



Memorandum

vancouver school board



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
5 .03 Elementary Administration	(0.50)	(0.14)
5 .06 Head Teacher	1.20	0.14
Total Proposed Changes	28.90	1.85
Total Revised Preliminary Proposals	(161.73)	(16.32)

The proposed changes will reduce the proposed teacher cuts by 25.9 FTE (from 113.83 FTE to 87.93 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.