

NOTICE OF MEETING

Vancouver Board of Education
Secretary-Treasurer's Office
2010 June 11

Committee III/V:

Jane Bouey
Ken Clement
Patti Bacchus
Al Blakey
Ken Denike
Carol Gibson
Sharon Gregson
Mike Lombardi
Allan Wong

Steve Cardwell, Superintendent of Schools

Notice of Meeting

A joint meeting of the **Education and Student Services Committee and Finance & Legal Committee (Joint Committee III/V)** will be held in the Boardroom (Room 114), VSB Education Centre, 1580 West Broadway, Vancouver, British Columbia, on **Monday, 2010 June 14 at 5:30 pm**

Yours truly,

BRENDA NG (2)
Secretary-Treasurer

Senior Staff:	Laurie Anderson Lynn Green Gary Little	Sonia Hutson Valerie Overgaard Paul Wlodarczak	Mark Dale Jennifer Duprey Rick Krowchuk	Stephen Lamb Catherine Remedios
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Reps:	Brin MacIntyre, VSTA (Templeton) Vic Choy, VSTA (Churchill) Donna Brack, VESTA (HO) Rod Ratzlaff, VESTA (Carr) Maria Taddei, VASSA (Byng) Rob Schindel, VASSA (Windermere) Magdalena Kassis, VEPVPA (Hastings) Chris Gilmour-Lammerse, VEPVPA (South Hill Ed Centre) Harjit Khangura, IUOE (Kits) Steve Baker, DPAC (Res) Gwen Giesbrecht, DPAC (Res) Cathy Hasley, PASA (Learning Services) Tony Doyle, PASA (Learning & Info Tech) Kenny Brett, CUPE Loc 15 (Carleton) Paul Faoro, CUPE Loc 15 (HO) Charleen Ann Derzak, CUPE 407 (Grounds-Nursery) Joy Aguilar, DSC (Churchill) Kira Kyd, DSC (Van. Tech.)	Alt:	Debbie Pawluk, VSTA (HO) Anne Guthrie-Warman, VSTA (HO) Dan Graves, VESTA (HO) Lisa Holman-Fyffe, VESTA (Roberts Ed.) Geoff Taylor, VASSA (Magee) Lorna Ward, VASSA (Templeton) Darren Mitzel, VEPVPA (Lloyd George) Tim DeVivo, IUOE (HO) Stefanie Gajdecki, DPAC Jennifer West, DPAC Ron Bergeron, PASA (Learning Services) Beverley Gill, PASA (Payroll) Betty McGee, CUPE Loc 15 (HO) Rachel Ha, DSC (Hamber)
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Others:	Chona Caparas, Sec-Treas Office Sec-Treas Office (Recorder) (2) David Weir, Communications Flavia Maller, Accounting Caroline Sayson, Accounting (2) Maisie Louie, Learning Services	District Parents Ed Centre Building Engineer Rentals Cafeteria B. Ostrom (Operations)
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COMMITTEE MEETING

**COMMITTEE III/V - FINANCE & LEGAL
EDUCATION & STUDENT SERVICES**

**Monday, 2010 June 14 at 5:30 pm
Room 120, VSB Education Centre**

AGENDA

A. Delegations

1. Parent Advisory Council, Lord Elementary School

B. Reports for Trustee Information

1. 2010/2011 Preliminary Budget Update
2. Implementation Status of 2010/2011 Revised Preliminary Budget Proposals
3. Special Advisor's Report – VSB Projections

C. New Business/Inquiries

Next Meetings:

Committee-of-the-Whole,
Thursday, 2010 June 17, 7:00 pm
Location: Mount Pleasant Elementary School
2300 Guelph Street, Vancouver BC

Special Board Meeting
Wednesday, 2010 June 23, 7:00 pm
Boardroom, VSB Education Centre

Dr. A.R. Lord School PAC Response to VSB Budget Proposal to Close Primary Building

Dear Vancouver School Trustees,
Thank you for hearing our statement regarding the proposed closure of the primary building at Dr. A.R. Lord Elementary School.

SUMMARY

The Dr. A.R. Lord School PAC is raising concerns regarding the proposed closure of the school's primary building. Items presented include reservations concerning figures used by the VSB as a basis for its decisions, safety and health concerns with having younger children in the intermediate building, and an examination of incurred costs for the proposed closure.

The PAC presents an alternative approach to cost savings. The proposal includes initiating a much-needed before and after school care program to be housed in the primary building and closing off the lower part of the intermediate building. A much more positive solution, this would protect the needs of the smaller children, better serve the community, and offset costs of maintaining the primary building.



BUILDING OVERVIEW

The primary building (Georgia Building) is a unique one-level, fully wheelchair accessible building serving K- 2 students (ages 4-8). It has specially designed amenities for small children including low, small toilets, sinks, hand dryers and water fountains that are critical for proper hygiene of younger children. The building has 6 fully equipped classrooms as well as a gymnasium, a fully outfitted commercial kitchen, and a first aid room. In addition to full-day classes, the building hosts the REAL parents group, after-school educational programs, the school's resource teaching office and the district speech pathologist's office. The primary building is the distinctive difference between our school and others in the neighbourhood.

CONCERNS WITH CLOSURE PROPOSAL

Following are a number of serious issues the Dr. A.R. Lord PAC has about this proposed building closure. From inaccurate figures to a deficient public process and a lack of consideration for health and safety, we request these be addressed before irreversible decisions are made regarding our school and community.

1. Inaccurate Figures

Some numbers used for classroom and school capacities and enrollment are inaccurate or unsubstantiated which leads us to question the basis on which this decision is being made.

- VSB stated current Kindergarten enrollment at 16 when there are 17 students.
- VSB stated 365 students is the capacity of the intermediate building when it is only 220.
- VSB projects Kindergarten intake of 25 students per year for the next 5 years.
 - What is the basis for this calculation?
 - There are 100 participants at the neighbouring Community Preschool (ages 3 -5) available for future enrollment.

2. Health and Safety

Intermediate building facilities were designed & built for older, larger children and are not adequate for primary children.

- The majority of primary students cannot reach bathroom and washing facilities.
 - Toilets are too large and high.
 - Sinks, soap dispensers and hand dryers are too high.
- Without proper access to facilities, hygiene and health is at risk.
- Privacy and safety of primary students is at risk when sharing bathrooms with intermediate students.

3. Consultation

There was no direct VSB or administration initiated school/parent/community consultation prior to online budget publication.

- This directly conflicts with the VSB's own policies for building closures.
- The primary building is a school, not just an "outbuilding", and should only be closed after consultation with the school community.
- No signs, no ESL translations and no written notifications to any parent or community groups were distributed.
- Parents were informed of closure on the back of a monthly newsletter.

4. Costs

The VSB claims savings of \$42,820 over one year if the primary building is closed, but has not clarified any of the costs associated with this decision.

- VSB not stated what costs have been considered or researched
- A preliminary list of costs have been developed by parents
 - "one-time facility work such as changing door locks, boarding windows, and adjusting mechanical systems to shut down operating mode" as stated in budget proposal
 - expenditures for retrofitting intermediate building to house primary students
 - chalk boards, shelving, hooks all lowered to primary student heights
 - expenditures for moving primary learning resources and materials
 - packing of all teaching materials
 - small furniture, water/sand tables, mobile bookshelves, etc.
- Parents question the value of possible net savings.

PROPOSED SOLUTIONS TO OFFSET OPERATING COSTS AND BETTER SERVE COMMUNITY

The primary building at Dr. A. R. Lord School is of immense value for the children and local community. We propose that the Board consider an alternate plan that will not only offset some current costs of maintaining the building but at the same time support families and develop the school.

5. Alternate Solutions

We propose establishing a before and after school care program in our well-equipped, well-located primary building. Such a program will generate income for the VSB in addition to offering a much needed service for families.

The Dr. A.R. Lord School PAC has initiated the process of establishing a before and after school care program to open as early as the fall of 2010.

- YMCA Childcare is beginning licensing procedures.
- Student waitlist, that exceeds the minimum number specified by prospective providers, has already been established.
- Nearby programs at Hastings and Lord Nelson have waiting lists for before and after school care.
- Dr. A.R. Lord School's unique placement on downtown arterial routes and adjacent to city boundaries gives our program potential to attract out-of-district students.

Operating costs can be reduced by closing the lower portion of the intermediate building.

- Current students would occupy classrooms on the main floor.
- Janitorial, heating, and electricity costs could be eliminated for a portion of the school.
- The closure costs would be far less than those for closing the primary building.

CONCLUSION

Parents at Dr. A.R. Lord Elementary School question the validity of the student and building capacity numbers that have been provided to the Board to justify the decision to close the primary building. This leads us also to question the VSB's diligence in ensuring the health and safety of the younger children in the intermediate building. In addition, no one at the VSB seems to be able to answer specific questions about any costs associated with this proposed closure, so we question what the actual savings for the 2010-2011 budget will be. Without consultation with the school community, some important details have been overlooked.

We hope that the Board will seriously consider the practical ideas that we have put forward. Our ideas take what might have been a truly devastating situation and offer a workable and positive solution.

Thank you.

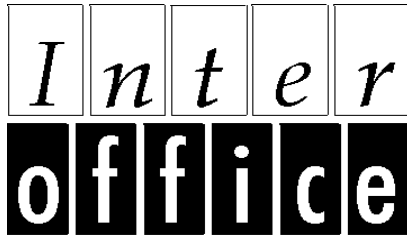
Sincerely,

Dr. A.R. Lord Elementary School Parent Advisory Council

Representative, Shannon Harrison

604-612-3334

arlordpac@gmail.com



Memorandum

vancouver school board



June 11, 2010

To: Education & Student Services and Finance & Legal Committee
(Committee III/V)

From: District Management Team

Subject: **2010/2011 Preliminary Budget**

Background

Attachment A includes the 2010/2011 Revised Preliminary Budget Proposals which were presented to the Education and Student Services and Finance and Legal Committee on April 27, 2010. The revised proposals include updates with respect to the following:

- CommunityLINK
 - A projected funding shortfall of \$0.6 million has been confirmed for 2010/2011.
 - Budget proposals to address the projected shortfall are included in the Revised Preliminary Budget Proposals.
- Budget Shortfall Update
 - The projected funding shortfall has been revised to reflect projected savings from the implementation of HST (\$650,000) and the transfer of surplus from certain employee benefit plans (\$1.14 million).
- Revised Budget Proposals
 - Owing to the reduction in the projected operating budget funding shortfall noted above, the Revised Preliminary Budget Proposals include the reinstatement of \$1.85 million (27.71 teacher FTE) in budget reductions that had been proposed in the initial Preliminary Budget Proposals. The revised budget proposals total \$16.32 million.

On April 29, 2010, the Board of Trustees deferred approval of the 2010/2011 Revised Budget Proposals and Preliminary Budget pending receipt of the Special Advisor's report. However, the Board approved the following related motions:

- that the staffing component attached to the District Learning Services Band and Strings Program be removed from the Revised 2010/2011 Budget Proposals; and
- that staff be directed to proceed with the 2010/2011 Revised Budget Proposals that are time sensitive for issues related to Collective Agreements and school operational requirements.

With respect to the second motion noted above, a separate report is being provided to the Committee outlining the budget proposals in which action has been taken owing to their time sensitive nature.

Updated 2009/2010 Projected Surplus

With respect to the 2009/2010 projected surplus, the 2009/2010 amended budget projected an unrestricted surplus of \$2.90 million. The Board approved that the projected surplus for 2009/2010 be carried forward and appropriated to assist in funding the 2010/2011 projected funding shortfall.

As outlined in the following table, the 2009/2010 unrestricted operating surplus is now projected to be \$1.92 million as a result of the estimated impact of the Distributed Learning audit and other budget changes identified since April, 2010, which are further outlined below. In addition, \$0.92 million will be transferred to the Local Capital Reserve as a result of surpluses in certain employee extended health and dental plans. Both the projected unrestricted operating surplus of \$1.92 million plus the transfer of \$0.92 million to the Local Capital Reserve will be carried forward and used to help fund the projected funding shortfall for 2010/2011.

Revisions to 2009/2010 Projected Surplus	
	<u>\$million</u>
Amended Budget Projected Operating Surplus (April/10)	2.90
Impact of Distributed Learning Audit	(1.46)
Additional Projected Rental and International Student Revenue	0.48
Revised 2009/2010 Projected Surplus	<u>1.92</u>

Updated 2010/2011 Projected Funding Shortfall

The Revised Preliminary Budget Proposals considered by the Board on April 29, 2010 were based on a projected funding shortfall of \$16.32 million for 2010/2011. As outlined in the following table, the 2010/2011 projected funding shortfall is now projected to be \$17.23 million as a result of the estimated impact of the Distributed Learning audit and other budget changes identified since April, 2010. Further information with respect to the budget changes is provided below.

Revisions to 2010/2011 Funding Shortfall	
	<u>\$million</u>
Projected Funding Shortfall as at April 29, 2010	(16.32)
Lower Surplus Carry Forward from 2009/2010 (\$1.92 million versus \$2.90 million)	(0.98)
Distributed Learning Audit	
• 2010/2011 Projected Impact	(0.93)
Other Budget Changes	
• Grad Adult Funding for 2010/2011	0.10
• District Management Reorganization for 2010/2011	0.40
• Higher Investment Income for 2010/2011	<u>0.50</u>
Revised 2010/2011 Projected Funding Shortfall	<u><u>(17.23)</u></u>

Distributed Learning Audit

The Ministry of Education conducted a preliminary audit of the Distributed Learning enrolment in late April, 2010. A second audit is scheduled for June 14 – 18, 2010. The audit reviewed information to support the claim for funding for Distributed Learning students for September, 2009 and February, 2010. As a result of the audits, it is projected that the VBE will lose \$1.46 million in funding for 2009/2010. This is based on funding adjustments of \$714,000 identified as a result of the first audit and an estimate of \$748,000 for the second audit. The estimate for the second audit may be updated after the Ministry completes its audit field work by June 18th. In addition, the projected net funding for Distributed Learning for 2010/2011 has been reduced by \$0.93 million to reflect the portion of the audit adjustments that will be ongoing in nature. Again, this number may need to be updated based on the results of the second audit.

Other Budget Changes

Other factors have changed since the presentation of the Revised Budget Proposals in late April which will result in changes to the 2009/2010 projected surplus and the 2010/2011 projected funding shortfall. These include the following:

- Increased Projected Surplus for 2009/2010 (\$480,000)
 - Based on actual results to the end of May, additional surplus is now projected for 2009/2010 due to increased revenue from facility rentals (\$316,000) and international student fees (\$374,000), partially offset by lower cafeteria revenues (\$293,000).
- Increased Grad Adult Funding for 2010/2011 (\$100,000)
 - The Ministry has recently increased the funding for grad adults from \$4,051 to \$4,430 per student to reflect the allocation of labour settlement costs.
- District Management Reorganization (\$400,000)
 - A reorganization of District Management has now been approved by the Board. As a result, three positions will be eliminated (one Associate Superintendent, one District Principal Alternative Programs and one Manager District Resource and Placement Centre) for a savings of \$400,000.
- Higher Projected Investment Income for 2010/2011 (\$500,000)
 - As part of the Preliminary and Revised Budget Proposals, it was projected that the Province would make changes to the cash flows of districts resulting in the complete elimination of any investment income for districts.
 - The Ministry has now advised that they will be adjusting the flow of operating grants to the districts for 2010/2011. However, the VBE should still have a temporary cash balance to invest primarily as a result of outstanding accounts payables and funding for future employee benefits.

Remaining Budget Proposals and Funding Shortfall

As noted above, on April 29, 2010 the Board removed the proposed budget reduction for the Band and Strings Program (\$589,077) from the Revised 2010/2011 Budget Proposals. If all of the remaining budget proposals are approved to proceed, the total net savings from the Revised 2010/2011 Budget Proposals (excluding the Band and Strings reduction) would be \$15.73 million (\$16.32 million less \$0.59 million for Band and Strings).

This would result in a remaining net funding shortfall of \$1.50 million for 2010/2011 as outlined below:

	<u>\$million</u>
• Revised Projected Funding Shortfall	(17.23)
• Revised 2010/2011 Budget Proposals	<u>15.73</u>
Remaining Net Funding Shortfall	<u>(1.50)</u>

Funding Source for Remaining Net Funding Shortfall

The remaining net funding shortfall of \$1.50 million noted above could be funded from further expenditure and staff reductions and/or a transfer from the Local Capital Reserve.

Given that the staff reduction process is already well underway, and that a final preliminary budget must be approved before June 30, 2010, it is recommended that the \$1.50 million be transferred from the Local Capital Reserve. It is recognized that such a transfer would bring the balance in the LCR to a low level. However, the following could help justify and mitigate the proposed transfer.

- It is understood that \$1.46 million of the revised funding shortfall is related to the Distributed Learning audit and is one-time in nature. Therefore, this would not contribute to an ongoing structural deficit and the one-time LCR funding would be used to essentially fund these one-time expenditures.
- As part of the 2011/2012 budget process, a budget proposal should be presented to replenish the balance in the Local Capital Reserve to a level between 0.5% to 1.0% of the VBE Operating Budget (i.e. \$2.5 - \$5.0 million).

