

Vancouver School Board Resource Allocation Review

Final Report
March 7, 2012

Important Notice to Readers

This report is issued by PricewaterhouseCoopers LLP (“PwC”) to the Senior Management of Vancouver School Board (“VSB”) and the Board of Trustees in connection with the Resource Allocation Review. This report was prepared by PwC for the sole and exclusive use of the VSB and the Board of Trustees. PwC accepts no liability or responsibility whatsoever to any third parties which may arise from their reliance on the contents of this report.

Our work did not constitute an audit conducted in accordance with generally accepted auditing standards, an examination of internal controls or other attestation or review services in accordance with standards established by the Canadian Institute of Chartered Accountants (“CICA”). Accordingly, we do not express an opinion or any other form of assurance on the financial or other information, or operating and internal controls, of VSB.

Our work was based primarily on information supplied by the management of VSB and was carried out on the basis that such information is accurate and complete. Information was not subject to checking or verification procedures, except to the extent expressly stated to form part of the scope of our work. In particular, PwC did not assess the accuracy or completeness of the Fiscal Year 2012/2013 budget deficit as presented by the Vancouver School Board.

We make no representation regarding the sufficiency of our work either for the purposes for which this report has been requested or for any other purpose.

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Executive Summary

Vancouver School Board (“VSB”) is expected to incur an operating funding shortfall of \$8.0 to \$8.5 million in Fiscal Year 2012/13. PricewaterhouseCoopers LLP (“PwC”) was engaged to conduct a Resource Allocation Review providing VSB an examination of services and identifying opportunities for increased cost effectiveness, cost efficiency and opportunities for additional revenue that will help address the projected 2012/2013 budget year shortfall and assist in aligning to their long-term strategic vision. Through structured interviews with VSB staff, documentation review, and comparative assessments to peer school boards, PwC identified a potential of approximately \$16.3 million in annually recurring short-term deficit reductions and long-term savings. These identified items are meant to assist Vancouver School Board in determining how to best reallocate its limited resources with the focus on enabling students to reach their intellectual potential in a challenging yet ideal learning environment. The findings were identified across three themes: Short-Term Items, Long-Term Items and Strategic Initiatives.

Short-Term items are defined as initiatives that can be initiated but not necessarily finalized within the next budget year. These items are identified as having low complexity considerations, minimal capital investment requirements and a potential realization of benefits during the year. They total approximately \$12.3 million and serve to strategically align the services provided by Vancouver School Board with the core priorities of both the school board and the BC Ministry of Education. Furthermore, opportunities were assessed where reduction to scope of services could be done while maintaining the requisite outcomes, as well as assessing services that are not part of VSB’s core mandate. Focal areas of further assessment relate primarily to:

- Sourcing Process: Review purchasing standards to utilize and negotiate further purchasing discounts.
- Adult and Continuing Education: Review financial sustainability of the programs and how they align with the school board’s core mandate and future strategic vision.
- Employee Wellness Management: Assess management and monitoring of employee wellness and associated absenteeism rates.

These specific areas were identified to have approximately \$7.1 million in potential deficit reductions which is expected to be accrued over multiple years.

Additionally, long-term items of \$4.0M are classified based on their high level of implementation complexity, moderate to high capital investment requirements and an unlikely realization of benefits during the year. Assessment of the school board’s infrastructure and service provisions were examined to streamline areas for increased efficiencies, reduced duplication and defragmentation of service delivery while maintaining the same high quality level and scope of services currently being provided. Key long-term items that need to be taken into further consideration include:

- Additional Enrolment Opportunities: Leverage key demographical and geographical data to assist in strategic decision making in enrolment across the school sites.
- Redeployment of Properties: Assess underutilized space figures, seismic risks, proximity to alternative locations and multi-purpose usage objectives to determine how best to redeploy properties.

