

2026/2027 Annual Budget

With Three Year Financial Plan

May 2026

School District 28 rests on the traditional lands of the Lhtako Dene.



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1.0 DISTRICT OVERVIEW

School District No. 28 (Quesnel) (the District) services the learning needs of just under 3,000 students in the City of Quesnel. The District provides K-12 educational services in 12 elementary schools, one middle school, one alternate school and one secondary school.

All decisions made by the Quesnel Board of Education (the Board) are guided by our vision, mission and core values as determined through deep consultation with our partners and community. The District's initiatives and resources are all aligned to our strategic plan, which is grounded in our foundation to support our commitment in creating a place where students love to learn by enabling each student to learn in a safe, engaging, and inclusive environment.

The District operates under the authority of the School Act of British Columbia (the School Act) as a corporation and receives over 98% of revenue from the B.C. provincial government through the Ministry of Education and Childcare (the Ministry). Any changes to provincial grants will consequently have a significant impact on the District's budget. The District is exempt from federal and provincial corporate income taxes.

OPERATING FUND: The operating fund includes operating grants and other revenues 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 and other sources that have restrictions on how they may be spent.

CAPITAL FUND: The capital fund includes capital expenditures related to facilities and equipment that are funded by Ministry 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 as permitted under the Accounting Practices Order of the Ministry.

In accordance with the School Act, school districts in the province must approve a balanced budget for the upcoming fiscal year and submit it to the Ministry by June 30. As required by the Ministry and Public Sector Accounting Standards (PSAB), the District tracks and reports revenue and expenditures under three separate funds: the operating fund, the special purpose fund, and the capital fund.

STRATEGIC PLAN - Alignment

In 2022, the Board approved its 4-year strategic plan which defines the priority directions of the Board based on extensive consultation and collaboration with partners within our system and from outside our system. The Strategic Plan reminds us of our primary responsibility; student success. With student success at the center, the Board has set priority areas of:

<p>Equity and Engagement Seeking equitable outcomes for all students</p>	<p>Supportive Spaces Ensuring safe, welcoming school sites where all students can build a strong sense of belonging</p>
<p>Cultural Collaboration Ensuring meaningful and respectful relationships and collaboration with Indigenous partners</p>	<p>Intentional Innovation Building the collective capacity of all staff through tireless recruitment and a focus on retention</p>



Using these key indicators to contemplate each budget request and each recommendation made, this budget aligns with the direction of the Board and provides what we believe to be fiscally responsible and is targeted on resources that will have the greatest impact on student success.



2.0 BUDGET PROCESS AND CONSULTATION

We strive to ensure that budget input and resource allocations are connected to and aligned with our strategic plan – this model is an integral part of the District’s operating culture. All budget decisions made by the District are guided by our vision and values and specifically guided by the following principles:

ALIGNMENT TO OUR STRATEGIC PLAN

priorities implemented must be aligned with the District’s strategic directions;

FISCALLY RESPONSIBLE

proposed changes reflect prudent spending and balance new priorities with identified efficiencies

MAXIMIZE RETURNS

priorities implemented must balance results and investments to maximize returns on student learning outcomes

FUTURE ORIENTED

proposed changes are thoughtful and stand the test of time rather than being reactionary in nature.

In order to achieve these principles, we remain committed to the following as part of our budget process:

- providing timely and accurate budget information;
- receiving budget input and feedback;
- prioritizing budget requests for the upcoming budget year;
- allocating available resources to best meet requests that align with the vision, goals and objectives; and
- communicating the outcomes effectively for transparent accountability.

The consultation process has been a consultative process between the Board and its partners to define priorities for the future. It has allowed for valuable input into the District’s direction and decision making. The table below provides the budget process for the 2026/27 year and the various opportunities for partner engagement:



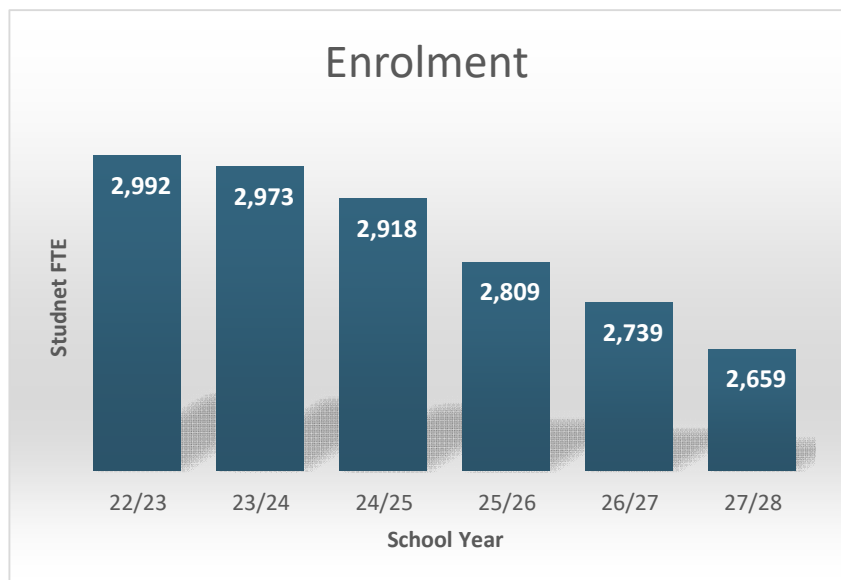
February 13, 2026	Submission of three-year enrolment to Ministry of Education
February 18, 2026	Approval of the 2025/26 amended budget
March 13, 2026	Ministry of Education Funding announcement for 2026/27
April 7 & 28, 2026	Indigenous Education Council -Core Budget review and Feedback
April 8, 2026	Initial Budget review with District managers
April 13, 2026	Partner Group - Core Budget review and Feedback
April 14, 2026	District Leadership Team - Core Budget review and Feedback
April 15, 2026	Closed – Core Budget review
April 21, 2026	Public Meeting - Core Budget review and Feedback
April 22, 2026	Final Budget review with District managers
April 29 & May 7, 2026	In-Camera Superintendent Budget recommendations for 2025/26
May 13, 2026	Complete 1 st , 2 nd and 3 rd and final reading of budget bylaw

There were multiple avenues to interact and share feedback in advance of the Board’s decision on the annual budget passed in mid-May.

3.0 STUDENT 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 unique needs and for other demographic and geographical factors.

The District is seeing declining enrolment. The enrolment information presented below is based on actual full-year enrolment (regular, alternate, distributed learning, and non-graduated adult learners) for 2022/23, 2023/24, 2024/2025 actual enrolment for September and February and estimated for May for 2025/26 and forecasted enrolment for 2026/27 to 2027/28.



4.0 OPERATING FUND BUDGET

The core budget over the next three years is estimated to be in a deficit due to declining enrolment. For the 2026/27 school year, the deficit is \$254,230, followed by \$625,000 and \$813,000 in the 2027/28 and 2028/29 school years, respectively. The core budget makes the following assumptions/adjustments:

- Collective agreement wage: no increases (and related funding) reflected yet as bargaining is still in progress;
- Reversal of one-time savings and surplus asks from the previous year

The three-year financial plan for the operating budget is included in section 4.5.

4.1 Operating Fund Revenue

Provincial grants anticipated from government sources represent approximately 99% of the District's revenue sources for 2026/27. The remaining revenue is comprised of sources such as facility rentals, interest revenue and miscellaneous income.

The operating grants decreased by \$0.7 million, this decrease is due to enrolment decline.



4.2 Operating Fund Expense

The most significant portion of the District’s expenses is salaries and benefits, which comprises 90% of the District’s operating budget. The remaining 10% goes to services, supplies and capital asset purchases. In the 2026/27 school year, **SALARIES AND BENEFITS ARE ESTIMATED TO REMAIN THE SAME** due to collective bargaining in progress.

In 2026/27, services and supplies budgets have been decreased to reflect decreases funding.

(in thousands)	24/25 Actual	25/26 Amended Budget	26/27 Annual Budget
Wages			
Teachers	17,163	16,602	16,247
Support Staff	4,387	4,573	4,682
Educational Assistants	3,251	3,525	3,643
Principals and Vice Principals	3,262	3,331	3,150
Substitutes	2,092	1,962	1,979
Other Professionals	1,442	1,398	1,338
Benefits			
Employee Benefits	7,232	7,396	7,345
Total Salaries and Benefits	38,829	38,787	38,384

Full Time Equivalent (FTE)	Actual Budget	
	25/26	26/27
Principals	20	19
Teachers	195	189
Support	133	131
Education Assistants	67	67
Exempt	14	14
Total FTE	429	420

Projections for 2027/28 and 2028/29 reflect that expenditures are expected to decline more gradually than funding.

4.3 Budget Aligned to Our Strategic Plan

The 2026/27 budget is not built around “new additions,” but around intentionally sustaining and aligning all district resources to our four Strategic Priority Areas while responding to enrolment decline and fiscal constraints.

- Every major budget decision was reviewed through the lens of the Strategic Plan
- Resources were prioritized toward classrooms, student support, and staff capacity
- Existing services were protected and strengthened wherever possible
- Limited adjustments reflect shifts in need—not expansion of scope

This approach ensures financial decisions remain focused on student success, equity, and long-term sustainability rather than short-term additions.