Local Capital Reserve

Based on the above, the following table outlines the projected financial position of the Local Capital Reserve for 2010/2011.

Local Capital Reserve	
	<u>\$million</u>
Projected Balance as at June 30, 2010	2.66
Net Revenue During 2010/2011	0.90
Provision for Implementation of Budget Proposals	(1.00)
Proposed Transfer to Operating Fund	<u>(1.50)</u>
Projected Balance as at June 30, 2011	<u>1.06</u>

Special Advisor's Report – Comments on VSB Projection

A separate report is being provided to the Committee with respect to comments made by the Special Advisor regarding VSB projections for 2009/2010 and 2010/2011. Based on this separate report, District Management does not believe any adjustments are required to VSB's 2009/2010 projected surplus or the 2010/2011 projected base budget shortfall noted above.

Ministerial Order

The Minister of Education issued a Ministerial Directive Order to the Board of Trustees on June 10, 2010 related to the 2010/2011 budget (see Attachment B).

A separate report with respect to this Ministerial Directive Order will be presented to the Committee at the June 14th meeting.

Budget Consultation

A Committee of the Whole meeting has been scheduled for June 17, 2010 at 7:00 pm at Mount Pleasant Elementary School to receive input into the Revised Budget Proposals. The Board will consider approval of the 2010/2011 Preliminary Budget on June 23, 2010.

Recommendations

IT IS RECOMMENDED THAT AT THEIR MEETING ON JUNE 23, 2010, THE BOARD OF TRUSTEES:

1. Approve the 2010/2011 Revised Budget Proposals, with the exception of the proposed reduction for the Band and Strings Program;
2. Approve a transfer of \$1.50 million from the Local Capital Reserve to the Operating Fund for 2010/2011;
3. Approve a 2010/2011 Preliminary Budget Bylaw; and
4. Request that District Management bring forward a budget proposal as part of the 2011/2012 budget process to replenish the balance in the Local Capital Reserve to a level between \$2.5 - \$5.0 million.



April 27, 2010

To: Education and Student Services and
Finance and Legal Committee (Committee III/V)

From: District Management

Subject: **2010/2011 Revised Preliminary Budget Proposals**

Preliminary Budget Proposals

On April 7, 2010, the 2010/2011 Preliminary Budget Proposals to address the projected funding shortfall of \$18.12 million were presented to the Education and Student Services and Finance and Legal Committee (Committee III/V). Since April 7th, substantial input has been received from stakeholders and the public on the Preliminary Budget Proposals. Presentations were received from delegations at stakeholder and public meetings held on April 15, April 20 and April 21. In addition, numerous letters and e-mails were received providing comments on the Preliminary Budget Proposals.

CommunityLINK Update

On April 15, 2010, Trustees were informed that the 2010/2011 allocation to the VBE for CommunityLINK programs is \$8.76 million. This is essentially the same level of funding as received for 2009/2010. A projected funding shortfall of \$0.6 million is projected for CommunityLINK programs for 2010/2011. Budget proposals to address the \$0.6 million funding shortfall for CommunityLINK were presented as a separate document at the same time as the 2010/2011 Preliminary Budget Proposals were presented. These same CommunityLINK budget proposals are included as part of the attached 2010/2011 Revised Preliminary Budget Proposals.

April 19th Operating Budget Update

On April 19, 2010, the Board of Trustees received a report from District Management providing an update on the 2010/2011 Budget. The report provided Trustees with an update with respect to potential funds available from certain employee benefit plans, as well as the impact of the Harmonized Sales Tax (HST). Staff had been working on both of these issues for the last number of weeks.

With respect to the employee benefit plans, Morneau Sobeco (benefits advisor to the BCPSEA Buying Group) has advised the Vancouver Board of Education (VBE) that surplus funds are available within the Group Life, Extended Health, and Dental Plans provided through the BCPSEA Buying Group. Employee benefits for teachers, principals and vice-principals, and PASA members are provided through BCPSEA. Employee benefits for support staff employee groups are provided through the Public Education Benefits Trust (PEBT) or directly by employee groups (e.g. trades). There is no significant surplus for the employee benefit plans for support staff employees.

The Board agreed to take a one-year premium holiday for Group Life for 2010/2011 (the employer portion savings being \$219,000) and to receive one-time lump sum transfers of \$795,000 from the Extended Health Plan and \$128,000 from the Dental Plan. Only employee benefit plans under the BCPSEA Buying Group are impacted.

Regarding the impact of HST, based on the results of a detailed review, it is now estimated that the VBE may realize net annual cost savings of \$650,000. This is primarily due to receiving the provincial rebate provided to school districts (87%) on items that are currently subject to the Provincial Sales Tax (e.g. utilities, building operations and maintenance supplies, and furniture and equipment purchases).

Based on the above, the Board requested staff to take into account the transferred funds and projected savings from the Group Life, Extended Health, and Dental Plans, as well as the HST, when developing the Revised Preliminary Budget Proposals. In total, the above provides \$1.79 million in additional funds and expenditure savings that can be used to offset the preliminary projected funding shortfall of \$18.12 million.

Revised 2010/2011 Budget Proposals

The attached revised 2010/2011 Budget Proposals have been prepared based on the stakeholder and public input received with respect to the 2010/2011 Preliminary Budget Proposals and taking into account the \$1.79 million in additional funds and expenditure savings from certain employee benefit plans and the HST, as noted above. The following table provides a summary of the proposed changes to the 2010/2011 Preliminary Budget Proposals.

PROPOSED CHANGES TO PRELIMINARY BUDGET PROPOSALS		
(in \$ Millions)		
	FTE	\$
Total Preliminary Proposals	(190.63)	(18.17)
Proposed Additions / (Reductions)		
1 .05 Learning Services - District Consultants, Teachers and Mentors	1.00	0.07
1 .08 Learning Services - Teacher Psychologists	1.00	0.04
1 .09 Learning Services - Speech Language Services	1.20	0.05
1 .10 Additional Entitlements	2.10	0.14
1 .11 Non-Enrolling Teachers	22.90	1.55
Total Proposed Changes	28.20	1.85
Total Revised Preliminary Proposals	(162.43)	(16.32)

All of the proposed changes are related to instructional staffing and will reduce the proposed teacher cuts by 28.20 FTE (from 113.83 FTE to 85.63 FTE).

The Board of Trustees will have final deliberations on the 2010/2011 Budget Proposals on April 29, 2010 at 7:00 pm in the Education Centre Boardroom.

This report is provided for information.

VSB

VANCOUVER BOARD OF EDUCATION

2010/2011

REVISED PRELIMINARY BUDGET PROPOSALS

April 27, 2010

The Budget Challenge

The Vancouver School District is a large, urban and multicultural public school district that includes some of the most affluent and impoverished urban neighbourhoods in the country. This setting provides wonderful opportunities as well as serious challenges. The district is known for the range of amazing programs available for our students. These include International Baccalaureate, Montessori, alternate programs, mini-schools, chef's training, robotics, and focus areas on the Fine Arts, technology, and athletics.

Our schools attend to a wide diversity of learner needs, and as our Core Purpose states: "It is our collective responsibility to ensure the highest quality of learning experience for all students with a focus on student engagement, learning and development in a safe, inclusive environment."

We have incredible staff who are committed to ensuring the very best educational opportunities for all of our students. Whether at the district level or out in schools, our dedicated staff, no matter what their role is, contribute in many ways to the success of our students.

In spite of the budget challenges faced over these last several years, staff and students have shown resiliency and strength to do the best job that they can in support of teaching and learning. However, the impact of the reductions proposed in order to balance the proposed 2010-2011 operating budget will shake the very core of the system. Facing such a difficult predicament, facility closure is much closer to becoming a reality for the Board and our community. Cuts and changes in areas of non-enrolling teachers, specialty teaching programs, support to schools, staff development, school and district administration, special programs, and facility operations will compound and compromise the ability for our system to maintain and continue the same level of service provided in the past. For the first time, we will consider calendar changes in order to reduce job cuts. However, given the size of the shortfall and the fact that over 90% of the operating budget is for salaries and benefits, layoffs will be inevitable.

By its very nature, this is a "Human organization." We are thoughtful, dedicated people who want the very best for the students in our collective care and we rely upon each other to ensure that this is so. These cuts will undoubtedly take a toll on an already overworked system. Out of necessity, the limited remaining support to schools will be placed in clusters around communities of schools. While still maintaining a global, district-wide support for areas such as Aboriginal Education, Alternate and Special Education, most Learning Service areas will be severely curtailed. The resultant outcome will mean reduced service to schools and the reliance of schools to work together as individual and collaborative units.

While our ultimate goal and 'Core Purpose' as stated at the outset will remain, our ability to attend to the myriad challenges and individual needs will take a very different pathway in the coming years.

1.0 Overview

In accordance with the School Act, the Vancouver Board of Education (VBE) is required to submit a preliminary budget for the next fiscal year by June 30th. The preliminary budget is based on the projected student enrolment for the new year, the preliminary Provincial operating grant for the Vancouver School District as announced by the Ministry of Education in March, and projected changes in costs and other revenues.

The preliminary budget cannot result in an operating deficit for the district, without approval of the Province. After adjusting for projected changes in enrolment, a preliminary funding shortfall of \$18.12 million was projected for 2010/2011 in order to provide the same programs and levels of service as currently exists within the district. Based on updated information with respect to savings available from certain employee benefit plans and the implementation of HST, the projected funding shortfall has been revised to \$16.32 million. This document presents preliminary budget proposals that will reduce expenditures and increase revenues in order to achieve a balanced operating budget for 2010/2011 (see Attachment A, page 14).

In addition to the projected funding shortfall for the operating budget, a projected funding shortfall of \$0.60 million is projected for CommunityLINK programs for 2010/2011. CommunityLINK programs include Community School Teams, School Meals Program and Youth and Family Workers Rehab. Attachment B (page 47) provides more information with respect to the CommunityLINK Programs, the estimated funding shortfall for 2010/2011 and the budget proposals to address the projected funding shortfall.

The budget proposals contained in this document have been developed by the District Management Team with input from Trustees. The Board of School Trustees will be formally consulting with stakeholders and the public regarding these proposals prior to their finalization and adoption on April 29, 2010.

2.0 **Guiding Principles**

2.1 **Success for All Students**

In setting direction and taking action, the District will be guided by its strong beliefs and values about public education.

The District places a high priority on success for all students. It will strive to:

- enable the success of *all* students through deep intellectual, academic and social engagement by:
 - personalizing learning through greater choice and flexibility;
 - creating opportunities, which lead to post-secondary education and the world of work;
 - attending to learner voice and engage *all* students in their learning through deep experiences;
 - facilitating an appropriate and technologically rich learning environment so that students can attain 21st century learning skills;
 - enhancing learning through critical thinking, problem-solving and project-based learning;
 - promoting social responsibility and good citizenship; and
 - encouraging high levels of artistic, athletic and scholastic endeavour.
- provide a safe, sustainable, healthy, orderly and caring learning environment for *all* students;
- ensure an inclusive system, which provides equality and equity for *all* learners;
- attend to organizational, instructional and leadership capacities within current contexts and constraints;
- ensure succession, efficacy, collaboration and interdependence; and
- support sustainable energy-saving, green operations.

2.2 **Budget Guidelines**

The preliminary budget is intended to support success for all students. To fulfill this purpose, the district will continue to advocate for adequate funding for public education from the provincial government. At this stage, however, a funding shortfall is projected for 2010/2011. Accordingly, budget proposals are required in order to achieve a balanced budget. The preliminary budget proposals presented in this document have been developed based on the following general budget guidelines:

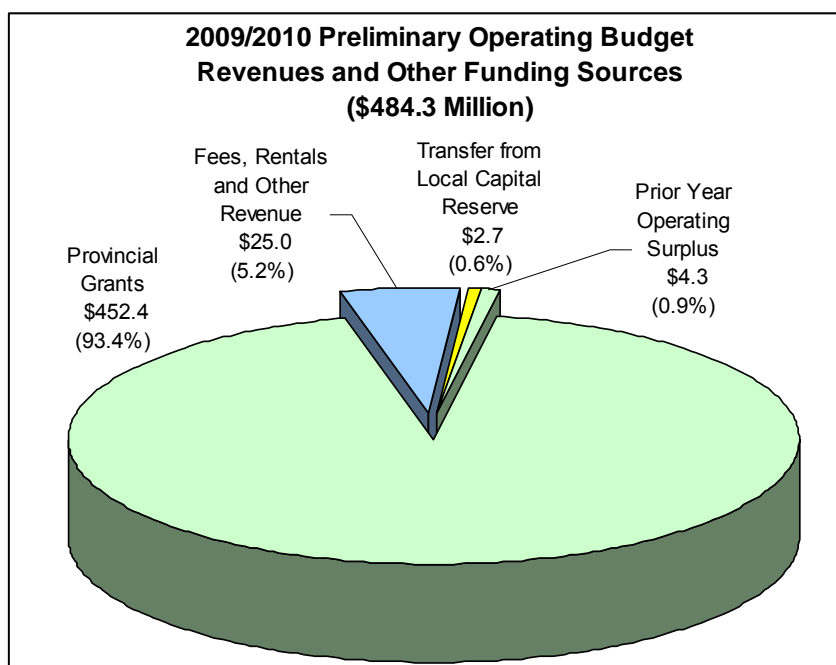
- priority should be given to the core K-12 mandate;
- minimize any negative impact on the classroom in order to continue to support the success of all students;
- services for students with unique needs (i.e. special education, ESL and Aboriginal Education) should be supported in the most effective and cost efficient manner in order to provide equity for all learners;
- opportunities to introduce new, innovative, cost effective service delivery models should be investigated and implemented, where possible;
- the interdependence of the many parts of our school system should be recognized; and
- the Board will continue to comply with existing legislative and collective agreement requirements.

3.0 Budget Background

3.1 2009/2010 Preliminary Operating Budget

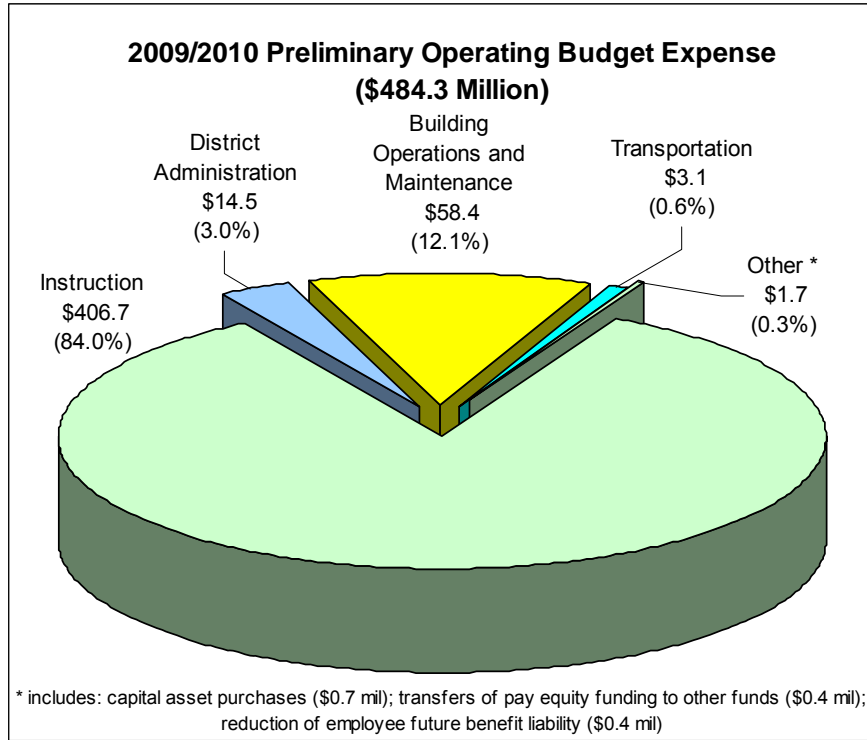
The Board of Trustees approved a 2009/2010 Preliminary Operating Budget in April, 2009. A funding shortfall of \$7.12 million was projected. Accordingly, budget proposals were approved by the Board to achieve a balanced budget. These proposals included the use of one-time funding from the Local Capital Reserve (\$2.7 million).

Based on the approved budget proposals, revenues and other funding sources totalled \$484.3 million. The majority (93.4%) of revenues is derived from provincial grants. The level of provincial funding, therefore, has a very significant impact on the educational services and programs that can be provided. VBE generated revenues represent 5.2% of total operating revenues and are primarily derived from international education student fees, rentals, leases and investment income. The revenue sources are detailed in the graph below.