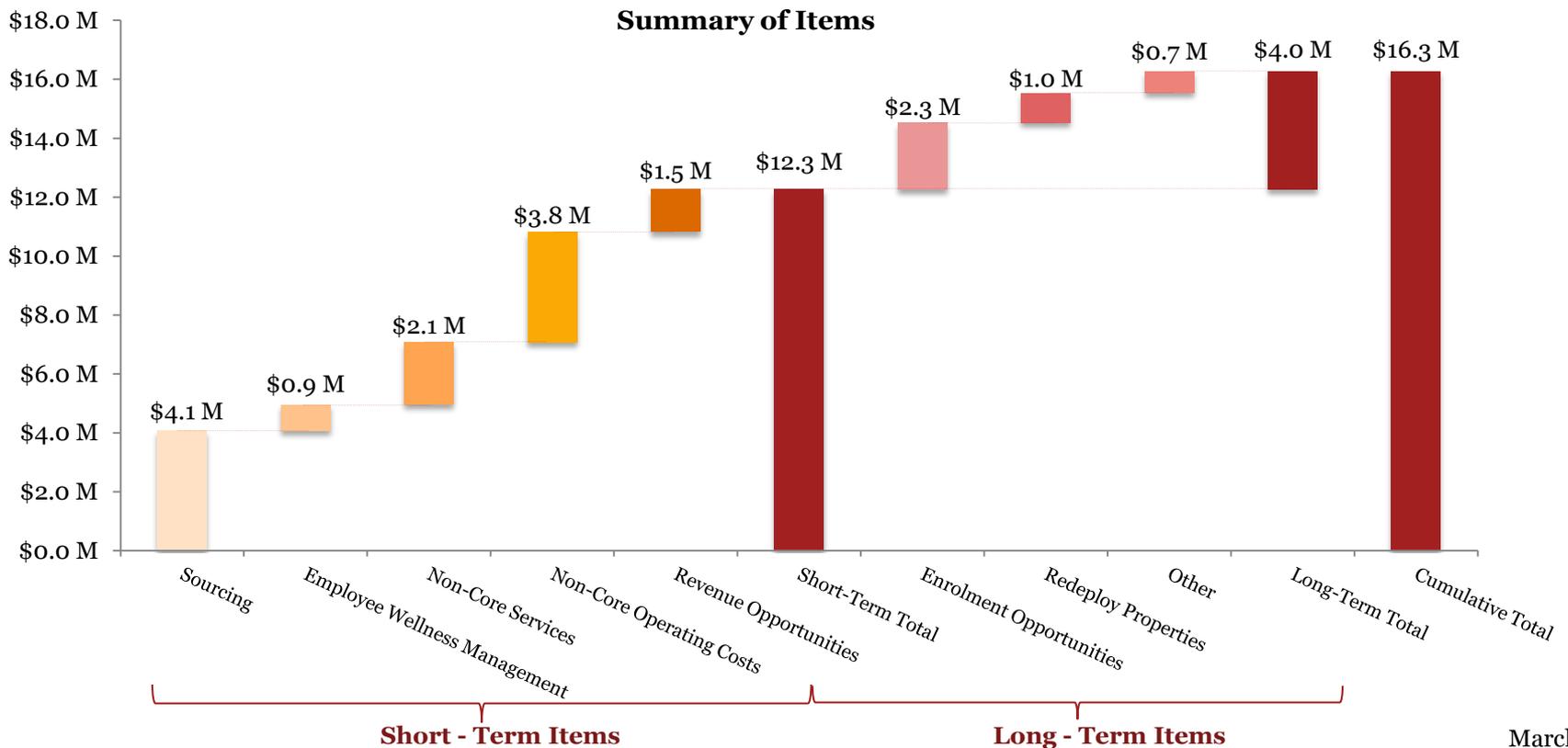
These areas have the potential to further provide VSB with \$3.3 million in long-term savings.

Executive Summary

Finally, strategic initiatives were identified to further strengthen the overarching framework of the school board and increase the likelihood of successful implementation of key initiatives while continuing to align operations to the overall strategic plan.

All findings provided in this report are based on empirical evidence, external research and the experience of the management of VSB. As such, PwC recommends Vancouver School Board give due consideration to these opportunities and the importance to its core vision as summarized through four fundamental goals:

- *Students are fully engaged in learning,*
- *All students are included and have the opportunity to succeed,*
- *Communities, families and educational partners are effectively engaged in supporting student success, and*
- *VSB is efficient, effective and sustainable.*



1.0 Introduction

1.1 Purpose

Vancouver School Board (“VSB”) contracted PricewaterhouseCoopers LLP (“PwC”) to conduct a Resource Allocation Review focusing on all aspects of VSB’s operations excluding those specifically required by legislation or existing contractual agreements. The review was aimed to include an analysis of the current state, areas of further assessment for deficit reduction, potential outcomes and key considerations for implementation with a focus on impact to stakeholders and linkages to the strategic plan.

