246,710,618)	\$(258,775,137)	\$ (12,064,519)
Benefits	\$ (63,984,560)	\$ (68,000,487)	\$ (4,015,927)
Services & Supplies	\$ (28,999,714)	\$ (29,573,684)	\$ (573,969)
Local Capital	\$ (2,004,000)	\$ (2,502,000)	\$ (498,000)
Surplus / (Deficit)	\$ (172,508)	\$ (344,480)	\$ (171,972)

Three-Year Budget

Below is a three-year projection of the operating budget. This projection is based on information currently available to the District and includes assumptions that service levels and programs will be maintained in alignment with expected enrolment. Revenues are primarily driven by enrolment projections and the Ministry's current funding formula.

International Education enrolment is projected to increase by 8% in the first year, then stabilize over the following two years. This results in a cumulative revenue increase of approximately \$4.5 million over the next three years compared to 2025-2026 levels.

Expenses are projected based on maintaining service levels to support enrolment growth, with inflation applied to utility costs.

No salary increases for Educational Assistants, or support staff have been included, as remuneration increases for these groups were not yet known at the time of budget development. As noted earlier, a 3% annual salary increase has been included for Teachers and Exempt staff.

Local capital expenditures are expected to primarily cover contributions required to support the Education Technology Plan, vehicle purchases, furniture and equipment, and financial systems. Compared to the previous Three-Year Projection, the need for portables in future years has been eliminated, mainly due to the forecasted decrease in enrolment, as well as the implementation of 5-block scheduling in certain secondary schools.

	2026/2027 Projected	2027/2028 Projected	2028/2029 Projected
Revenues	\$358,506,828	\$365,992,156	\$374,014,317
Salaries and Benefits	(\$326,775,624)	(\$336,194,764)	(\$345,300,546)
Services & Supplies	(\$29,573,684)	(\$29,718,645)	(\$29,866,505)
Local Capital	(\$2,502,000)	(\$3,002,000)	(\$3,002,000)
Surplus / (Deficit)	(\$344,480)	(\$2,923,252)	(\$4,154,733)
Fund Balance	(\$341,768)	(\$3,265,020)	(\$7,419,753)

2025-2026 Q3 Update

Teacher Salary Grievance

Teacher salaries in British Columbia are negotiated centrally by BCPSEA on behalf of all school districts; a structure intended to promote consistency across the province and manage compensation costs in a coordinated manner. During province-wide bargaining in 2022, BCPSEA and the teachers' federation agreed to shorten the teacher salary grid by removing one step. Following ratification, the parties disagreed on which step was intended to be removed, resulting in a formal dispute.

As the matter could not be resolved, it proceeded to arbitration in February 2025. The arbitrator ruled on August 29, 2025, that a higher step should become the first step of the salary grid, effective July 1, 2022, confirming that beginning teachers were entitled to be paid at that higher level for a two-year period. An appeal of the decision was unsuccessful, and the ruling was upheld in early 2026.

This outcome has created a significant unplanned financial impact for the District. The impact to the District was greater than other school districts due to the unique local language that existed in the Collective Agreement at the time. The decision requires retroactive salary adjustments dating back to 2022, resulting in a potential cost to the District of up to \$9.4 million. These costs were not included in prior budgets, as the District implemented, as directed by BCPSEA, the salary grid based on a different interpretation of the Collective Agreement. The District further estimates that, had provincial funding aligned with the arbitration decision from the outset, approximately \$4.6 million in additional salary-related funding would have been provided over that period.

Based on discussions with the Ministry, the District has included \$4.6 million in additional salary funding in its current financial projections; however, this amount has not yet been formally committed. At this time, there is no provincial commitment to fully fund the retroactive costs arising from the arbitration decision. The Board has requested that the Ministry seek full provincial funding so that these unanticipated costs do not need to be addressed through reductions to local programs and services.

2025-2026 Q3 Projections

As outlined in the preceding section, the teacher salary grievance and resulting arbitration decision have had a material impact on the District's financial position. Prior to considering this outcome, the District's 2025–2026 Annual Budget projected a surplus of \$0.83 million, intended to begin rebuilding financial reserves. The Amended Budget, approved by the Board in March, incorporated a further projected surplus of \$0.14 million, bringing the total projected surplus to \$0.97 million and the unrestricted operating fund balance to \$3.2 million.

Based on third-quarter projections and excluding the financial impact of the salary arbitration described above, the District was forecasting an additional surplus of approximately \$1.1 million. This would have increased the current year structural surplus to \$2.1 million and further supported the replenishment of reserves, bringing the total unrestricted surplus up to \$4.3 million.