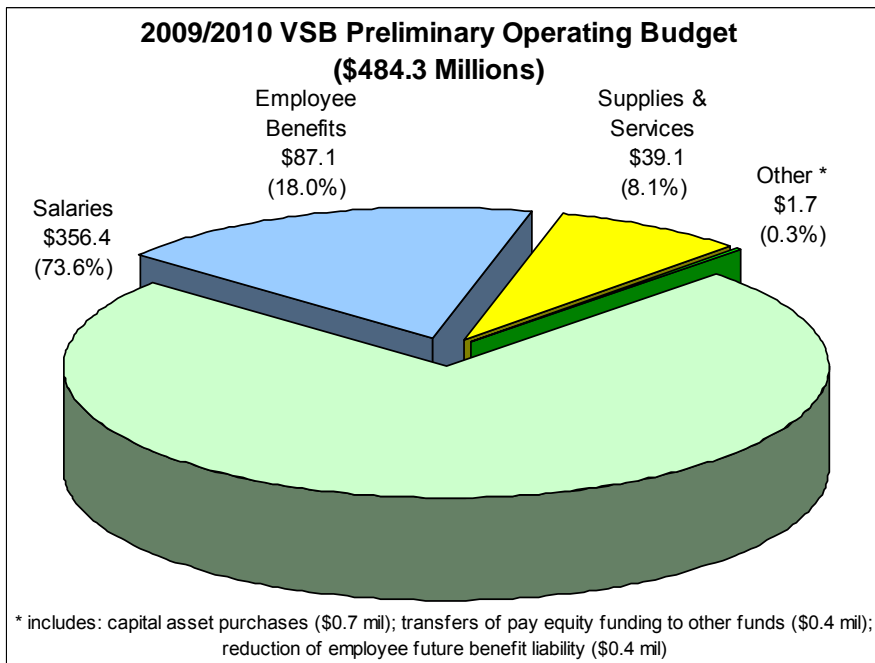


Expenditures in the 2009/2010 Preliminary Budget also totalled \$484.3 million. Approximately 84.0% of the operating budget is expected to be spent on instruction related costs. This includes teachers, educational assistants, school administrators and support staff and school based supplies and services. Facilities operations and maintenance accounts for 12.1% of expenditures, district administration 3.0% and transportation for special needs students 0.6%. Provisions for the reduction in the unfunded liability for employee future benefits (e.g. early retirement incentive plan) and interfund transfers for such things as furniture and equipment capital purchases represent 0.3% of expenditures.

The following graph outlines the operating expenditures by function for 2009/2010.



The following graph outlines the operating expenditures by type for 2009/2010. Approximately 91.6% of the \$484.3 million operating budget is expected to be spent on salaries and employee benefits (\$443.5 million). Supplies and services and other minor expenditures account for approximately 8.4% of the budget.



3.2 2009/2010 Amended Operating Budget

On March 1, 2010, the Board of Trustees approved a 2009/2010 Amended Operating Budget. This amended budget included approvals by the Board to date, enrolment changes as at September 30, 2009 and distributed learning enrolment as at February 5, 2010, the recalculated operating grant for the VBE, as announced by the province on December 8, 2009 and other projected changes in revenue and expenditure factors.

A surplus of \$2.9 million for 2009/2010 was projected due primarily to the following budget changes:

- higher September enrolment than anticipated (\$2.01 million);
- lower final provincial funding than anticipated (\$1.93 million);
- higher than anticipated enrolment for Distributed Learning, Special Education and refugees as at February, 2010 (\$0.94 million);
- other projected budget reductions largely attributable to lower than projected utilities costs and teacher on call costs, offset by increased fringe benefits costs (municipal pension, MSP, CPP) and decreased interest revenue due to reduction in interest rates and cash balances (\$1.24 million, net); and
- one-time appropriation of flexible purchasing budget holdback representing 10% of calculated budget allocations (\$0.65 million).

On March 1, 2010, the Board of Trustees approved that the projected operating budget surplus of \$2.9 million for 2009/2010 would be appropriated to assist in offsetting the 2010/2011 projected operating funding shortfall.

3.3 Revised 2010/2011 Projected Funding Shortfall

Based on projected cost increases and enrolment changes for 2010/2011, the operating budget funding shortfall for the VBE is projected to be \$16.32 million. The following table outlines the major components of the projected funding shortfall. Cost increases not funded by the Province represent the largest contributing factor to the projected funding shortfall. Another significant factor relates to one-time funding from prior year surpluses and transfers from the Local Capital Reserve that were used to help fund the 2009/2010 budget. This funding is not available in 2010/2011.

On March 15, 2010 the Province announced the 2010/2011 preliminary operating grants for school districts. The VBE was expecting a provincial operating grant of \$452.2 million for 2010/2011 based on the 2009/2010 operating grant adjusted for projected enrolment changes (including the initial implementation of All Day Kindergarten) and collective agreement increases. The preliminary operating grant for the VBE announced by the Province on March 15, 2010 was \$447.8 million, \$4.3 million less than anticipated. Accordingly, this resulted in an increase to the revised projected funding shortfall.

The revised projected funding shortfall of \$16.32 million reflects the updated savings from certain employee benefit plans (\$1.14 million) and the HST (\$0.65 million) as reported to the Board of Trustees on April 19, 2010.

Revised 2010/2011 Projected Operating Budget Shortfall (\$ millions)	
Costs Not Funded by the Province	
Salary and employee benefits Increase ^{a)}	\$ (4.19)
Teachers' Pension Plan increase ^{b)}	(2.80)
Medical Services Plan rate increase ^{c)}	(0.21)
Carbon offsets ^{d)}	(0.29)
Inflation and other costs ^{e)}	<u>(0.87)</u>
	\$ (8.36)
Other Factors	
2009/2010 On-going surplus/(shortfall) ^{f)}	\$ (7.29)
One-time Appropriations	
2009/2010 Operating appropriated surplus	2.90
Transfer from Local Capital Reserve ^{g)}	0.92
HST Impact ^{h)}	0.65
Enrolment changes (decline) / increase ⁱ⁾	(0.42)
Full-day Kindergarten ^{j)}	0.57
Reduction in investment and interest income ^{k)}	<u>(0.95)</u>
	\$ (3.62)
Less than anticipated provincial funding	(4.34)
Total Projected Funding Shortfall	<u><u>\$ (16.32)</u></u>

- a) Includes cost increases for salary increments (for teachers, administrators and PASA members) and employee benefits, offset by teacher turnover savings. This amount has been reduced by \$0.22 million due to the one year premium holiday for Group Life.
- b) Approximately 8% increase in Teachers' Pension Plan contributions effective July 1, 2010.
- c) MSP rate increase of 6% effective January 1, 2010.
- d) Estimated carbon offsets costs based on \$25 per tonne of green house gas emissions.
- e) Based on 2% inflation for supplies and generally higher rates of increase for utilities.
- f) Based on the \$2.90 million projected surplus for 2009/2010 adjusted for the following one-time items: 08/09 appropriated surplus of \$4.26 million, transfer from LCR of \$2.70 million, and other one-time net savings in teachers on call, utilities and other costs of \$3.23 million in 2009/2010.
- g) Transfer of surplus from Extended Health (\$0.79 million) and Dental (\$0.13 million) plans as approved by the Board on April 19, 2010.
- h) Estimated net savings primarily due to the rebate on 87% on expenditures currently subject to the PST.
- i) Estimates decline of 420 FTE regular students and 122 FTE ESL students, offset by a projected increase of 58 international students.
- j) Estimates 2,111 FTE All Day Kindergarten students and 709.50 FTE Half Day Kindergarten students. Net savings result as the VBE funded a portion of All-Day Kindergarten in the past.
- k) Estimates loss of investment income due to changes in the provincial cash flow system.

3.4 Local Capital Reserve

The Local Capital Reserve is comprised of proceeds from the sale and lease of Board owned property and previous years' operating surpluses transferred to the Reserve. Funds in the Reserve can be used to assist in funding the operating budget, with approval by the Board of Trustees. The Reserve has also been used to assist in funding major initiatives not funded by the Province (e.g. BCeSIS implementation, Computer Sustainability Plan and Class Size/Class Composition support).

The projected balance available in the Local Capital Reserve at the end of 2009/2010 is \$2.66 million as outlined in the following table. Net revenues of approximately \$0.9 million are also expected to accrue to the Local Capital Reserve during 2010/2011.

It is strongly recommended that the Reserve be maintained to fund any one-time costs related to the implementation of the 2010/2011 budget proposals and provide some protection against remaining budget uncertainties and any possible negative budget variances that may arise during the year.

Projected Local Capital Reserve Fund Balance 2009/2010 (\$ millions)	
Opening Balance	\$ 5.15
Revenue	\$ 1.07
Expenditure	
■ Property Expenses	(0.18)
■ BCeSIS implementation	(1.08)
■ Computer Sustainability Plan	(2.25)
	<u>(3.50)</u>
■ Class-size/Class Comp. Support Transfer	(0.50)
■ Transfer from Operating	0.44
■ Transfer of Surplus from Extended Health & Dental Plans ^{a)}	0.92
■ Transfer to Operating for 2010/2011 Budget ^{a)}	(0.92)
	<u>\$ (3.56)</u>
Closing Balance	<u>\$ 2.66</u>

a) These funds are transferred into and from the Local Capital Reserve to reflect their one-time nature.

3.5 History of Operating Budget Surplus/Shortfalls

Attachment D (page 55) provides a summary of the preliminary operating budget surplus/shortfalls since 2002/2003. Except for 2005/2006, the Vancouver Board of Education has faced a preliminary operating budget shortfall for every year since 2002/2003. In total, the Board has had to make net budget reductions of \$51 million and 276.8 FTE staff since 2002/2003.

As outlined in Attachment D, the greatest budget reductions in the past have been in district administration, transportation, school administration and facilities operations and maintenance.

3.6 Three Year Operating Budget Projection

The following table presents a three-year operating budget projection for the VBE. A projected funding shortfall of \$7.82 million is estimated for 2011/2012. The \$7.82 million projected shortfall for 2011/2012 could be greater if additional one-time funding sources are used to offset the 2010/2011 projected funding shortfall. An additional funding shortfall of \$5.65 million is also projected for 2012/2013. It should be noted that these are preliminary high-level estimates based on assumptions as to the major budget change factors over the next three years. Accordingly, these projections should be considered as range estimates rather than discrete numbers.

Attachment C provides a summary of the net \$51 million in budget reductions made from 2002/2003 to 2009/2010.

The three-year projections are based on the following key assumptions:

- no change in general student enrolment or ESL students for 2011/2012 or 2012/2013;
- there will be continued cost increases of 2.0% per year for employee benefit costs and inflation for goods and services;
- no net cost increase for future labour settlements (assumes no increases or that they are fully funded by the Province);
- no change in per student operating grants from the Province or in the provincial funding formula;
- gradual phase-out of the formula transition adjustment (50% in 2011/2012 and 75% in 2012/13) ; and
- no change in other provincial funding (e.g. AFG, CommunityLINK, Pay Equity).

In order to help mitigate the impact of projected funding shortfalls for 2011/2012 and future years, the following will be recommended during the next year:

- initiation of school closures within the Board approved process;
- closures of additional outbuildings;
- relocation of the Main Street Adult Education Centre from its current leased premises;
- further review of facility rental rates and cost recovery policy and practice;
- further program closures and consolidations; and
- consolidation and streamlining of finance and administration and human resources services throughout the district.

If the Board of Trustees decides to close schools in the future, the following annual operating budget savings could be expected:

- \$200,000 for the closure of a typical elementary annex;
- \$400,000 for the closure of a typical elementary school; and
- \$1,400,000 for the closure of a typical secondary school.

In addition, if a school facility is declared surplus, additional revenue could accrue from the lease of the land and facilities. Provincial approval would be required for a lease greater than 10 years or the sale of property. Owing to the uncertainty of the potential increase in enrolments due to expanded kindergarten and early learning programs, the Province has placed a moratorium on the sale or long-term lease of surplus school facilities.

Operating Budget Three Year Projection (in \$ millions)			
	2010/2011	2011/2012	2012/2013
2009/2010 On-Going Surplus/(Shortfall)	\$ (7.29) ^{a)}	\$ (2.90) ^{b)}	\$
Enrolment Changes (Decline) / Increase ^{c)}	(0.42)	0.02	
All Day K ^{d)}	0.57	1.22	
Salary and Employee Benefits Increase ^{e)}	(4.19)	(4.83)	(4.69)
Teachers' Pension Plan ^{f)}	(2.80)		
MSP Rate Increase ^{g)}	(0.21)	(0.22)	(0.23)
Carbon Offsets ^{h)}	(0.29)		
Inflation and Other Costs ⁱ⁾	(0.87)	(0.88)	(1.08)
Reduction in Investment and Interest Income ^{j)}	(0.95)		
HST Impact ^{k)}	0.65		
One-time Appropriations			
2009/2010 Operating Appropriated Surplus	2.90		
Transfer from Local Capital Reserve ^{l)}	0.92	(0.92)	
Total Projected Deficit	\$ (11.98)	\$ (8.50)	\$ (5.99)
Less than anticipated Provincial Funding ^{m)}	(4.34)	0.68	0.34
Total Projected Funding Shortfall	\$ (16.32)	\$ (7.82)	\$ (5.65)

a) Based on the \$2.90 million projected surplus for 2009/2010 adjusted for the following one-time items: 08/09 appropriated surplus of \$4.26 million, transfer from LCR of \$2.70 million, and other one-time net savings of \$3.23 million.

b) Based on the \$2.90 million appropriated surplus for 2009/2010 used to fund the 2010/2011 budget shortfall.

c) Estimates decline of 420 FTE regular students and 122 FTE ESL students, offset by a projected increase of 58 international students for 2010/2011. No enrolment changes are assumed for 2010/2012 and 2012/2013

d) Estimates 2,111 FTE All Day Kindergarten students and 709.50 FTE Half Day Kindergarten students for 2010/2011. Net savings result as the VBE funded a portion of All-Day Kindergarten in the past. Full implementation would occur in 2011/2012

e) Includes cost increases for salary increments (for teachers, administrators and PASA members) and employee benefits, offset by teacher turnover savings. Assumes that the one year life insurance premium holiday will not continue.

f) Approximately 8% increase in Teachers' Pension Plan contributions effective July 1, 2010.

g) MSP rate increase of 6% per year effective January 1, 2010.

h) Estimated carbon offsets cost based on \$25 per tonne of green house gas emissions.

i) Based on 2% inflation per year for supplies and generally higher rates of increase for utilities.

j) Estimates loss of investment income due to changes in the provincial cash flow system.

k) Estimated net savings primarily due to the rebate on 87% on expenditures currently subject to the PST.

l) Transfer of surplus from Extended Health (\$0.79 million) and Dental (\$0.13 million) plans as approved by the Board on April 19, 2010.

m) Includes the Formula Transition (labour settlement) of \$1.36 million to be phased out 50% in 2011/12 and 75% in 2012/13.

4.0 2010/2011 Preliminary Budget Proposals

Attachment A (page 14) provides detail with respect to the preliminary operating budget proposals for 2010/2011. In total, these proposals would result in increased revenues or decreased expenditures of \$16.32 million in order to balance the budget given the projected funding shortfall.

The preliminary budget proposals have been developed based on the general budget guidelines outlined in section 2.0. The following table provides a summary of the budget proposals by major area.

Budget Proposals Summary						
Area of Review	Base Budget		Proposed Reductions		% Reduction	
	FTE	\$	FTE	\$	FTE	\$
Instructional Staff - Teachers	2,996.18	\$ 268,885,034	(69.14)	\$ (4,941,006)	(2.31%)	(1.84%)
Instructional Staff - Support Staff	1,102.20	\$ 44,359,667	(30.50)	\$ (1,468,619)	(2.77%)	(3.31%)
Instructional Staff - Substitutes		\$ 13,171,310	0.00	\$ (1,400,000)		(10.63%)
Instructional Supplies		\$ 11,502,903	0.00	\$ (748,154)		(6.50%)
School Administration	338.87	\$ 29,101,958	(15.49)	\$ (1,333,307)	(4.57%)	(4.58%)
Continuing and International Education	341.42	\$ 36,717,414	(18.30)	\$ (1,736,336)	(5.36%)	(4.73%)
District Administration	253.45	\$ 25,576,427	(10.30)	\$ (1,600,414)	(4.06%)	(6.26%)
Unallocated Benefits		\$ 15,982,217	-	\$ -		0.00%
Transportation	1.00	\$ 3,131,779	-	\$ (468,134)	0.00%	(14.95%)
Facilities	600.40	\$ 52,397,479	(18.70)	\$ (2,450,297)	(3.11%)	(4.68%)
School Closures			-	\$ -		
Other			0.00	\$ (177,018)		
TOTAL Operating Budget Proposals	5,633.52	\$ 500,826,188	(162.43)	\$ (16,323,283)	(2.88%)	(3.26%)

The preliminary budget proposals will result in a reduction of 162.43 FTE. The following table provides a summary of the proposed staff reductions by employee group.