1.2 Scope and Limitations

As per the General Supply Agreement Professional Services, the scope of this project was to conduct an examination of services and identify opportunities for increased cost effectiveness, cost efficiency and opportunities for additional revenue that will help address the projected 2012/2013 budget year shortfall. The expected outcomes of the review include:

- An assessment of the current state of the service areas; and
- Options and recommendations for an optimal future state based on the current state observations.

2.0 Context and Background

2.1 Provincial Context

- The provincial 2012 Budget and Fiscal Plan has set an objective of balancing the provincial budget by 2013/14 while continuing to reinforce the importance of the education system in British Columbia.
- The province is maintaining K-12 operating funding at \$4.7B with incremental funding of \$165M over the next three years.
- The education and health sector accounts for close to 70% of total provincial expenses and is expected to incur upwards of \$29 billion over the next several years.
- The British Columbia Education Plan looks to better link what students learn at schools to their everyday lives. This includes innovation and flexibility in the learning environment that brings the education system into the 21st century.
- The Ministry recently announced that the funding allocation formula will change for 2012/13, with expected additional funding for Community LINK and small school districts for low enrolment factors. Changes to the calculation of the transportation supplement and protection of funding are also expected.
- The Ministry has acknowledged that approximately \$840 million is spent annually in the K-12 public school sector on non-core costs, including district administration, operations and maintenance, and transportation services. To reinvest these costs into supporting student learning, they have identified a potential to transition towards shared service approaches to help manage these costs and attain potential cost savings of up to 8%.

2.0 Context and Background

2.2 Vancouver School Board Background

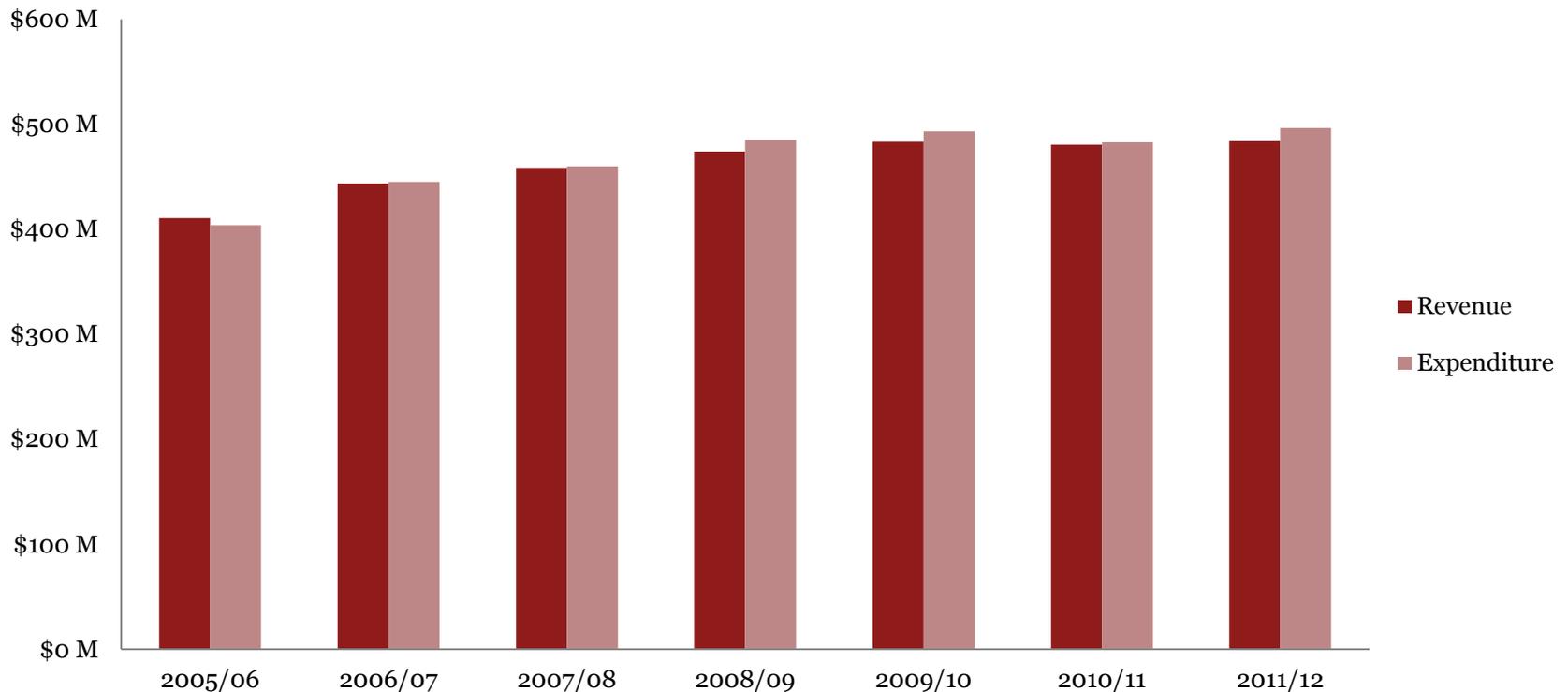
- Changes in the demographic profile of Vancouver have contributed to the continuous enrolment decline at Vancouver School Board and the trend is projected to continue to 2014/15. Enrolment has decreased over 6% from 2002/03 to 2010/11 while student enrolment in Independent Schools have increased.
- VSB not only receives less provincial funding as a result of decreased enrolment but also faces under-utilized school capacity.
- Approximately 94% of the school board's revenue is through provincial grants. The means to spend these funds is highly regulated by provincial legislation, existing contracts or collective agreements and is not open to the budgetary discretion of the school board. This accounts for over 65% of the operating budget.
- Despite the school board's continuous effort in increasing cost efficiencies, VSB is expecting to face a major challenge in 2012/13 with an initial estimated shortfall of \$14 million, or close to 3% of the prior year's operating budget. Based on projected surpluses for the current year this amount is estimated to decrease to approximately \$8.0 to \$8.5 million and will be finalized on March 26, 2012.
- In spite of all these factors, Vancouver School Board has been able to provide an open, welcoming learning environment to foster educational growth in the city. VSB must continue to consider the financial sustainability of services provided to ensure all learners continue to receive a high quality education.