However, the teacher salary arbitration concluded in 2025–2026, with updated estimates reflected in the third-quarter forecast, indicating a net unfavourable financial impact of \$4.8 million. As a result, the third-quarter forecast now reflects a deficit of \$2.3 million, and the unrestricted operating fund balance is projected to decline to a nominal \$0.03 million. The unrestricted surplus was insufficient to absorb the full impact of the salary arbitration, requiring the District to reallocate \$0.51 million of available restricted fund balances, with the exception of those tied to contractual obligations. This shift underscores the significant budgetary pressure created by the arbitration outcome and the importance of securing full provincial funding to mitigate its impact on local programs and services.

The projected restricted reserve balance of \$3.51 million will be carried forward into next year's budget, as it is designated for contractual obligations and multi-year projects.

	2025/2026 Q3 before Salary Arbitration	Salary Arbitration Impact	2025/2026 Q3
Opening Fund Balance	\$7,455,215	-	\$7,455,215
Carryover of Prior Year's Unspent Funds	(\$5,190,538)	-	(\$5,190,538)
Increase in Surplus/ (Deficit)	\$6,100,498	(\$4,848,816)	\$1,251,682
	\$8,365,175	(\$4,848,816)	\$3,516,359
Comprised of:			
Unrestricted Surplus	\$4,338,219	(\$4,335,507)	\$2,712
Restricted Surplus	\$4,026,956	(\$513,309)	\$3,513,647
Fund Balance, End of Year	\$8,365,175	(\$4,848,816)	\$3,516,359

2026-2027 Budget Revisions

The budget revisions below were developed with the District's vision, mission, and core values as defined in the 2025-2030 Strategic Plan.

Community and Partner Group engagement and input is vital to the work of the Board. Before making decisions on budget revisions, the Board went through an extensive consultation process as detailed earlier in this report. Budget consultation meetings were advertised through local media outlets, social media, as well as the District website. An email address was also set up to receive input from individuals who were unable to attend consultation meetings or who wanted to submit their input in writing.

With the revised Board Policy on Financial Management, the Board's overall fiscal strategy shall aim to establish reserve funds of between 1-2% to support extraordinary needs, to replace depreciated equipment and fixed assets, and to balance the operational budget from fiscal year to fiscal year. However, given the impact of the salary arbitration, it is not feasible to achieve a 1% operating reserve in the first year of the budget.

A structural deficit remains due to declining enrolment within a status quo funding framework, requiring the District to balance the budget through operational alignment and program adjustments. While the financial impact of the pending salary arbitration remains uncertain, no budget revisions have been made at this time to offset this cost, as a decision has not yet been finalized.

The table below lists the budget revisions made to the 2026-2027 budget as well as those proposed for the following years.

Ref	Item	Description	FTE	2026/2027	2027/2028	2028/2029
1	Counselling	This budget adjustment represents the reduction of 2.76 FTE Counselling positions. The adjustment would bring the District to the required ratio in the teacher's collective agreement. The recently ratified collective agreement includes improvements to the counselling ratio which will lead to fully funded staffing additions starting in 2027-28.	2.76	\$325,464	\$325,464	\$325,464
2	Print Shop	The District operates a print shop which is staffed with 1.0 FTE Duplicating Services Clerk. This budget adjustment proposes elimination of centralized print services for the District. Schools and department would have to use devices in their own buildings for the majority of projects currently handled by this position. Certain specialty jobs would need to be performed externally. Other clerical duties would be consolidated into an expanded full-time (1.0 FTE) Central Records Clerk role which is currently 0.6 FTE.	0.60	\$39,225	\$39,225	\$39,225
Total Proposed Budget Adjustments			3.36	\$364,689	\$364,689	\$364,689

Three-Year Budget Fund Balance

Along with the budget revisions above, an allocation of prior year surpluses and reserves is required to balance the budget. Below is a table detailing the usage of surpluses and reserves over three years.

	2026/2027	2027/2028	2028/2029
Opening Balance	\$2,712	\$22,921	(\$2,535,642)
Structural Surplus / (Deficit)	(\$344,480)	(\$2,923,252)	(\$4,154,733)
Total Adjustments	\$364,689	\$364,689	\$364,689
Revised Structural Surplus / (Deficit)	\$20,209	(\$2,558,563)	(\$3,790,044)
Ending Balance	\$22,921	(\$2,535,642)	(\$6,325,686)
Reserve % of Operating	0.01%	-0.69%	-1.69%

Special Purpose Fund

The Special Purpose Fund consists of restricted grants and other funding, subject to a legislative or contractual restriction on its use. These funds are not available for expenditures in the operating fund. These revenues are deferred until the related expenditures are incurred. For the 2026-2027 fiscal year, where Ministry funding estimates have not yet been provided, prior-year funding levels have been used in the table below.