2010/2011 Proposed Staff Adjustments (FTE)			
	Base Budget	Proposed Budget Adjustments	% Change
CUPE 15	1,231.08	(41.87)	(3.40%)
CUPE 407	101.00	0.00	0.00%
IUOE	721.85	(1.70)	(0.24%)
Night School Administrators	2.14	(1.23)	(57.48%)
PASA / Excluded	119.20	(10.50)	(8.81%)
School Administrators - Admin Time	151.48	(13.99)	(9.23%)
School Administrators - Teaching Time	40.91	6.49	15.85%
Teachers / ALC	3,204.86	(85.63)	(2.67%)
Trades	61.00	(14.00)	(22.95%)
	5,633.52	(162.43)	(2.88%)

5.0 **Stakeholder and Public Consultation**

The Board of Trustees will make their final deliberations and adopt the 2010/2011 Preliminary Operating Budget on April 29, 2010 at 7:00 pm in the Education Centre Boardroom.

Attachment A
Revised Preliminary Budget Proposals

Preliminary Budget Proposals

PROPOSAL	Staffing Impact		Budget Impact			
	Base	Reduction	Salaries and Benefits	Supplies	Revenue	Total
1.0 Instructional Staffing - Teachers						
1.01 Learning Services - Gifted Services	10.0	2.0	135,420			135,420
1.02 Learning Services - Band and Strings Program	8.7	8.7	589,077			589,077
1.03 Learning Services - Area Counsellors	30.0	7.0	473,970			473,970
1.04 Learning Services - Special Education and Alternate Programs	147.9	8.9	599,843			599,843
1.05 Learning Services - District Consultants, Teachers and Mentors	30.0	10.4	704,184			704,184
1.06 Junior Kindergarten Program	1.6	1.6	107,659			107,659
1.07 Learning Services - Home Instruction	3.0	0.6	40,626			40,626
1.08 Learning Services - Teacher Psychologists	12.0	1.0	98,410			98,410
1.09 Learning Services - Speech Language Services	16.1	1.0	96,560			96,560
1.10 Additional Entitlements	19.8	7.9	534,286			534,286
1.11 Non-Enrolling Teachers	528.1	20.1	1,360,971			1,360,971
1.12 Consolidation of Positions			200,000			200,000
Subtotal Instructional Staffing - Teachers		69.1	4,941,006			4,941,006
2.0 Instructional Staffing - Support Staff						
2.01 Junior Kindergarten Program	2.5	2.5	111,600			111,600
2.02 Learning Services - Special Education and Alternate Programs	87.6	9.0	401,760			401,760
2.03 Inner City Schools Program	23.0	4.0	178,560			178,560
2.04 Learning Services - Special Education Assistants for Mainstream Classes	661.0	8.0	357,120			357,120
2.05 Learning Services - Office Support Staff	15.9	2.0	103,140			103,140
2.06 Learning Services - Education Coordinator	5.0	1.0	91,879			91,879
2.07 Learning Services - Multicultural Liaison Workers	24.0	4.0	224,560			224,560
Subtotal Instructional Staffing - Support Staff		30.5	1,468,619			1,468,619
3.0 Instructional Staffing - Substitutes						
3.01 Calendar Savings - TOC/EOC Cost			1,000,000			1,000,000
3.02 Elimination of Early Dismissal			200,000			200,000
3.03 Learning Services - Teachers on Call			200,000			200,000
Subtotal Instructional Staffing - Substitutes		-	1,400,000	-	-	1,400,000
4.0 Instructional Supplies						
4.01 Learning Services - Instructional Supplies		-		311,000		311,000
4.02 School Flexible Purchasing Budgets		-		400,000		400,000
4.03 School Growth and District Plan		-		37,154		37,154
Subtotal Instructional Supplies		-	-	748,154		748,154
5.0 School Administration						
5.01 Secondary Vice Principals Admin Time		4.9	328,881			328,881
5.02 Pilot - Two School Business Officers in Secondary Schools		(0.6)	64,151			64,151
5.03 Elementary Administration		5.0	338,550			338,550
5.04 Clerical Support to Schools		5.0	218,500			218,500
5.05 Department Head Reduction by 30%		-	148,800			148,800
5.06 Head Teacher		1.2	234,425			234,425
Subtotal School Administration		15.5	1,333,307			1,333,307
6.0 Continuing and International Education						
6.01 Associate's Office			4,000	17,042		21,042
6.02 Distributed Learning	2.6	1.0	67,710	3,012		70,722
6.03 Adult Education	150.2	9.5	986,940	100,000		1,086,940
6.04 Summer School	51.5	2.0	173,918	111,383		285,301
6.05 Night School	12.3	5.8	1,279,208	203,279	(1,250,156)	232,331
6.06 DPAC Consulting Services				40,000		40,000
Subtotal Continuing and International Education		18.3	2,511,776	474,716	(1,250,156)	1,736,336

PROPOSAL	Staffing Impact		Budget Impact			
	Base	Reduction	Salaries and Benefits	Supplies	Revenue	Total
7.0 District Administration						
7.01 Co-ordinator of Initiatives and Information	1.0	1.0	91,879			91,879
7.02 Learning Services-District Principal Educational Technology		(1.0)	(142,490)			(142,490)
7.03 Learning Services-District Principal		1.0	142,490			142,490
7.04 Amalgamation of Administrative & Clerical Services in the Superintendent's, Secretary-Treasurer's and Area Office	4.0	2.0	129,484			129,484
7.05 BCeSIS - Support		(3.5)	(260,134)			(260,134)
7.06 Office of the Assistant Secretary Treasurer - Finance			84,000	59,223		143,223
7.07 Accounting	16.0	1.0	62,705	21,973		84,678
7.08 Material Services	11.0	2.0	102,200	60,000		162,200
7.09 Payroll and Benefits	15.5	1.8	102,098			102,098
7.10 Printing Services	7.0	1.0	55,670			55,670
7.11 Purchasing and Food Services	8.8	0.5	27,280	298,115		325,395
7.12 Cafeterias				150,000		150,000
7.13 Human Resources Staff Reduction		3.0	181,921			181,921
7.14 HR Training Support		-	163,289	63,711		227,000
7.15 Learning and Information Technology		1.5	72,000	135,000		207,000
Subtotal District Administration		10.3	812,392	788,022	-	1,600,414
8.0 Transportation						
8.01 Transportation				468,134		468,134
Subtotal Transportation		-	-	468,134	-	468,134
9.0 Facilities						
9.01 Increase Rental Revenues					247,000	247,000
9.02 Reduce Utility Budgets				310,000		310,000
9.03 Portable Classroom Closure		-	27,450	29,250		56,700
9.04 Partial Facility Closure - Outbuildings		1.7	92,985	40,612		133,597
9.05 Facility Leases for District Learning Services Programs		-		20,000		20,000
9.06 Contribution Towards Playground Site Prepreparation		-		36,000		36,000
9.07 Grounds Weed Control Program		-		35,000		35,000
9.08 Gravel Playfield Maintenance		-		25,000		25,000
9.09 Suspend Custom Millwork for One Year	9.0	1.0	82,000			82,000
9.10 Contract Inspectors (Roofing and Minor Alterations)	2.0	2.0	174,000			174,000
9.11 Capital Projects Coordinator		1.0	90,000			90,000
9.12 Elimination of Lifetime Guarantee for Repairs on VBE Fabricated Furniture	27.0	1.0	85,000	10,000		95,000
9.13 Suspend Interior Painting for One Year	17.0	12.0	1,146,000			1,146,000
Subtotal Facilities		18.7	1,697,435	505,862	247,000	2,450,297
10.0 School Closures						
10.01 School Closures			-			-
Subtotal School Closures		-	-	-	-	-
11.0 Other						
11.01 Employee Future Benefits			177,018			177,018
Subtotal Other		-	177,018	-	-	177,018
Grand Total		162.4	14,341,552	2,984,887	(1,003,156)	16,323,283

1.0 Instructional Staffing - Teachers

1.01 Learning Services - Gifted Services

Consolidation of five Multi-Age Cluster Classes (MACC) into four is required to run on strict class size in keeping with the designated maximum of 25 students per class. In addition, one full-time teacher would be reduced from Challenge Centre Support.

Staffing Impact			Budget Impact			
Base	Reduction	Employee Group	Salaries & Benefits	Supplies	Revenue	Total
10.0	2.0	Teachers	\$135,420	-	-	\$135,420

1.02 Learning Services - Band and Strings Program

The itinerant band and strings program provides opportunities for elementary students to learn to play a band or string instrument. Currently 19 schools have a strings program and 32 elementary schools have a band program. Schools could attempt to provide some of these programs through a user pay or a school staffed program.

Staffing Impact			Budget Impact			
Base	Reduction	Employee Group	Salaries & Benefits	Supplies	Revenue	Total
8.7	8.7	Teachers	\$589,077	-	-	\$589,077

1.03 Learning Services - Area Counsellors

The number of Area Counsellors would be reduced from 30 FTE to 23 FTE. The service delivery model to elementary schools would be recreated around a family of schools model. Annexes and Main schools would be serviced as one unit. This would create a ratio of 1 to 1,200, consistent with other metro school districts.

Staffing Impact			Budget Impact			
Base	Reduction	Employee Group	Salaries & Benefits	Supplies	Revenue	Total
30.0	7.0	Teachers	\$473,970	-	-	\$473,970

1.04 Learning Services - Special Education and Alternate Programs

Reduce or consolidate the following program classes within Elementary and Secondary Special Education and Secondary Alternative Programs: Learning Disabilities/Behaviour Support – Mackenzie (1 FTE); Special Remedial – Franklin (1 FTE); Communications - Kingsford Smith (1 FTE); Byng Satellite (1.143 FTE); Special Education Block reductions – Templeton (1.143 FTE); Learning Support Blocks: for David Thompson, Van Tech, Windermere (1.286 FTE); Language Assistance – Tupper (1.143 FTE); and Learning Support – Tupper (1.143 FTE).

Staffing Impact			Budget Impact			
Base	Reduction	Employee Group	Salaries & Benefits	Supplies	Revenue	Total
147.9	8.9	Teachers	\$599,843	-	-	\$599,843

1.05 Learning Services - District Consultants, Teachers and Mentors - REVISED

Currently a small staff of district consultants and mentors support schools in their professional growth and learning and development in a variety of areas. The proposed cuts would include the elimination of: Math Consultant (1 FTE), 2 Math Mentors (0.8 FTE), Learning and Development Consultant (1 FTE), Behaviour Strategies Consultant (1 FTE), Inclusion Consultant (1 FTE), Social Responsibility Consultant (0.5FTE), Anti-Racism Consultant (1 FTE), Anti-Homophobia Consultant (0.8 FTE), Literacy Consultant (1 FTE), 5 Literacy Mentors (2 FTE), Assessment Teacher (0.5 FTE), Teacher Librarian Consultant (1 FTE). Also, a 0.4 FTE Teacher Librarian Mentor position, a 0.4 Anti-Racism Mentor position and a 0.4 Anti-Homophobia Mentor position will be added.

There would be very limited support for schools remaining in Learning Services. The remaining Learning Services teaching staff would comprise: Literacy Consultant (1 FTE), 2 Literacy Mentors, Secondary (0.8 FTE), Reading Recovery Teacher Leader (1 FTE), ESL Consultant (1 FTE), Aboriginal Consultant (1 FTE), Modern Languages Consultant (0.4 FTE from Operating budget), Case Managers (3 FTE), Behaviour Strategies Consultants (2 FTE), Inclusion Consultants (2 FTE), Gifted Education Consultant (1 FTE), Augmentative Communication Speech & Language Pathologists (2 FTE), Pre-School Resource Teacher (1 FTE) would assume additional responsibilities for early learning, Apprenticeship Resource Teacher (0.7 FTE), ESL Assessment Teacher (0.5 FTE).

The preliminary proposed reduction has been revised from 11.4 FTE to 10.4 FTE by reinstating one Case Manager position. The restoration of this position would prevent the program responsibilities of the remaining two case managers going from 30 programs to 45. This would allow for service levels to continue in the three geographic areas until further developments of the overall organisation and support to schools if revised.

Staffing Impact		
Base	Reduction	Employee Group
30.0	10.4	Teachers

Budget Impact			
Salaries & Benefits	Supplies	Revenue	Total
\$704,184	-	-	\$704,184

1.06 Junior Kindergarten Program

The three Junior Kindergartens in the Inner City would be eliminated. Currently these programs run for 4-year-olds in Queen Alexandra, Strathcona and Seymour with no funding from the government. The new funded programs for early learning, including Full Day Kindergarten for all students and Strong Start for young children and their caregivers, offer some opportunities that were not in place when the Junior Kindergarten programs were first implemented.

Staffing Impact		
Base	Reduction	Employee Group
1.6	1.6	Teachers

Budget Impact			
Salaries & Benefits	Supplies	Revenue	Total
\$107,659	-	-	\$107,659

1.07 Learning Services - Home Instruction

Reduce Home Instruction by 0.6 FTE. The reduction in staff would require a change in the service delivery model.

Staffing Impact		
Base	Reduction	Employee Group
3.0	0.6	Teachers

Budget Impact			
Salaries & Benefits	Supplies	Revenue	Total
\$40,626	-	-	\$40,626

1.08 Learning Services - Teacher Psychologists - REVISED

Reduce Teacher Psychologists from 12 FTE to 11 FTE. The model of service delivery to schools would have to be re-examined in light of the proposed reductions.

The preliminary proposed reduction has been revised from 2 FTE to 1 FTE. The addition of one FTE Teacher Psychologist would result in a full time load of 10 schools. Our current levels allow for 9 schools and a range of services, including consultation and other proactive measures, to support SBTs in addition to full assessments. The model of service delivery would have to be reviewed with those reductions in service taken into consideration.

Staffing Impact		
Base	Reduction	Employee Group
12.0	1.0	Teachers

Budget Impact			
Salaries & Benefits	Supplies	Revenue	Total
\$98,410	-	-	\$98,410

1.09 Learning Services - Speech Language Services - REVISED

Reduce Speech and Language Pathologists from 16.1 FTE to 15.1 FTE (1 FTE reduction). The number of schools served by each Speech and Language Pathologist would be increased. This will reduce the overall assessment and therapy time provided to students.

The preliminary proposed reduction has been revised from 2.2 FTE to 1 FTE. The restoration of 1.2 FTE SLP would reduce the overall impact on student services. While there would still be a result of less direct service to students through a 1FTE cut, the restoration will slightly reduce the overall impacts. SLPs carry a varying caseload of students and provide a range of services within that caseload. It is a group within the district that has sustained great pressure due to the rise in students with full diagnosis of autism entering mainstream classes in Kindergarten.

Staffing Impact		
Base	Reduction	Employee Group
16.1	1	Teachers

Budget Impact			
Salaries & Benefits	Supplies	Revenue	Total
\$96,560	-	-	\$96,560

1.10 Additional Entitlements - REVISED

The preliminary proposal has been revised. The following reductions are now proposed:

- City School - Eliminate one (1) FTE (over formula) provided to King George for the City School Program. Currently 2.0 FTE are assigned to City School. The 1.0 FTE remaining assigned plus the entitlement for 30 students will create a 1:15 student teacher ratio.
- French Immersion - Eliminate additional blocks (over formula) provided to Secondary schools for French Immersion program. Currently 1.57 FTE are provided to Churchill (0.5714FTE), Kitsilano (0.5714FTE), and Vancouver Technical (0.4286 FTE) to allow for flexibility in timetabling for French Immersion programs. The elimination of these blocks will limit flexibility of course offerings and may impact class size issues in the French Immersion program.
- Small School Allowance – Eliminate 1FTE currently provided to University Hill (0.5714 FTE) and King George (0.4286 FTE).

- Remove additional entitlements (staffing over formula) for secondary schools as per the following:

Reduce the District Specified Alternative Programs (DSAP) staffing:

- Britannia: from 0.2857 to 0.1429 FTE (from 2 blocks to 1 block)
- David Thompson: from 0.2857 to 0.1429 FTE (from 2 blocks to 1 block)
- Gladstone: from 0.2144 to 0.0715 FTE (from 1.5 blocks to 0.5 block)
- Hamber: from 0.2857 to 0.1429 FTE (from 2 blocks to 1 block)
- Windermere: from 0.2857 to 0.1429 FTE (from 2 blocks to 1 block)
- Vancouver Technical: from 0.5714 to 0.1429 FTE (from 4 blocks to 1 block)

Reduce Mini school staffing:

- Byng: from 0.2857 to 0.1429 FTE (from 2 blocks to 1 block)
- Churchill: from 1.3339 to 0.2857 FTE (from 9.3 blocks to 2 blocks)
- Gladstone: from 0.2144 to 0.0715 FTE (from 1.5 blocks to 0.5 blocks)
- John Oliver: from 0.4286 to 0.1429 FTE (from 3 blocks to 1 block)
- Point Grey: from 0.4286 to 0.1429 FTE (from 3 blocks to 1 block)
- Prince of Wales: from 0.4286 to 0.1429 FTE (from 3 blocks to 1 block)
- Templeton: from 0.4286 to 0.1429 FTE (from 3 blocks to 1 block)

- Elementary - Eliminate 0.7 FTE (over formula) provided to Britannia and Macdonald when populations were significantly higher than the current student population. Currently one (1) FTE is assigned to Macdonald and was in place when Macdonald was well over 200 students – current population is about 70. A reduction by 0.5 FTE would more than maintain the intent of the original accord. Britannia Elementary has 0.4 additional library time assigned as a result of an out-of-date letter of agreement. It is proposed to reduce Britannia by 0.2 FTE this year and eliminate the remainder allocation the following year.