The District’s budget is guided by a commitment to student learning. While the Board is responsible for maintaining safe and effective school facilities, the majority of district resources continue to be directed toward classroom instruction, educational staffing, and learning supports that directly impact students.

Recent years have afforded the district the opportunity to approve requests from partners with surplus funds. Declining enrolment and the subsequent reduction in funding has us revising our process from reviewing requests for additions to prioritizing what is most important within core funding. Outlined below are key priorities to remain or build upon within the core budget for the 2026/27 school year; many of these requests came directly *from our partners*.

Equity and Engagement

- Maintaining strong learning assistance and resource teacher capacity
- Continued focus on literacy development, particularly in the primary years
- Ongoing professional learning for instructional and non-instructional staff
- Sustained classroom and school-based supports for vulnerable learners

Intentional Innovation

- Aligning leadership practices to support instructional improvement
- Improving processes that support staff growth and development
- Sustaining recruitment and retention strategies through repurposed, not additive, funding
- Advancing district mental health and wellness planning within existing structures
- Realigned leadership assignments to improve efficiency and service

Supportive Spaces

- Maintaining safe, welcoming school environments
- Supporting increasing complexity of student needs, including transportation accessibility
- Protecting staff wellness supports as an enabler of student wellbeing
- Aligning staffing and services to ensure continuity of learning
- Redistribution of student enrolment allowing for increased space in elementary schools
- Moving McNaughton to be more closely situated to Correlieu, increasing fluidity in supports for vulnerable students

Cultural Collaboration

- District-wide Indigenous student supports informed by:
 - Indigenous Education Council recommendations
 - District achievement and completion data
- Continued access to culturally responsive services and staffing
- Targeted social-emotional supports to improve long-term student outcomes
- Continued support for Indigenous language learning

4.4 Contingency Reserve

The Board is responsible to protect the District from extraordinary financial items which would negatively disrupt District operations and the continuity of learning for students. To mitigate these risk areas, the Board maintains a contingency reserve from its available operating surplus.

Per Board Policy 603, the contingency reserve can be up to 3% of operating expenses. The District's level of contingency reserve for planning purposes is \$1.3 million. It is anticipated by the end of the 2025/26 school year that the operating reserves will be \$3.4 million. The differential between the expected ending reserve balance of \$3.4 million and the \$1.3 million contingency reserve represents amounts available to support planning for operations spanning future school years, anticipated unusual expenses identified by the board and/or for expenses which must be reserved due to the nature of constraints on the funds.



4.5 Operating Budget Three-Year Plan

Below is a three-year projection of the operating fund revenue and expenses by object. This projection is based on factors that are known to the District at the time, and contain assumptions that the District will maintain current service levels and programs. Assumptions made in building the three-year plan are included in the respective areas of Section 4.0 and also include the following:

- Projected changes to revenue and staffing due to changes in enrolment;
- Estimated changes to employee salaries and benefits;
- Estimated changes to services, supplies and utilities due to inflation; and
- Adjustments for one-time revenue or expenditures included in the prior year budget.

After factoring efficiencies and priorities into the core budget, the District is estimating that a funding shortfall of \$254,230 will have to be addressed in 2026/27. This is estimated to be followed by budget funding shortfalls due to declining enrolment of approximately \$625,000 for 2027/28, and \$813,000 for 2028/29.

In thousands	2023/24 Actual	2024/25 Actual	2025/26 Amended Budget	2026/27 Annual Budget	2027/28 Projection	2028/29 Projection
Provincial Grants - ECC						
Operating Grant, Ministry of Education	40,475	42,173	41,880	41,191	40,573	39,964
Other Ministry of Education Grants	1,399	1,114	662	662	662	662
Other Revenue						
Rentals and Leases	188	188	179	179	185	185
Investment Income	361	465	300	300	200	200
Miscellaneous	91	270	130	30	30	30
Total Operating Revenue	42,514	44,210	43,151	42,362	41,650	41,041
Operating Expenses						
Salaries and Benefits	37,962	38,828	38,788	38,384	38,096	37,810
Services and Supplies	4,001	4,303	4,582	4,232	4,179	4,044
Total Operating Expenses	41,963	43,131	43,370	42,616	42,275	41,854
Capital Purchases and Other	(170)		-50			
Surplus (Deficit), for the year	381	1,079	(269)	(254)	(625)	(813)
Requests						
Ongoing Priorities					-	-
One-Time Priorities						
Use of Prior Year Appropriated Surplus to balance budget	(381)	(1,079)	269	254	625	813
Total Operating Surplus (Deficit), for the year	-	-	-	-	-	-
Operating Surplus (Deficit), beginning of the year						
Operating Surplus (Deficit), beginning of the year	2,192	2,573	3,652	3,383	3,129	2,504
Use of Prior Year Appropriated Surplus to balance budget	381	1,079	(269)	(254)	(625)	(813)
Operating Surplus (Deficit), end of the year	2,573	3,652	3,383	3,129	2,504	1,691

5.0 Special Purpose Fund

The special purpose fund is comprised of separate funds established to track revenue and expenditures received from the Ministry and other sources that have restrictions on how they may be spent and are therefore not available for expenditures in the operating fund. Amounts are deferred when received and recognized as revenue when the related expenditures are incurred.