Special Purpose Fund (continued)

Category	Amount	Discussion
Annual Facility Grant	\$931,106	These funds are used throughout District schools to address ongoing maintenance and improvement needs.
Learning Improvement Fund	\$1,091,173	Funding used specifically to augment Educational Assistants' hours providing additional support to complex learners.
Strong Start	\$384,000	Strong Start early learning centres provide school-based, drop-in programs for children aged birth to five and their parents or caregivers.
Ready, Set, Learn	\$105,350	Eligible RSL events for 3 to 5 year olds and their parents are hosted to support early learning and facilitate a smooth transition to Kindergarten
Official Languages in Education French Programs	\$269,203	Funding for core French-language programs and curriculum resources.
Community LINK	\$2,714,667	Funding for programs and initiatives to improve the education performance of vulnerable students, including both academic achievement and social functioning.
Classroom Enhancement Fund (CEF)	\$27,704,100	Eligible expenses includes teacher staffing, overhead staffing and equipment costs resulting from restoration of class size and composition language.
BC Provincial School for the Deaf	\$6,055,000	The BC Provincial School for the Deaf is a K to 12 school for the deaf or hard-of-hearing.
Provincial Outreach Program for Deaf and Hard of Hearing (POPDHH)	\$1,234,747	The focus of the program is to collaborate with school districts in meeting the needs of all Deaf and Hard of Hearing learners .
Fraser Park / Maples	\$2,270,000	A secondary program which provides assessment, consultation services and classroom instruction to youth referred to the Maples Adolescent Center.
CIC – LINC, SWIS	\$6,215,002	These programs are funded by Citizenship and Immigration Canada. Language Instruction for Newcomers to Canada (LINC) provides language instruction for adults who are newly settled in Canada. Settlement Workers in Schools (SWIS) places settlement workers in schools that have high numbers of newcomer students.
Feeding Futures School Food Programs	\$2,978,192	Funding to make sure all students are fed and ready to learn, by expanding existing school food programs or create new ones in schools that currently don't have a program.
School Generated Funds	\$5,500,000	Funds that are generated locally at the school level and used for school operations
Others	\$442,030	Other programs funded through the Special Purpose Fund
Total	\$57,894,570	

Major Capital Projects

The District expects to have six active major capital projects at various stages of progress during the 2026-2027 school year with one completing occupancy stage. The table below outlines the active projects and timelines. Capital expenditures are primarily funded by the Ministry, with additional funding provided through locally generated District capital funds and third-party contributors such as the Ministry of Children and Family Development and the City of Burnaby.

Capital Projects	Project Scope	Date of Funding Approval	Construction Completion	Target Occupancy
Stride Elementary	Replacement	April 2021	June 2026	September 2026
Kitchener Elementary	Expansion	February 2024	August 2026	September 2026
Brentwood Park Elementary	Seismic/Expansion	February 2024	July 2027	September 2027
Cameron Elementary	Seismic/Expansion	October 2024	August 2028	September 2028
Nelson Elementary	Expansion	December 2024	August 2026	September 2026
Alpha Secondary	Expansion	December 2024	May 2027	September 2027
Brentwood Town Centre East Elementary	New School	Planning	TBD	TBD

Other Capital Funded Projects

The District is required to submit a five-year capital plan to the Ministry for additional funding for capital projects as described below. The table at the bottom of this section summarizes the funding that has been provided in the various areas.

Annual Facilities Grant (AFG) funds are used throughout District schools to address ongoing maintenance and improvement needs.

School Enhancement Program (SEP) projects are investments that contribute to the safety and function of the school while extending the life of the asset.

Carbon Neutral Capital Program (CNCN) projects are investments that contribute to measurable emission reductions and operational costs savings expected as a result of completed projects.

School Food Infrastructure Program (FIP) projects are investments that contribute to creating, improving, or expanding infrastructure to feed students.

Playground Equipment Program (PEP) provides dedicated funding for the purchase and installation of new or replacement playground equipment that is universally designed and compliant with accessibility standards.

March 31st Fiscal Year end	2026-27 Planned Spending
AFG (Capital only)	\$ 5,602,487
SEP	\$ 1,350,000
CNCN	\$ 750,000
FIP	\$ -
PEP	\$ 400,000