Staffing Impact		
Base	Reduction	Employee Group
19.2	7.9	Teachers

Budget Impact			
Salaries & Benefits	Supplies	Revenue	Total
\$534,286	-	-	\$534,286

1.11 **Non-Enrolling Teachers - REVISED**

Reduce non-enrolling teachers by 21.2 FTE. This will increase the workload of remaining non-enrolling teachers and/or reduce programs and services for students as well as consultation and support for teachers, parents and administrators. Non-enrolling teacher positions include resource teachers (ESL and Special Education), learning assistance/skills development teachers, secondary school counsellors and teacher librarians.

Staffing Impact		
Base	Reduction	Employee Group
528.1	21.2	Teachers

Budget Impact			
Salaries & Benefits	Supplies	Revenue	Total
\$1,360,971	-	-	\$1,360,971

1.12 **Consolidation of Teaching Positions**

By implementing a Local School Calendar with consistent start and end times for school, teaching positions will be able to be consolidated into more full-time positions, thus creating approximately \$200,000 in additional savings.

Staffing Impact		
Base	Reduction	Employee Group
-	-	Teachers

Budget Impact			
Salaries & Benefits	Supplies	Revenue	Total
\$200,000	-	-	\$200,000

2.0 Instructional Staffing - Support Staff

2.01 Junior Kindergarten Program

The three Junior Kindergartens in the Inner City would be eliminated. Currently these programs run for 4-year-olds in Queen Alexandra, Strathcona and Seymour with no funding from the government. The new funded programs for early learning, including Full Day Kindergarten for all students and Strong Start for young children and their caregivers, offer some opportunities that were not in place when the Junior Kindergarten programs were first implemented.

Staffing Impact		
Base	Reduction	Employee Group
2.5	2.5	CUPE 15

Budget Impact			
Salaries & Benefits	Supplies	Revenue	Total
\$111,600	-	-	\$111,600

2.02 Learning Services - Special Education and Alternate Programs

Consolidate the following program classes within Elementary and Secondary Special Education and Secondary Alternative Programs as well as reduce SSA/SSB supports as additional entitlement: Learning Disabilities/Behaviour Support – Mackenzie (2 SSA); Special Remedial – Franklin (1 SSA and 1 SSB); Byng Satellite (1 SSA and 1 SSB); Language Assistance – Tupper (1 SSA); and MacDonald: Additional Support (1 SSA and 1 SSB).

Staffing Impact		
Base	Reduction	Employee Group
87.6	9.0	CUPE 15

Budget Impact			
Salaries & Benefits	Supplies	Revenue	Total
\$401,760	-	-	\$401,760

2.03 Inner City Schools Program

A reduction of 4.0 FTE SSA positions in Inner City Schools is proposed. This Inner City School staffing has been assigned to designated schools to support parent and community engagement, liaise with community organizations, and provide support to teachers and to children in classrooms. As there is differentiated Inner City School staffing, this will impact some Inner City schools that currently have more than 1 FTE Inner City School SSA staffing. This would reduce the capacity of the school to foster family and community involvement in the school and to support the goals of the Inner City Schools Program.

Staffing Impact		
Base	Reduction	Employee Group
23.0	4.0	CUPE 15

Budget Impact			
Salaries & Benefits	Supplies	Revenue	Total
\$178,560	-	-	\$178,560

2.04 Learning Services - Special Education Assistants for Mainstream Classes

Entitlements for Special Education Assistants are determined based on a staffing formula related to student special education designation levels. In the past, additional staffing has been approved above the formula. It is proposed to reduce this additional (over formula) entitlement by 8 positions.

Staffing Impact		
Base	Reduction	Employee Group
661.0	8.0	CUPE 15

Budget Impact			
Salaries & Benefits	Supplies	Revenue	Total
\$357,120	-	-	\$357,120

2.05 Learning Services – Office Support Staff

A large number of the support staff in Learning Services serve specific roles such as Work Experience Facilitation (2 FTE), Registrars and clerks for the DRPC (3 FTE), and Transportation Coordinator (1 FTE). Thus, the general clerical support is already very limited. The proposal is to cut two clerical support positions from more general roles as there will be fewer people in professional roles needing office support.

Staffing Impact		
Base	Reduction	Employee Group
15.9	2.0	CUPE 15

Budget Impact			
Salaries & Benefits	Supplies	Revenue	Total
\$103,140	-	-	\$103,140

2.06 Learning Services - Education Coordinator

Currently one of the five Education Coordinators is assigned to Learning Services. The proposal is to eliminate this position. Some of the functions performed by the position will be reassigned to the remaining Education Coordinators. Some of the committee work currently supported by this role will have to be eliminated.

Staffing Impact		
Base	Reduction	Employee Group
5.0	1.0	PASA

Budget Impact			
Salaries & Benefits	Supplies	Revenue	Total
\$91,879	-	-	\$91,879

2.07 Learning Services - Multicultural Liaison Workers

Reduce 4.0 Multicultural Liaison Workers (MCLW). The reduction would include one MCLW in each of the following groups: Chinese, Khmer, Indian and Vietnamese. The reduction in staffing will mean less available services for the students and families in these particular language groups; however, given the declining number of new students entering the district from Cambodia, India and Vietnam, an adequate level of services could still be provided to these groups through the existing MCLW and Settlement Workers in Schools (SWIS) workers or through other means. Although the vast majority of new immigrant students entering the district continue to come from China, the loss of an additional Chinese MCLW would require other MCLW's and SWIS staff to take on greater responsibilities in order to provide an adequate level of service for Mandarin/Cantonese speaking students and families.

Staffing Impact		
Base	Reduction	Employee Group
24.0	4.0	CUPE 15

Budget Impact			
Salaries & Benefits	Supplies	Revenue	Total
\$224,560	-	-	\$224,560

3.0 Instructional Staffing - Substitutes

3.01 Calendar Savings – Teacher On Call/Employee On Call Cost

By implementing a Local School Calendar that reduces the number of instructional days from 185 to 175, the Board can save approximately \$1.0 million in TOC/EOC costs.

Staffing Impact			Budget Impact			
Base	Reduction	Employee Group	Salaries & Benefits	Supplies	Revenue	Total
-	-	-	\$1,000,000	-	-	\$1,000,000

3.02 Elimination of Early Dismissal

By implementing a Local School Calendar that eliminates the early dismissal of students one afternoon per week, there will be Teacher on Call and consolidation of positions savings (more full-time positions) of approximately \$200,000.

Staffing Impact			Budget Impact			
Base	Reduction	Employee Group	Salaries & Benefits	Supplies	Revenue	Total
-	-	-	\$200,000	-	-	\$200,000

3.03 Learning Services - Teachers on Call

Currently, staff in Learning Services provide release time for a variety of areas of support. These include support for Literacy (\$118,000), Assessment (\$65,000), Libraries (\$30,000), ESL (\$30,000), Math (\$30,000), Learning and Development (\$96,000), Fine and Performing Arts (\$30,000), Athletics (\$10,000), Career Programs (\$ 44,000) Special Education (\$95,000), French Programs (\$242,000) and Social Responsibility (\$62,000) and other release time for miscellaneous projects. Most of this release time is provided for professional development activities.

The proposal is to cut \$200,000 from this budget. Another \$400,000 of the total, including all the Professional Development funds currently kept at the District level, will be allocated for direct access by schools for release time for assessment for learning and professional development.

The release time will be allocated based on size of school: 5 days for schools under 250, 10 days for schools between 250 and 500, 15 for schools between 500 and 1,000, and 20 for schools over 1000. The remainder will be kept at the district level for such activities as the Assessment Series for school teams, French Program support, and for special education training such as Non-Violent Crisis Intervention Training (CPI).

Staffing Impact		
Base	Reduction	Employee Group
-	-	-

Budget Impact			
Salaries & Benefits	Supplies	Revenue	Total
\$200,000	-	-	\$200,000

4.0 Instructional Supplies

4.01 Learning Services - Instructional Supplies

Cuts in this area include supplies to support a variety of program and curriculum areas and the purchase of professional resources (\$100,000). In addition, funds for printing, research, contracting professional services, and for meetings and travel will be reduced or eliminated. There will be a reduced ability to support schools in areas, including programs such as Destination Imagination, Student Leadership, Science Fairs, Writing projects and partnership programs in Teacher Education.

Staffing Impact		
Base	Reduction	Employee Group
-	-	-

Budget Impact			
Salaries & Benefits	Supplies	Revenue	Total
-	\$311,000	-	\$311,000

4.02 School Flexible Purchasing Budgets

Schools receive about \$6.0 million in total for purchases of school supplies and services through Flexible Purchasing Budgets. It is proposed to reduce the Flexible Purchasing Budget allocation to schools by \$400,000 (7%).

Staffing Impact		
Base	Reduction	Employee Group
-	-	-

Budget Impact			
Salaries & Benefits	Supplies	Revenue	Total
-	\$400,000	-	\$400,000

4.03 School Growth and District Plan

Reduce release time for collaboration and professional development for school planning and for the development of the District Plan.

Staffing Impact		
Base	Reduction	Employee Group
-	-	-

Budget Impact			
Salaries & Benefits	Supplies	Revenue	Total
-	\$37,154	-	\$37,154

5.0 **School Administration**

5.01 **Secondary Vice-Principals Admin Time**

Assigned Vice-Principal administration time will be reduced. The reduction of Vice-Principal administration time will add to the workload of the current staff affecting organizational efficiencies, instructional leadership, professional development and possibly student safety. As well, there will be a commensurate increase in teaching time for Vice-Principals of 4.8572 FTE resulting in a decrease in teaching positions to the same amount.

Staffing Impact			Budget Impact			
Base	Reduction	Employee Group	Salaries & Benefits	Supplies	Revenue	Total
	4.9	Sch Admin Admin Time Sch Admin Tchg Time Teachers				
	(4.9)					
	4.9		\$328,881	-	-	\$328,881
	4.9		\$328,881	-	-	\$328,881

5.02 **Pilot – Two Vice-Principals/School Business Officers in Secondary Schools**

Reduce two Vice-Principals in two secondary schools and replace each with a school business officer.

This is a proposed pilot project which assigns a school business officer to the secondary school. The remaining Vice-Principals will be able to concentrate on school leadership and not spend as much time on the more business oriented tasks of their current assignments.

The effectiveness of this pilot will be analyzed prior to year end of June 2011.

Staffing Impact			Budget Impact			
Base	Reduction	Employee Group	Salaries & Benefits	Supplies	Revenue	Total
	(2.0)	CUPE 15 Sch Admin Admin Time Sch Admin Tchg Time Teachers	(\$142,780)	-	-	(\$142,780)
	1.4		\$175,446	-	-	\$175,446
	0.6		\$70,174	-	-	\$70,174
	(0.6)		(\$38,689)	-	-	(\$38,689)
	(0.6)		\$64,151	-	-	\$64,151

5.03 Elementary Administration

It is proposed to reduce the budget for school based elementary administration through a combination of: increase of teaching for administrators generally; the twinning of schools with currently low student population, and the designation of schools with low population as annexes for staffing purposes. These initiatives will be accomplished over a period of time through an attrition process.

For the 2010 -2011 budget year:

- General increase to teaching time of 4.3 teaching FTE
- Twinning of Franklin and Lord with one principal and one vice-principal with 1.6 FTE shared administrative time
- Twinning of Britannia Elementary and MacDonald with one principal and one vice-principal with 1.6 FTE shared administrative time
- Mount Pleasant for staffing purposes becomes an annex of Nightingale with 1.8 FTE shared administrative time (this occurs in 2010-11)
- Elimination of vice-principals in schools with student headcount below 400 (McBride)

For the 2011-2012 budget year:

- Fraser Elementary, for staffing purposes becomes an annex of Cavell with 1.8 FTE shared administrative time
- Seymour for staffing purposes becomes an annex of Strathcona with 2.2 FTE shared administrative time
- Queen Victoria for purposes of staffing becomes an annex of Nelson with 1.3 FTE shared administrative
- Garibaldi for purposes of staffing becomes an annex of Begbie with 1.2 FTE shared administrative time
- Tyee for purposes of staffing becomes an annex of Maple Grove with 1.8 FTE shared administrative time
- Grandview for purposes of staffing becomes an annex of Queen Alexandra with 1.8 FTE shared administrative

The reduction of administration time will add to the workload of the current staff at schools affecting organizational efficiencies, instructional leadership, professional development and possibly student safety.

Staffing Impact			Budget Impact			
Base	Reduction	Employee Group	Salaries & Benefits	Supplies	Revenue	Total
	5.0	Sch Admin Admin Time Sch Admin Tchg Time Teachers	\$542,900	-	-	\$542,900
	(5.0)		(\$542,900)	-	-	(\$542,900)
	5.0		\$338,550	-	-	\$338,550
	5.0		\$338,550	-	-	\$338,550

5.04 Clerical Support to Schools

A general reduction to 5.0 FTE of office support category B (OSB) to schools is proposed. This will be accomplished through an adjustment of current formula for extra clerical support. The proposed reduction will place an increased workload on existing office staff.

Staffing Impact		
Base	Reduction	Employee Group
-	5.0	CUPE 15

Budget Impact			
Salaries & Benefits	Supplies	Revenue	Total
\$218,500	-	-	\$218,500

5.05 Department Head Reduction by 30%

A 30% reduction in Department Head positions is proposed. A reduction in Department Heads will impinge on curriculum development and school based professional development. This reduction will also include a change in staffing process for department head positions to a more differentiated model. Rather than a set number by school the number of positions per school will be based on student and staff FTE. This reduction will reduce position count by 72 leaving approximately 10 department head positions per secondary school.

Staffing Impact		
Base	Reduction	Employee Group
-	-	-

Budget Impact			
Salaries & Benefits	Supplies	Revenue	Total
\$148,800	-	-	\$148,800

5.06 Head Teacher - REVISED

Reduce the allotment of Elementary school small school allowance by 50% and establish a pilot of two head teacher positions (in schools in the range of 350 to 399 headcount students) that will assume duties that are similar to the department head position in secondary schools.

Staffing Impact		
Base	Reduction	Employee Group
	1.2	Sch Admin
	2.8	Admin Time
	(2.8)	Sch Admin
		Tchg Time
		Teachers
	1.2	

Budget Impact			
Salaries & Benefits	Supplies	Revenue	Total
\$130,296	-	-	\$130,296
\$304,024	-	-	\$304,024
(\$199,895)	-	-	(\$199,895)
\$234,425	-	-	\$234,425

6.0 Continuing and International Education

6.01 Associate's Office

This reduction (e.g. paper, printing costs, hardware, etc) will limit supplies available to carry out the division's operations.

Staffing Impact		
Base	Reduction	Employee Group
-	-	-

Budget Impact			
Salaries & Benefits	Supplies	Revenue	Total
\$4,000	\$17,042	-	\$21,042

6.02 Distributed Learning

It is proposed to reduce the support blocks for distributed learning allocated to secondary schools by 1 FTE. The reduction in supplies means less material support for the program.

Staffing Impact		
Base	Reduction	Employee Group
2.6	1.0	Teachers

Budget Impact			
Salaries & Benefits	Supplies	Revenue	Total
\$67,710	\$3,012	-	\$70,722

6.03 Adult Education

This reduction in teachers (8.0 FTE), support staff (0.5 FTE), program advisor time (0.5 FTE), administration (0.5 FTE) and supplies will mean larger classes, less direct support for students and limited materials available for program support.

Staffing Impact		
Base	Reduction	Employee Group
15.4	0.5	CUPE 15
7.8	0.5	PASA
7.0	0.5	Sch Admin
		Admin Time
120.0	8.0	Teachers
	9.5	

Budget Impact			
Salaries & Benefits	Supplies	Revenue	Total
\$25,785	-	-	\$25,785
\$40,592	-	-	\$40,592
\$43,440	-	-	\$43,440
\$695,040	-	-	\$695,040
\$182,083	\$100,000	-	\$282,083
\$986,940	\$100,000	-	\$1,086,940

6.04 Summer School

Summer School will be consolidated from eight (8) elementary schools to six (6) to reduce costs. With fewer sites, there will be savings in teacher, administration, custodial, clerical and supplies' expenses. Students will be encouraged to attend the nearest summer school site to maximize enrolment.

Staffing Impact		
Base	Reduction	Employee Group
51.5	2.0	Teachers

Budget Impact			
Salaries & Benefits	Supplies	Revenue	Total
\$173,918	\$111,383	-	\$285,301

6.05 Night School

The night school program is being downsized from eight (8) schools to four (4) schools, with corresponding reductions in program coordinators (\$264,783), clerical staff (\$131,063), administration (\$116,839), night school instructor costs (\$717,187), advertising and supplies (\$203,279). Fewer night school course offerings means fewer opportunities to generate revenue, so course fees will be increased wherever possible. These budget reductions will enable the program to fully recover direct program costs.