The District has the following special purpose funds:

- Classroom Enhancement Fund (CEF)
- Community LINK
- Learning Improvement Fund (LIF)
- Annual Facility Grant
- First Nation Student Transportation
- Strong Start
- Ready, Set, Learn
- Official Languages in Education French Programs (OLEP)
- Feeding Future Fund
- Early Care & Learning (ECL)
- Apprentice Program
- Breakfast Clubs of Canada
- Scholarships and Bursaries
- School Generated Funds
- Literacy Professional Learning Fund
- Mental Health Grant

The following represents a few highlights of the work that is funded from these special programs:

Classroom Enhancement Fund

This funding relates to the ratification of the Memorandum of Agreement pursuant to the Letter of Understanding No.17, to the 2013-2019 BCPSEA-BCTF Provincial Collective Agreement that resolves all matters related to the implementation of the Supreme Court of Canada decision from the fall of 2016. This fund was established to address the additional teacher and corresponding overhead costs throughout the province associated with the memorandum. For 2026/27, the District has been provided a preliminary CEF allocation of \$2,783,000 to fund 20.5945 FTE teachers and \$244,606 in overhead funding. Adjustments to the District's allocations may be made once the final fall 2026 staffing is known.

Community LINK

This funding is designed to support the academic achievement and social functioning of vulnerable students. Total funding for 2026/27 will be \$568,856 and is projected to remain unchanged for future years. This fund is used for social-emotional supports for vulnerable learners through 11 Youth Care Workers.

Learning Improvement Fund

This fund was established by the Province for the purpose of providing additional resources, specifically targeted to support complex classes that present challenging learning conditions. The 2026/27 funding of \$142,584 is used for increased hours of work for EAs as has consistently been done over the past number of years. As the LIF has not increased in line with the increases to collective agreement wage increase, this special purpose fund continues to face pressure.

Feed Futures Fund

This was a new fund two years ago which relates to addressing the immediate need of feeding students and help reduce the challenges of rising food cost for families who need it most. For the 2026/27 year the District's allocation is \$394,063.

Literacy Professional Learning Fund

The purpose of this grant is to help schools to access additional training and education Programs for teachers and support staff in the area of literacy. A grant of \$238,867 was received to be spent by June 30, 2027.

In thousands	2023/24 Actual	2024/25 Actual	2025/26 Amended Budget	2026/27 Annual Budget	2027/28 Projection	2028/29 Projection
Provincial Grants - ECC	4,562	4,766	5,114	4,967	4,700	4,700
Other Revenue	767	866	794	650	650	650
Total Operating Revenue	5,329	5,632	5,908	5,617	5,350	5,350
Salaries and Benefits	3,668	3,909	4,537	4,490	4,200	4,200
Services and Supplies	1,600	1,602	1,995	1,331	1,150	1,150
Total Operating Expenses	5,268	5,511	6,532	5,821	5,350	5,350
Deferred Revenue Change	61	121	(624)	(204)	-	-

6.0 CAPITAL FUND

The capital fund includes capital expenditures related to facilities (purchases and enhancements) and equipment that are funded by the Ministry capital grants, land capital, local capital, operating funds and special purpose funds. On an annual basis, the District prepares a Five-Year Capital Plan and submits it for funding consideration to the Ministry. The plan identifies capital funding needs for existing and new facilities.

The following are current capital projects supported by the provincial government.

Minor Capital Projects

The ministry has approved a number of minor capital projects including \$1.475 million for the interior and exterior upgrades to Correlieu High School including a main office renovation and replacement of all exterior doors.

Other Capital Funded Projects

Annual facilities grant funds are used throughout the District to address ongoing maintenance and improvement needs at schools. Planned spending for the capital component in 2026/27 is \$1,114,554.

Additional funding for capital projects in 2026/27 is detailed below.

Facility Name	Project Description	Bylaw Funding
Correlieu High School	Interior Construction & Exterior Wall System Upgrades	\$1,475,000
Bouchie Lake Elementary	Carbon Neutral Capital Program – Energy Upgrades	\$500,000
Baker Site	Carbon Neutral Capital Program – Electrical Upgrade	\$125,000
Baker Site	Food Infrastructure Program – Kitchen Equipment	\$200,000
Lakeview Elementary	Universally Accessible Playground Equipment	\$200,000