Staffing Impact		
Base	Reduction	Employee Group
8.3	1.6	CUPE 15 Night Sch Admin PASA
2.1	1.2	
4.0	3.0	
	5.8	

Budget Impact			
Salaries & Benefits	Supplies	Revenue	Total
\$89,558	-	-	\$89,558
\$116,839	-	-	\$116,839
\$264,783	-	-	\$264,783
\$808,029	\$203,279	(\$1,250,156)	(\$238,849)
\$1,279,208	\$203,279	(\$1,250,156)	\$232,331

6.06 DPAC Consulting Services

It is proposed to eliminate the consulting services budget for DPAC. The \$40,000 budget for school financial support would be maintained.

Staffing Impact		
Base	Reduction	Employee Group
-	-	-

Budget Impact			
Salaries & Benefits	Supplies	Revenue	Total
-	\$40,000	-	\$40,000

7.0 District Administration

7.01 Co-ordinator of Initiatives and Information

The elimination of the position of Co-ordinator of Initiatives and Information will mean that the annual preparation of the Superintendent Report on Student Achievement and other coordinating duties will need to be reallocated to existing personnel.

Staffing Impact			Budget Impact			
Base	Reduction	Employee Group	Salaries & Benefits	Supplies	Revenue	Total
1.0	1.0	PASA	\$91,879	-	-	\$91,879

7.02 Learning Services - District Principal Educational Technology

The proposed addition of a District Principal for Educational Technology will provide support and leadership for the use of information and communication technology throughout the curriculum. The position is intended to directly support teaching staff in understanding, accessing and applying a wide range of technologies and strategies that help engage students in their learning as well as help guide the strategic directions of technology within the District as a whole.

Staffing Impact			Budget Impact			
Base	Reduction	Employee Group	Salaries & Benefits	Supplies	Revenue	Total
-	(1.0)	PASA	(\$142,490)	-	-	(\$142,490)

7.03 Learning Services - District Principal

Currently there is a position in Learning Services responsible for leadership development, learning and development. It is proposed that this position be eliminated. The loss of this position will mean that there will be no means for carrying on the leadership development program that is currently offered to all employee groups; there would be no induction programs for Principals and Vice-Principals; and, there would be no ongoing professional development programs for Principals and Vice-Principals. In addition, the work on learning and development, including the Teacher Inquiry Groups that have been supported would be eliminated.

Staffing Impact			Budget Impact			
Base	Reduction	Employee Group	Salaries & Benefits	Supplies	Revenue	Total
-	1.0	Sch Admin Admin Time	\$142,490	-	-	\$142,490

7.04 Amalgamation of Administrative and Clerical Services in the Superintendent's, Secretary-Treasurer's and Area Office

The elimination of one Administrative Assistant position in the Secretary-Treasurer's Office will mean a combination of greatly reduced services in a variety of areas required to administer insurance requirements and support for schools, Freedom of Information requests, administering the board policies and contracts for the district.

The elimination of the clerical support in the Area Office will impact timely access to the Associate Superintendents for parents, school staffs and administrators, and the reduction of clerical functions which support the operation of the Area Office, such as maintenance of paper and electronic files, organization of meetings and appointments, word processing and reception.

There will be an amalgamation of staff and support services provided through the Superintendent's Office, Secretary Treasurer's Office and the Area office.

Staffing Impact		
Base	Reduction	Employee Group
1.0	1.0	CUPE 15 PASA
3.0	1.0	
	2.0	

Budget Impact			
Salaries & Benefits	Supplies	Revenue	Total
\$61,196	-	-	\$61,196
\$68,288	-	-	\$68,288
\$129,484	-	-	\$129,484

7.05 BCeSIS – Support

It is proposed to add 1 BCeSIS teaching consultant, 1.5 ITB technicians and 1 TRC training support position. The BCeSIS implementation funding from the Local Capital Reserve finishes in June 2010; therefore, the current training and support team will be eliminated. However, the proposed positions are required to support the increasing use of BCeSIS and information technology in general. These additions will provide a minimum necessary level of training and support to teachers and office support staff.

Staffing Impact		
Base	Reduction	Employee Group
-	(2.5)	CUPE 15 Teachers
-	(1.0)	
	(3.5)	

Budget Impact			
Salaries & Benefits	Supplies	Revenue	Total
(\$162,670)	-	-	(\$162,670)
(\$97,464)	-	-	(\$97,464)
(\$260,134)	-	-	(\$260,134)

7.06 Office of the Assistant Secretary Treasurer – Finance

It is proposed that the budget for contracted services be eliminated (\$27,223) and that the budget for professional services be reduced by \$32,000. In addition, a district-wide budget for unanticipated increases in mileage reimbursement costs will be reduced by \$84,000. The reduction in the contracted and professional services budget will restrict the funds available to perform audits and obtain specialized financial or tax advice. The reduction in mileage budget will increase the risk of a budget variance if gas prices or other vehicle related costs increase more than expected during the year.

Staffing Impact		
Base	Reduction	Employee Group
-	-	-

Budget Impact			
Salaries & Benefits	Supplies	Revenue	Total
\$84,000	\$59,223	-	\$143,223

7.07 Accounting

It is proposed that Accounting Support be reduced by one FTE. This will be accomplished by changing or automating business processes relating to tax receipting of donations, mileage claims processing, emergency payments, capital assets accounting and reporting.

In addition, the audit fees budget would be reduced by \$21,973 because there will be no fees for auditing the year-end financial statements for the Vancouver Training Institute as this entity no longer exists.

Staffing Impact		
Base	Reduction	Employee Group
16.0	1.0	CUPE 15

Budget Impact			
Salaries & Benefits	Supplies	Revenue	Total
\$62,705	\$21,973	-	\$84,678

7.08 Material Services

It is proposed to reduce 1.0 FTE support position in the Stores Office and 1.0 FTE in the Stores Room. The reduction of the support person in the Stores Office may result in the delay of processing updates to the inventory system, resulting in less reliable information for planning maintenance work. The filling of requisitions of maintenance materials from the Stores Room would be reallocated among remaining staff.

Currently Material Services staff are responsible for moving teachers' own materials and boxes if they move or are transferred to a different classroom. It is proposed that teachers would be responsible to move/transfer their own materials and boxes. This would result in savings of \$60,000 per year in summer casual help.

Staffing Impact		
Base	Reduction	Employee Group
11.0	2.0	CUPE 15

Budget Impact			
Salaries & Benefits	Supplies	Revenue	Total
\$102,200	\$60,000	-	\$162,200

7.09 Payroll and Benefits

It is proposed to reduce 0.8 FTE as a result of implementing a timesheet only system for processing Adult Education and Night School instructor payroll and consolidating them with the hourly payroll system. In addition, the payroll/benefits receptionist position would be eliminated and the filing and mail distribution work of the receptionist reassigned within the Payroll Department.

Staffing Impact		
Base	Reduction	Employee Group
15.5	1.8	CUPE 15

Budget Impact			
Salaries & Benefits	Supplies	Revenue	Total
\$102,098	-	-	\$102,098

7.10 Printing Services

The Printing and Distribution Department provides printing and mail services to schools and district departments. It is proposed to eliminate one printing press operator position. Efficiencies have been gained through the use of automated equipment and some duties will be reallocated to other Printing staff. Some reduction in printing services to schools and departments will occur.

Staffing Impact		
Base	Reduction	Employee Group
7.0	1.0	CUPE 15

Budget Impact			
Salaries & Benefits	Supplies	Revenue	Total
\$55,670	-	-	\$55,670

7.11 Purchasing and Food Services

The Purchasing Department currently has a budget of \$169,000 for contracted services. This budget is used for specialty repairs such as appliances, fax machines, musical instruments, and physical education equipment repairs. It is proposed that this budget be reduced by \$65,000 (38%). In addition, the telecommunications budget will be reduced by \$65,000 (7%) and the furniture and equipment replacement budget for schools by \$170,000 (26%). A reduction of 0.5 FTE for 2010/2011 (1 FTE on a full year basis) will be achieved through the implementation of the e-Procurement system.

This reduction will limit the funds available for equipment repairs and replacements throughout the district.

Staffing Impact		
Base	Reduction	Employee Group
8.8	0.5	CUPE 15

Budget Impact			
Salaries & Benefits	Supplies	Revenue	Total
\$27,280	\$298,115	-	\$325,395

7.12 Cafeterias

The VBE operates cafeterias in 10 secondary schools plus the Education Centre. Culinary Arts programs operate in eight of the school cafeterias. Total expenditures for these cafeterias currently exceed revenues. As a first step, it is proposed to reduce this subsidy by \$150,000 by either increasing prices or achieving reductions in expenditures. Additional changes will be considered in the future.

Staffing Impact		
Base	Reduction	Employee Group
-	-	-

Budget Impact			
Salaries & Benefits	Supplies	Revenue	Total
-	\$150,000	-	\$150,000

7.13 Human Resources

Reduce two PASA positions within Human Resources. Given the expected reduction in hiring and training over the near future, the Criminal Record Review position duties will be spread among the individual departments of Human Resources. As well the current position that maintains and updates the Human Resources Information System and work flow will also have their duties assigned within the individual departments. In addition, it is proposed to eliminate the Human Resources receptionist position.

Staffing Impact		
Base	Reduction	Employee Group
-	1.0	CUPE 15 PASA
-	2.0	
	3.0	

Budget Impact			
Salaries & Benefits	Supplies	Revenue	Total
\$51,553			\$51,553
\$130,368	-	-	\$130,368
\$181,921	-	-	\$181,921

7.14 Human Resources Training Support

Reduce monies set aside for training/support of new employees, and ongoing training/support of current employees. With impending layoffs and a likely reduction in hiring, training accounts can be temporarily reduced.

Staffing Impact		
Base	Reduction	Employee Group
-	-	-

Budget Impact			
Salaries & Benefits	Supplies	Revenue	Total
\$163,289	\$63,711	-	\$227,000

7.15 Learning and Information Technology

Through a reorganization of positions within the Learning and Information Technology team, services can be aligned to better meet the needs of schools, gaining efficiencies and cost savings in the process. With a net saving of 1.5 FTE (\$72,000), existing positions will be reconfigured to focus on direct support for end users in the field.

Reductions will also be made with respect to instructional programs and supplies (\$135,000). These reductions will mean that the technology requirements or media resources to support specific instructional programs will have to be funded from within existing departmental budgets responsible for those programs.

Staffing Impact		
Base	Reduction	Employee Group
-	1.5	CUPE 15

Budget Impact			
Salaries & Benefits	Supplies	Revenue	Total
\$72,000	\$135,000	-	\$207,000

8.0 Transportation

8.01 Transportation

Reductions will be made in transportation for students. Services will continue to be provided for students attending special education program classes, and those students whose medical or learning profiles require special support in accessing a school program. However, reductions will be achieved through a review of students being transported to their neighbourhood school who do not have special medical needs and students being transported to cross boundary placements not dictated by their special medical or learning needs. Reductions in funds available for mileage, temporary taxi arrangements and bus passes will also occur.

After the reduction of \$468,134, the expenditure budget for transportation will be approximately equal to the provincial funding received for transportation (\$2.6 million).

Staffing Impact		
Base	Reduction	Employee Group
-	-	-

Budget Impact			
Salaries & Benefits	Supplies	Revenue	Total
-	\$468,134	-	\$468,134

9.0 Facilities

9.01 Increase Rental Revenues

- It is proposed that all non-profit and commercial rates be increased by 5% per annum each of the next 3 years, rental rates for fields be aligned with the Parks Board, monthly fees for external parkers at the Education Centre be increased, and that rental fees for Heritage Language Programs be based on the non-profit rates.
- It is proposed that an initial fee of \$1,000 apply to each new application for leases and licenses. For extension or renewal of existing leases and licenses, an application fee of \$500 is recommended.
- It is proposed that a \$25 processing fee be applied to all rentals (new applications and renewals). It is also recommended to introduce a \$25 amendment fee.
- It is proposed rental revenues be increased by installing building access control systems at a number of school gyms. This would reduce the need for engineering time, making the rates more affordable which in turn it is estimated to increase demand for weekend use of gyms.
- It is proposed that all Secondary gyms be closed at 8:00 pm for one additional night per week to allow for late night rentals. This does not include any existing rentals in secondary schools.

Staffing Impact		
Base	Reduction	Employee Group
-	-	-

Budget Impact			
Salaries & Benefits	Supplies	Revenue	Total
-	-	\$247,000	\$247,000

9.02 Reduce Heating and Other Utility Budgets

Savings suggested in this section are predicted to be realized from past or current energy savings installation programs. The savings from these programs have traditionally gone back into the Facilities budget to finance further such projects for future years.

- Reduce utility budgets by \$120,000 by reducing heating temperatures and run hours at all locations (8:00 – 3:00).
- Reduce utility budgets by \$15,000 by implementing the proposed 2010/2011 Local School Calendar
- The installation of Power Management Software and current lighting upgrade projects are estimated to save \$150,000 in electricity costs.
- There are a number of water conservation projects currently underway at schools which are expected to save \$25,000.

Staffing Impact		
Base	Reduction	Employee Group
-	-	-

Budget Impact			
Salaries & Benefits	Supplies	Revenue	Total
-	\$310,000	-	\$310,000

9.03 Portable Classroom Closures

A review of facility utilization has identified some portables that could be considered for closure. The intent is that building engineers would still be responsible for overseeing the security and condition of the facilities, but that schools would have no access to closed facilities. The closure of such facilities would require one-time facility work such as changing door locks, boarding windows, and adjusting mechanical systems to shut down operating mode.

Projected annual operating savings are \$56,700 for 9 portables.

Staffing Impact			Budget Impact			
Base	Reduction	Employee Group	Salaries & Benefits	Supplies	Revenue	Total
-	-	IUOE	27,450	\$29,250	-	\$56,700

9.04 Outbuilding Closures

A review of facility utilization has identified that some outbuildings that could be considered for closure.

The intent is that building engineers would still be responsible for overseeing the security and condition of the facilities but school access to the closed facilities would not be permitted. The closure of such facilities would require one-time facility work such as changing door locks, boarding windows, and adjusting mechanical systems to shut down operating mode.

Projected operating savings are \$133,597/annum for reduced custodial/cleaning services and reduced energy consumption.

Outbuildings that should be considered for closure are listed:

- Macdonald Elementary Building B - 290 m2 (Projected savings \$10,380/annum)
- Seymour Elementary Building B - 2,036 m2 (Projected savings \$72,890/annum)
- Lord Elementary Building A - 1,196 m2 (Projected savings \$42,820/annum)
- Carleton Elementary Building C - 228 m2 (*Fire Damaged) (Projected Savings \$8,160/annum)
- Carleton Elementary Building D - 146 m2 (Projected Savings \$5,230/annum)
- Nelson Elementary Building C - 220 m2 (Projected Savings \$7,880/annum)

Staffing Impact			Budget Impact			
Base	Reduction	Employee Group	Salaries & Benefits	Supplies	Revenue	Total
-	1.7	IUOE	\$92,985	\$40,612	-	\$133,597

9.05 Facility Leases for District Learning Services Programs

Annual lease savings of \$20,000 would result from special education program closures and consolidations.

Staffing Impact		
Base	Reduction	Employee Group
-	-	-

Budget Impact			
Salaries & Benefits	Supplies	Revenue	Total
-	\$20,000	-	\$20,000

9.06 Contribution Towards Playground Site Preparation

Currently, as per VBE policy, the Grounds Department provides \$6,000 of funding support for the installation costs of every new school sponsored playground. It is proposed that VBE policy be changed to eliminate the \$6,000 Grounds contribution towards playground site preparation costs.

Staffing Impact		
Base	Reduction	Employee Group
-	-	-

Budget Impact			
Salaries & Benefits	Supplies	Revenue	Total
-	\$36,000	-	\$36,000

9.07 Grounds Weed Control Program

Currently Grounds annually employs an outside contractor who uses special equipment which generates steam to kill weeds in the grass and on school play fields without the use of pesticides. This proposal would eliminate the contracted work, but subsequently the work will be manually performed by existing CUPE 407 workers.

Staffing Impact		
Base	Reduction	Employee Group
-	-	-

Budget Impact			
Salaries & Benefits	Supplies	Revenue	Total
-	\$35,000	-	\$35,000

9.08 Gravel Play Field Maintenance

Currently Grounds annually employs an outside contractor to power groom gravel fields at an annual cost of \$25,000. This proposal would eliminate the work of the contractor and subsequently Grounds would purchase the required equipment so that the work could be performed by existing CUPE 407 staff.

Staffing Impact		
Base	Reduction	Employee Group
-	-	-

Budget Impact			
Salaries & Benefits	Supplies	Revenue	Total
-	\$25,000	-	\$25,000

9.09 Suspend Custom Millwork for One Year

Currently the VBE trades do all the custom millwork required for our schools and buildings. The work is done for capital projects, school repayable work, and approx. 15% of the work is repair work funded by the maintenance operating budget. It is proposed that the repair work funded by the maintenance operating budget be suspended for 1 year which will result in savings of \$82,000 and the layoff of 1.0 FTE. It should be noted that this reduction is one-time for 2010/2011. The 2011/2012 base budget will be adjusted to reflect normal service levels.

Staffing Impact		
Base	Reduction	Employee Group
9.0	1.0	Trades

Budget Impact			
Salaries & Benefits	Supplies	Revenue	Total
\$82,000	-	-	\$82,000

9.10 Contract Inspectors (Roofing and Minor Alterations)

The current Maintenance & Construction organization has Contract Inspectors who supervise outside contractors involved in everything from roofing, exterior painting, flooring, asphalt, minor renovation projects, and portable moves. This proposal transfers the Contract Inspectors from the operating budget to the Annual Facility Grant special purpose fund.

Staffing Impact		
Base	Reduction	Employee Group
2.0	2.0	PASA

Budget Impact			
Salaries & Benefits	Supplies	Revenue	Total
\$174,000	-	-	\$174,000

9.11 Capital Projects Coordinator

This proposal transfers one Capital Projects Coordinator from the operating budget to capital.

Staffing Impact		
Base	Reduction	Employee Group
-	1.0	PASA

Budget Impact			
Salaries & Benefits	Supplies	Revenue	Total
\$90,000	-	-	\$90,000

9.12 Elimination of Lifetime Guarantee for Repairs on VBE Fabricated Furniture

Currently Maintenance & Construction pays for all furniture repairs on any furniture it manufactures. Costs of these repairs amount to approximately \$140,000/yr. It is proposed that the guarantee be reduced to 1 year, after which time the schools would be required to pay for repairs as desired.

Staffing Impact			Budget Impact			
Base	Reduction	Employee Group	Salaries & Benefits	Supplies	Revenue	Total
9.0	1.0	Trades	\$85,000	\$10,000	-	\$95,000

9.13 Suspend Interior Painting for One Year

No interior painting would be done by VBE trades maintenance forces in the 2010/11 school year. Currently the painting operating budget supports 17 of 22 core list painters. The remaining 5 painters are supported by repayable work. This proposal suspends all programmed maintenance painting resulting in the layoff of 12 core list painters. Five painters would be kept on to perform essential work on graffiti and vandalism issues. It should be noted that this reduction is one-time for 2010/2011. The 2011/2012 base budget will be adjusted to reflect normal service levels.

Staffing Impact			Budget Impact			
Base	Reduction	Employee Group	Salaries & Benefits	Supplies	Revenue	Total
17.0	12.0	Trades	\$1,146,000	-	-	\$1,146,000

10.0 **School Closures**

10.01 **School Closures**

It is proposed that the initiation of school closures be done within legislative and Board approved processes beginning this spring. The District Management Team will prepare a preliminary list of schools that might be considered for closure.

Staffing Impact			Budget Impact			
Base	Reduction	Employee Group	Salaries & Benefits	Supplies	Revenue	Total
-	-	-	\$	\$	-	\$

If the Board of Trustees decides to close schools in the future, the following annual operating budget savings could be expected at a minimum for each and every year:

- \$200,000 for the closure of a typical elementary annex;
- \$400,000 for the closure of a typical elementary school; and
- \$1,400,000 for the closure of a typical secondary school.

For example, should the Board choose to consolidate and close an elementary school, the savings compounded over three years would be approximately \$1.2 million.

In addition, if a school facility is declared surplus, additional revenue could accrue from the lease of the land and facilities.

11.0 **Other**

11.01 **Employee Future Benefits**

With the introduction of generally accepted accounting principles in 2004/2005, the VBE recognized a liability for employee future benefits (e.g. early retirement incentives, death benefits). The VBE has been making contributions over time from its operating budget to fully fund this liability.

Over the last few years, the VBE has been making contributions of \$442,546 towards the reduction of the unfunded liability. The Board agreed to suspend the contribution for 2009/2010.

It is proposed to amortize the remaining unfunded liability (\$2.655 million) over a 10-year period (i.e. \$265,528 per year). This will result in savings of \$177,018 for 2010/2011.

Staffing Impact		
Base	Reduction	Employee Group
-	-	-

Budget Impact			
Salaries & Benefits	Supplies	Revenue	Total
\$177,018	-	-	\$177,018

Attachment B
CommunityLINK

CommunityLINK

CommunityLINK funding, which is not included in the Operating Budget, is used to support programs for vulnerable children. Within the Vancouver Board of Education, this funding supports the Community School Teams, School Meals Program and Alternative Programs Youth and Family Workers.

The Community School Teams program is based on a hub model of service delivery. Twelve integrated teams of staff work in a hub, or family of schools, each team centred on a secondary school and its associated elementary feeder schools. Each team includes a coordinator, teacher, youth and family worker(s) and activity programmer(s). The central purpose of the program is to serve vulnerable children and families through a variety of programs and services which operate at school during the day, as well as out of school time into the evening and weekends.

The School Meals Program provides all children in designated schools with the opportunity to consume a nutritious and affordable meal while at school. The program is currently in 27 elementary schools, 21 alternate programs and available to vulnerable students in all secondary schools. Parent contributions help offset a portion of the cost of the program.

The Alternative Programs Youth and Family Workers provide services in District programs and some schools. Such services as group and individual counselling, development and/or implementation of behaviour management strategies, social/emotional learning programs and liaison with community agencies are offered to vulnerable children and youth.

The following table provides a projection of the revenues and expenses of the CommunityLINK programs for 2010/2011 and the estimated funding shortfall of \$0.6 million. The estimated funding shortfall is primarily due to the elimination of any remaining CommunityLINK fund balance in 2009/2010 (\$0.52 million) and increases to salary and supplies costs for 2010/2011 (\$0.08 million). The following pages outline the budget proposals to address the 2010/2011 projected funding shortfall.

CommunityLINK- 2010/2011 Projected Base Budget	
	2010/2011 Base Budget
Revenue	
Ministry Grant Including Labour Settlement Funding	\$8,761,287
Pay Equity and Excluded Salary Increases	374,512
Total Revenue	<u>9,135,799</u>
Expenses	
Community School Teams	4,258,000
School Meals	5,230,695
Less Parent Contributions for School Meals	(2,086,804)
YFW Rehab	2,330,723
Total Expenses	<u>9,732,614</u>
Net Surplus/(Deficit)	<u><u>(\$596,815)</u></u>

PROPOSAL	Staffing Impact		Budget Impact			
	Base	Reduction	Salaries and Benefits	Supplies	Revenue	Total
1 .0 CommunityLINK - CST						
1 .01 CommunityLINK School Grants				175,000		175,000
1 .02 CommunityLINK LIFT Grant				30,000		30,000
1 .03 Programmer Time		-	25,613			25,613
2 .0 CommunityLINK - YFW						-
2 .01 CommunityLINK Alternative Programs Support	67.0	3.0	156,920			156,920
3 .0 CommunityLINK - School Meals Program						-
3 .01 Defer Expansion of the Meals Program to New Sites		3.0	133,300	80,000		213,300
						-
Grand Total		6.0	315,833	285,000	-	600,833

1.0 CommunityLINK – Community School Team

1.01 CommunityLINK School Grants

It is proposed to reduce the school grants by half and adjust allocations to schools based on criteria used in the Inner City Review. School grants provide flexible funds to address specific and unique challenges faced by Inner City elementary schools and secondary schools with high numbers of ‘vulnerable’ students. These funds support implementation of the School Plans and meeting the goals of the Inner City Schools Program.

Loss of these grants will impact schools’ capacity to provide programs, services and subsidies for vulnerable children and youth such as homework clubs, after school programming, art and music therapy, additional MCHSW and occupational therapy services.

Staffing Impact		
Base	Reduction	Employee Group
-	-	-

Budget Impact			
Salaries & Benefits	Supplies	Revenue	Total
-	\$175,000	-	\$175,000

1.02 CommunityLINK LIFT Grant

Eliminate funding for part-time LIFT coordinator and part-time LIFT supervisor. LIFT is operated in partnership with Pacific Coastal Resource Society. The program provides after school academic support for grades 7-9 at risk youth in the Broadway Corridor. LIFT also trains and coordinates volunteers from UBC Learning Exchange and Langara College. LIFT has aggressively sought grants from community sources/agencies. With an annual budget of \$190,000 LIFT operates out of 3 sites and provides services to over 150 students. Loss of these positions will impact the capacity to offer this program to vulnerable youth. Community partners will seek alternate sources of funding.

Staffing Impact		
Base	Reduction	Employee Group
-	-	-

Budget Impact			
Salaries & Benefits	Supplies	Revenue	Total
-	\$30,000	-	\$30,000

1.03 Programmer Time

Reduce the amount of programmer time in Community School Team (CST) hubs. Programmers work with schools and CST Coordinators to provide and supervise Out of School Time programs for vulnerable children and youth. This reduction will equalize funds allocated to each of the 12 hubs for programmer time, reduce the number of programs offered in schools and increase the need for Coordinators to secure grants to make up the loss.

Staffing Impact		
Base	Reduction	Employee Group
-	-	-

Budget Impact			
Salaries & Benefits	Supplies	Revenue	Total
\$25,613	-	-	\$25,613

2.0 **CommunityLINK – Youth and Family Workers**

2.01 **CommunityLINK Alternative Programs Support**

The following reductions are proposed:

- 1.0 FTE SSA for the Killarney Learning Support Program
- 1.0 YFW at the Byng Satellite Program
- 1.0 YFW currently assigned to the Pinnacle Program

This will result in the loss of school based services for students who are experiencing social, emotional, mental health and behavioural difficulties. This could include such services as group counselling, developing and implementing behaviour management strategies, support to families/caregivers, social emotional learning programs, liaison with community agencies and supporting students in transition.

Staffing Impact		
Base	Reduction	Employee Group
67.0	3.0	CUPE 15

Budget Impact			
Salaries & Benefits	Supplies	Revenue	Total
\$156,920	-	-	\$156,920

3.0 **CommunityLINK – School Meals Program**

3.01 **Defer A Portion of the Planned Expansion of the Program to New Sites**

As part of the Inner City Schools Review last year, it was recommended that the School Meals Program would be reallocated to achieve better alignment with the vulnerability index school rankings. This would have resulted in program resources being reallocated from 9 existing elementary schools to 9 new elementary schools.

Under this proposal, the program would cease at the previously recommended 9 schools in September, 2010. Sufficient funding would be available to permit implementation of a School Meals Program at 4 new inner city elementary schools (Cook, Selkirk Annex, Henderson and Henderson Annex). The proposed expansion to the remaining 5 schools would be deferred at this time.

The 9 schools that will lose the program (as per Inner City Schools Review recommendations) are:

- Lord
- Dickens
- Dickens Annex
- Secord
- Nelson
- Wolfe
- Elsie Roy
- Lloyd George
- University Hill

It should be noted that the schools losing the subsidized program will be given an opportunity to participate on a “full pay” basis at the projected rate of \$3.70/meal.

The 5 schools in which the proposed expansion would be deferred at this time are:

- Bruce
- Beaconsfield
- Waverley
- Franklin
- Mackenzie

Staffing Impact		
Base	Reduction	Employee Group
-	3.0	IUOE

Budget Impact			
Salaries & Benefits	Supplies	Revenue	Total
\$133,300	\$80,000	-	\$213,300

Attachment C

**Operating Budget (Reductions)/Additions
From 2002/2003 to 2009/2010**

**OPERATING BUDGET (REDUCTIONS) / ADDITIONS
FROM 2002/2003 TO 2009/2010
(In Thousands of Dollars)**

	2001-02		2002-03		2003-04		2004-05		2005-06		2006-07		2007-08		2008-09*		2009-10		Total Additions/ (Reductions)		% Over 2001/02 Final Budget	
	Prelim. Budget		FTE	\$	FTE	\$	FTE	\$	FTE	\$	FTE	\$	FTE	\$	FTE	\$	FTE	\$	FTE	\$	FTE	\$
	FTE	\$	FTE	\$	FTE	\$	FTE	\$	FTE	\$	FTE	\$	FTE	\$	FTE	\$	FTE	\$	FTE	\$	FTE	\$
Instruction (including CIE) ^(a)	4,616.1	295,300.0	(252.9)	(17,054.6)	35.1	2,169.1	(50.7)	(3,963.2)	94.6	5,621.0	8.1	(1,665.8)	(35.2)	(1,932.2)	42.0	3,215.7	(18.5)	(2,695.9)	(177.5)	(16,306.0)	(3.8%)	(5.5%)
School Based Administration ^(b)	218.4	16,102.8	(24.3)	(1,104.5)	(2.5)	(224.0)	(4.1)	(238.4)	18.0	898.0	0.8	115.8	(1.5)	(153.3)			(7.0)	(528.4)	(20.6)	(1,234.9)	(9.4%)	(7.7%)
District Based Administration	124.8	9,285.4	(9.2)	(630.0)	(15.5)	(1,006.9)	(9.0)	(813.8)	3.7	270.9	5.0	390.0			3.0	871.4	(2.2)	(621.1)	(24.2)	(1,539.6)	(19.4%)	(16.6%)
Facilities, Operation & Maintenance	667.7	49,965.2	(35.4)	(2,509.2)	(3.0)	(215.1)	(16.7)	(1,423.2)					(1.5)	(125.0)	1.0	422.2	1.0	(132.0)	(54.6)	(3,982.3)	(8.2%)	(8.0%)
Transportation		2,952.9		(300.0)				(73.0)												(373.0)		(12.6%)
Revenues (Increase)/Decrease				(688.1)		(1,371.6)		(357.5)				(2,250.0)		(1,697.1)						(6,364.2)		
Interfund Transfers						(3,789.0)		(1,361.0)						(1,912.4)						(7,062.4)		
Local Capital Reserve								151.8												151.8		
Other																						
Accrued Employee Future Benefits																		(442.5)		(442.5)		
Appropriated Surplus				(3,200.0)											(8,049.3)		(2,700.0)		(13,949.3)			
	5,627.0	373,606.3	(321.8)	(25,486.5)	14.1	(4,437.5)	(80.5)	(8,078.3)	116.3	6,789.9	13.9	(3,410.0)	(38.2)	(5,820.0)	46.0	(3,540.0)	(26.7)	(7,120.0)	(276.8)	(51,102.4)		

^(a) This budget incorporates all programs related to the instruction of students. This includes cost of teachers, instructional support, and supplies and expenses for programs such as Regular Instruction, Library Services, Special Education, ESL, CIE, and Aboriginal Education.
^(b) This budget includes costs related to administering both instructional and business activities at the school level. This includes office school clerical staff and non teaching time for Principals and Vice-Principals.



BRITISH
COLUMBIA
The Best Place on Earth

VIA EMAIL
Ref: 140316

June 10, 2010

Patti Bacchus, Chair
Board of Education
School District No. 39 (Vancouver)
Email: patti.bacchus@vsb.bc.ca

Dear Ms. Bacchus:

Further to our meeting Tuesday and your draft response to the Comptroller General's report, I am concerned about the Vancouver Board of Education's apparent dismissal of many of the recommendations.

While we agree the Vancouver school district has excellent management staff, the Comptroller General found that the district's current financial circumstances could have been avoided had the Board been managing more prudently. The Comptroller General went on to make a number of recommendations aimed at finding savings, reducing waste and improving management practices that appear to have not been fully embraced by the Board.

As Minister of Education, I have a responsibility to ensure education dollars are being spent prudently and in the best interest of students. The Comptroller's recommendations, if acted upon, will help the Board develop a balanced budget that achieves savings, reduces waste and is in the best interest of students. As such, I am issuing the following Ministerial Directive Order to the Board:

The Board of Education for the Vancouver School District (School District #39) must:

- 1) Direct its senior management team to develop a balanced budget that:
 - a) takes full consideration of the recommendations directed to the Vancouver Board of Education set out in the Office of the Comptroller General's June 2010 "Report on The Vancouver School Board (School District 39);" and
 - b) is drafted with the best interests of students, student achievement and parents as the paramount considerations; and
- 2) On or before June 18, 2010, submit the draft budget to the Minister for her review prior to that budget being voted on by the Vancouver Board of Education.

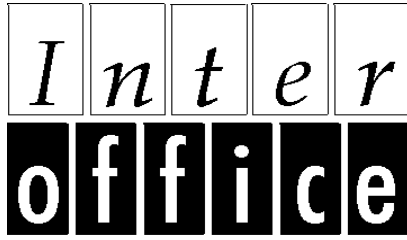
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The Comptroller General has provided a comprehensive report with clear recommendations to better serve the 56,000 students in Vancouver. I am hopeful that this directive will allow all parties to now refocus their energy on meeting the needs of students.

Sincerely,

A handwritten signature in cursive script, appearing to read "Margaret D.", written in black ink.

Margaret MacDiarmid
Minister



Memorandum
vancouver school board



June 11, 2010

To: Education & Student Services and
Finance & Legal Committee (Committee III/V)

From: District Management Team

Subject: **Implementation Status of 2010/2011 Revised Preliminary Budget Proposals**

At the April 29, 2010 Special Board meeting, the Board deferred approval of the Preliminary Budget until June, 2010. The Board, however, passed the following motion:

“That staff be directed to proceed with the 2010/2011 Revised Budget Proposals that are time sensitive for issues related to Collective Agreements and school operational requirements.”

Attachment A highlights the budget proposals in which action has been taken to proceed owing to their time sensitive nature.

This report is provided for information.

PROPOSAL	Staffing Impact		Budget Impact			
	Base	Reduction	Salaries and Benefits	Supplies	Revenue	Total
1 .0 Instructional Staffing - Teachers						
1 .01 Learning Services - Gifted Services	10.0	2.0	135,420			135,420
1 .02 Learning Services - Band and Strings Program	8.7	8.7	589,077			589,077
1 .03 Learning Services - Area Counsellors	30.0	7.0	473,970			473,970
1 .04 Learning Services - Special Education and Alternate Programs	147.9	8.9	599,843			599,843
1 .05 Learning Services - District Consultants, Teachers and Mentors	30.0	10.4	704,184			704,184
1 .06 Junior Kindergarten Program	1.6	1.6	107,659			107,659
1 .07 Learning Services - Home Instruction	3.0	0.6	40,626			40,626
1 .08 Learning Services - Teacher Psychologists	12.0	1.0	98,410			98,410
1 .09 Learning Services - Speech Language Services	16.1	1.0	96,560			96,560
1 .10 Additional Entitlements	19.8	7.9	534,286			534,286
1 .11 Non-Enrolling Teachers	528.1	20.1	1,360,971			1,360,971
1 .12 Consolidation of Positions			200,000			200,000
Subtotal Instructional Staffing - Teachers		69.1	4,941,006			4,941,006
2 .0 Instructional Staffing - Support Staff						
2 .01 Junior Kindergarten Program	2.5	2.5	111,600			111,600
2 .02 Learning Services - Special Education and Alternate Programs	87.6	9.0	401,760			401,760
2 .03 Inner City Schools Program	23.0	4.0	178,560			178,560
2 .04 Learning Services - Special Education Assistants for Mainstream Classes	661.0	8.0	357,120			357,120
2 .05 Learning Services - Office Support Staff	15.9	2.0	103,140			103,140
2 .06 Learning Services - Education Coordinator	5.0	1.0	91,879			91,879
2 .07 Learning Services - Multicultural Liaison Workers	24.0	4.0	224,560			224,560
Subtotal Instructional Staffing - Support Staff		30.5	1,468,619			1,468,619
3 .0 Instructional Staffing - Substitutes						
3 .01 Calendar Savings - TOC/EOC Cost			1,000,000			1,000,000
3 .02 Elimination of Early Dismissal			200,000			200,000
3 .03 Learning Services - Teachers on Call			200,000			200,000
Subtotal Instructional Staffing - Substitutes		-	1,400,000	-	-	1,400,000
4 .0 Instructional Supplies						
4 .01 Learning Services - Instructional Supplies		-		311,000		311,000
4 .02 School Flexible Purchasing Budgets		-		400,000		400,000
4 .03 School Growth and District Plan		-		37,154		37,154
Subtotal Instructional Supplies		-	-	748,154		748,154
5 .0 School Administration						
5 .01 Secondary Vice Principals Admin Time		4.9	328,881			328,881
5 .02 Pilot - Two School Business Officers in Secondary Schools		(0.6)	64,151			64,151
5 .03 Elementary Administration		5.5	477,805			477,805
5 .04 Clerical Support to Schools		5.0	218,500			218,500
5 .05 Department Head Reduction by 30%		-	148,800			148,800
5 .06 Head Teacher		-		95,170		95,170
Subtotal School Administration		14.8	1,238,137	95,170	-	1,333,307
6 .0 Continuing and International Education						
6 .01 Associate's Office			4,000	17,042		21,042
6 .02 Distributed Learning		1.0	67,710	3,012		70,722
6 .03 Adult Education	150.2	9.5	986,940	100,000		1,086,940
6 .04 Summer School	51.5	2.0	173,918	111,383		285,301
6 .05 Night School	12.3	5.8	1,279,208	203,279	(1,250,156)	232,331
6 .06 DPAC Consulting Services				40,000		40,000
Subtotal Continuing and International Education		18.3	2,511,776	474,716	(1,250,156)	1,736,336

PROPOSAL	Staffing Impact		Budget Impact			
	Base	Reduction	Salaries and Benefits	Supplies	Revenue	Total
7 .0 District Administration						
7 .01 Co-ordinator of Initiatives and Information	1.0	1.0	91,879			91,879
7 .02 Learning Services-District Principal Educational Technology		(1.0)	(142,490)			(142,490)
7 .03 Learning Services-District Principal		1.0	142,490			142,490
7 .04 Amalgamation of Administrative & Clerical Services in the Superintendent's, Secretary-Treasurer's and Area Office	4.0	2.0	129,484			129,484
7 .05 BCeSIS - Support		(3.5)	(260,134)			(260,134)
7 .06 Office of the Assistant Secretary Treasurer - Finance			84,000	59,223		143,223
7 .07 Accounting	16.0	1.0	62,705	21,973		84,678
7 .08 Material Services	11.0	2.0	102,200	60,000		162,200
7 .09 Payroll and Benefits	15.5	1.8	102,098			102,098
7 .10 Printing Services	7.0	1.0	55,670			55,670
7 .11 Purchasing and Food Services	8.8	0.5	27,280	298,115		325,395
7 .12 Cafeterias				150,000		150,000
7 .13 Human Resources Staff Reduction		3.0	181,921			181,921
7 .14 HR Training Support		-	163,289	63,711		227,000
7 .15 Learning and Information Technology		1.5	72,000	135,000		207,000
Subtotal District Administration		10.3	812,392	788,022	-	1,600,414
8 .0 Transportation						
8 .01 Transportation				468,134		468,134
Subtotal Transportation		-	-	468,134	-	468,134
9 .0 Facilities						
9 .01 Increase Rental Revenues					247,000	247,000
9 .02 Reduce Utility Budgets				310,000		310,000
9 .03 Portable Classroom Closure		-	27,450	29,250		56,700
9 .04 Partial Facility Closure - Outbuildings		1.7	92,985	40,612		133,597
9 .05 Facility Leases for District Learning Services Programs		-		20,000		20,000
9 .06 Contribution Towards Playground Site Prepreparation		-		36,000		36,000
9 .07 Grounds Weed Control Program		-		35,000		35,000
9 .08 Gravel Playfield Maintenance		-		25,000		25,000
9 .09 Suspend Custom Millwork for One Year	9.0	1.0	82,000			82,000
9 .10 Contract Inspectors (Roofing and Minor Alterations)	2.0	2.0	174,000			174,000
9 .11 Capital Projects Coordinator		1.0	90,000			90,000
9 .12 Elimination of Lifetime Guarantee for Repairs on VBE Fabricated Furniture	27.0	1.0	85,000	10,000		95,000
9 .13 Suspend Interior Painting for One Year	17.0	12.0	1,146,000			1,146,000
Subtotal Facilities		18.7	1,697,435	505,862	247,000	2,450,297
10 .0 School Closures						
10 .01 School Closures			-			-
Subtotal School Closures		-	-	-	-	-
11 .0 Other						
11 .01 Employee Future Benefits			177,018			177,018
Subtotal Other		-	177,018	-	-	177,018
Grand Total		161.7	14,246,382	3,080,057	(1,003,156)	16,323,283

COMMUNITY LINK

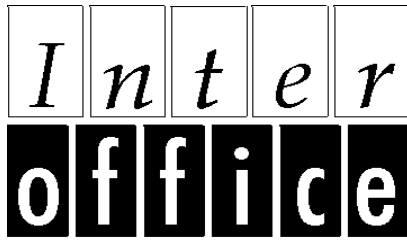
PROPOSAL	Staffing Impact		Budget Impact			
	Base	Reduction	Salaries and Benefits	Supplies	Revenue	Total
1 .0 CommunityLINK - CST						
1 .01 CommunityLINK School Grants				175,000		175,000
1 .02 CommunityLINK LIFT Grant				30,000		30,000
1 .03 Programmer Time		-	25,613			25,613
2 .0 CommunityLINK - YFW						
2 .01 CommunityLINK Alternative Programs Support	67.0	3.0	156,920			156,920
3 .0 CommunityLINK - School Meals Program						
3 .01 Defer Expansion of the Meals Program to New Sites		3.0	133,300	80,000		213,300
Grand Total		6.0	315,833	285,000	-	600,833

District Management Reorganization

PROPOSAL	Staffing Impact		Budget Impact			
	Base	Reduction	Salaries and Benefits	Supplies	Revenue	Total
OPERATING						
Manager-DRPC	1.0	1.0	100,570			100,570
District Principal-Alternative Programs	7.0	1.0	136,577			136,577
Associate Superintendent	6.0	1.0	164,192			164,192
Grand Total		3.0	401,339	-	-	401,339

COMMUNITY LINK

PROPOSAL	Staffing Impact		Budget Impact			
	Base	Reduction	Salaries and Benefits	Supplies	Revenue	Total
CommunityLINK - District Principal-Inner City	1.0	1.0	146,454			146,454
CommunityLINK - District Principal Learning Services (Alternate/Inner City)		(1.0)	(136,577)			(136,577)
Grand Total		-	9,876	-	-	9,876



Memorandum

vancouver school board



June 11, 2010

To: Education & Student Services and Finance & Legal Committee
(Committee III/V)

From: District Management Team

Subject: **Special Advisor's Report – Comments on VSB Projections**

The Special Advisor's Report issued on June 4, 2010, had a number of comments and recommendations with respect to the Vancouver School Board's budget projections. This report provides a response to the comments made by the Special Advisor.

Projections for 2009/2010 and 2010/2011

The Special Advisor has suggested that the VSB's projected surplus for 2009/2010 will be greater than projected and the 2010/2011 projected funding shortfall will be less than estimated. The following compares the VSB's projections with those suggested by the Special Advisor.

VSB Projections

The VSB Board of Trustees approved a 2009/2010 Amended Budget in February, 2010 which included a projected unrestricted surplus of \$2.9 million largely due to higher enrolment than anticipated in the preliminary budget. The projected surplus for 2009/2010 has been revised to reflect a number of events since February, 2010. The following table reflects an updated projected surplus of \$1.92 million for 2009/2010. In addition, \$0.92 million will be transferred to the Local Capital Reserve from surpluses in the extended health and dental plans. The operating surplus of \$1.92 million and the \$0.92 million transferred to the Local Capital Reserve will be used to help offset the projected 2010/2011 funding shortfall.

Updated 2009/2010 Projected Surplus	
	<u>\$million</u>
• Projected Surplus (Feb./10)	2.90
• Additional Projected Rental and International Student Revenue	0.48
• Estimated Impact of Distributed Learning Audit	(1.46)
	<u>1.92</u>

The 2010/2011 Revised Budget Proposals considered by the Board of Trustees on April 29, 2010, included a projected funding shortfall of \$16.32 million. The projected funding shortfall for 2010/2011 has been revised to reflect subsequent events since April, 2010. The following table reflects an updated projected funding shortfall of \$17.23 million for 2010/2011.

Updated 2010/2011 Projected Funding Shortfall	
	<u>\$million</u>
• Projected Funding Shortfall (April/10)	(16.32)
• Ongoing Impact of Distributed Learning Audit	(0.93)
• District Management Reorganization	0.40
• Higher Grad Adult Funding and Interest Revenue	0.60
• Lower 2009/2010 Carry Forward	(0.98)
	<u>(17.23)</u>

Special Advisor's Projections

The Special Advisor has proposed a restatement of the projected surplus for 2009/2010 to include an estimate of the restricted surplus as at June 30, 2010, as well as the projected unrestricted surplus. Their projected surplus totals \$6.81 million, as outlined in the following table.

2009/2010 Projected Restricted and Unrestricted Surplus	
	<u>\$million</u>
• Projected Unrestricted Surplus (Feb./10)	2.90
• Projected Changes to Unrestricted Surplus	
- Additional Rental and International Student Revenue	0.45
- Impact of Distributed Learning Audit	(1.46)
• Projected Restricted Surplus	<u>4.92</u>
	<u>6.81</u>

The projected restricted surplus is an estimate of the commitments outstanding as of June 30, 2010 related to purchase orders, remaining school supply budgets and other projects. The restricted funds will be carried forward to 2010/2011 to fund the current outstanding commitments.

The Special Advisor has projected a revised funding shortfall for the VSB for 2010/2011 of \$11.79 million as outlined in the following table.

Proposed Revised 2010/2011 Projected Funding Shortfall	
	<u>\$million</u>
• Projected Funding Shortfall (April/10)	(16.32)
• Provision for Additional Revenue	2.00
• Carry Forward of Additional Restricted and Unrestricted Surplus	3.46
• Impact of Distributed Learning Audit	<u>(0.93)</u>
	<u><u>(11.79)</u></u>

The District Management Team has identified the following concerns with the Special Advisor's projections:

- 1) The Special Advisor has included an adjustment of \$2.0 million for 2010/2011 to reflect what they feel is a conservative estimate for interest, leases and grant revenues. No detail is provided to support their adjustment. The updated VSB projection for 2010/2011 already includes an adjustment of \$0.5 million for higher interest revenue.
- 2) The most significant concern with the Special Advisor's projections is the assumption that the estimated restricted surplus as at June 30, 2010 (\$4.92 million) can be used to help reduce the projected funding shortfall for 2010/2011. The restricted surplus is already committed to fund expenditures that will be incurred in 2010/2011 related to outstanding purchase orders, school based expenditures (e.g. school supplies already ordered for 2010/2011) and other projects. Accordingly, these funds are not available to offset the projected funding shortfall for 2010/2011.

Three-Year History of Projected Surpluses/Shortfalls

The Special Advisor has compared the Base Budget, Preliminary Budget and Amended Budget projections for the VSB, together with the actual results for the last three years, and believes the Preliminary Budget projections tend to be conservative.

The following table provides a summary of these projections.

Three Year History of Projected Operating Surplus/Shortfall (\$ millions)			
	2007 2008	2008 2009	2009 2010
Unrestricted Operating Surplus			
Base Budget Projection	(5.82)	(3.32)	(7.12)
Preliminary Budget	0.00	0.00	0.00
Amended Budget Projection	3.54	3.87	2.90
Actual	5.74	4.37	1.92
Local Capital Reserve Transfers and Restricted Surplus			
Transfers from Local Capital Reserve	-	2.70	0.92
Internally Restricted Surplus	10.08	9.52	4.92

In the above table, it is important to separate unrestricted surplus from Local Capital Reserve transfers and restricted surplus. Unrestricted surplus is funding that is not expected to be spent and, accordingly, can be used to fund future years' funding shortfalls. Restricted surpluses, on the other hand, are funds that are held in reserve to fund outstanding commitments (e.g. purchase orders). Restricted surpluses are not available to assist in funding future years' funding shortfalls. The Local Capital Reserve largely represents one-time reserves that, with the approval of the Board, can be used to help fund projected budget shortfalls.

As noted in the above table, the VSB has projected base budget funding shortfalls for the last three years. The Board has had to make budget reductions in order to pass a "balanced" Preliminary Budget in each of these years.

The Amended Budget and Actual results for each year tend to be more positive than the Preliminary Budget projection largely due to greater additional enrolment than anticipated. In particular, in 2007/2008 the actual unrestricted surplus was greater than expected due to additional Distributed Learning enrolment for February and May, which was not included in the Preliminary Budget owing to its uncertain nature.

In summary, the Preliminary Budget projections tend to be slightly conservative in order to avoid having to negatively impact schools and classrooms after September if enrolment projections are not achieved. It should be noted, however, that the additional net surplus reported in the Amended Budget and Actual results is not significant (typically less than 1% of the total annual budget) and is generally carried forward to help fund the future year's funding shortfall (which is usually a greater amount than the amount being carried forward). Given the ongoing structural deficit faced by the VSB, this approach minimizes the risk of negative surprises for schools in September and earmarks any surplus (once confirmed) to assist in funding future years' funding shortfalls.

Other Comments

The Special Advisor also has commented that the VSB projection includes the total expenditure budget for the year (instead of projecting what will actually be spent) and that the VSB should undertake a zero-based budgeting exercise to validate its incremental budget.

Firstly, the VSB projections are not based solely on the total expenditure budget. This is evident from the fact that a surplus is projected for 2009/2010. Secondly, the budget adjustments included in the base budget for 2010/2011 are fully supported by detailed salary information and projections for supplies expenditures.

Based on this response, the District Management Team does not believe any adjustments are required with respect to VSB's 2009/2010 projected surplus or the 2010/2011 projected base budget shortfall.

This report is provided for information.