2.0 Context and Background

Budget Pressures

Historical data has proven that funding is not sufficient to cover the operating expenditures of the school board. Salary and benefit increases, inflation and enrolment changes are the main contributors to the structural shortfall. As a result, Vancouver School Board has chosen to use one-time items to balance the budget. However, this is not financially sustainable as they only temporarily address the shortfall for the current year.

VSB Historical Budget

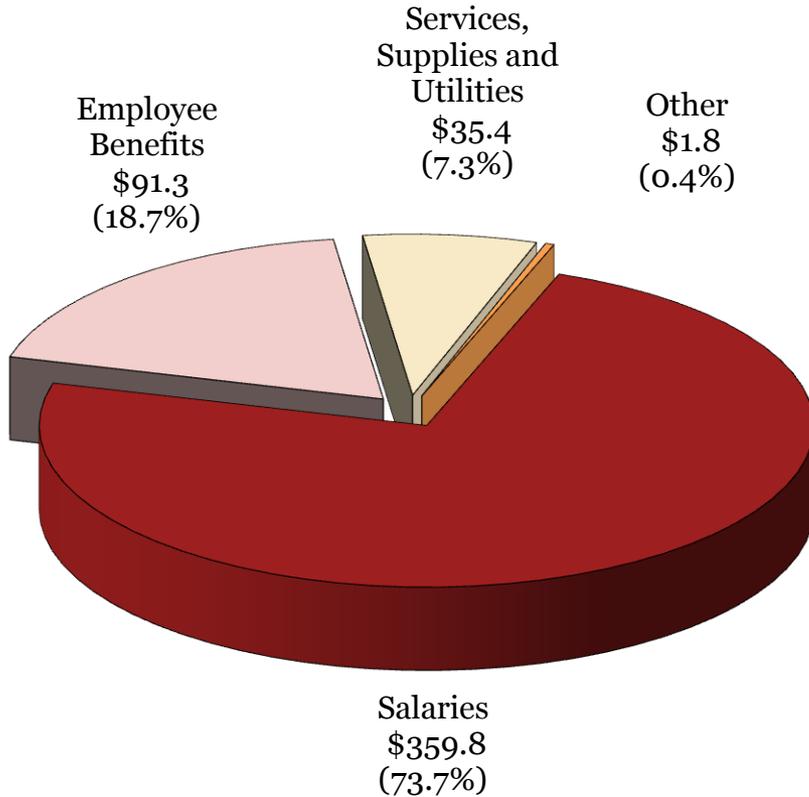


2.0 Context and Background

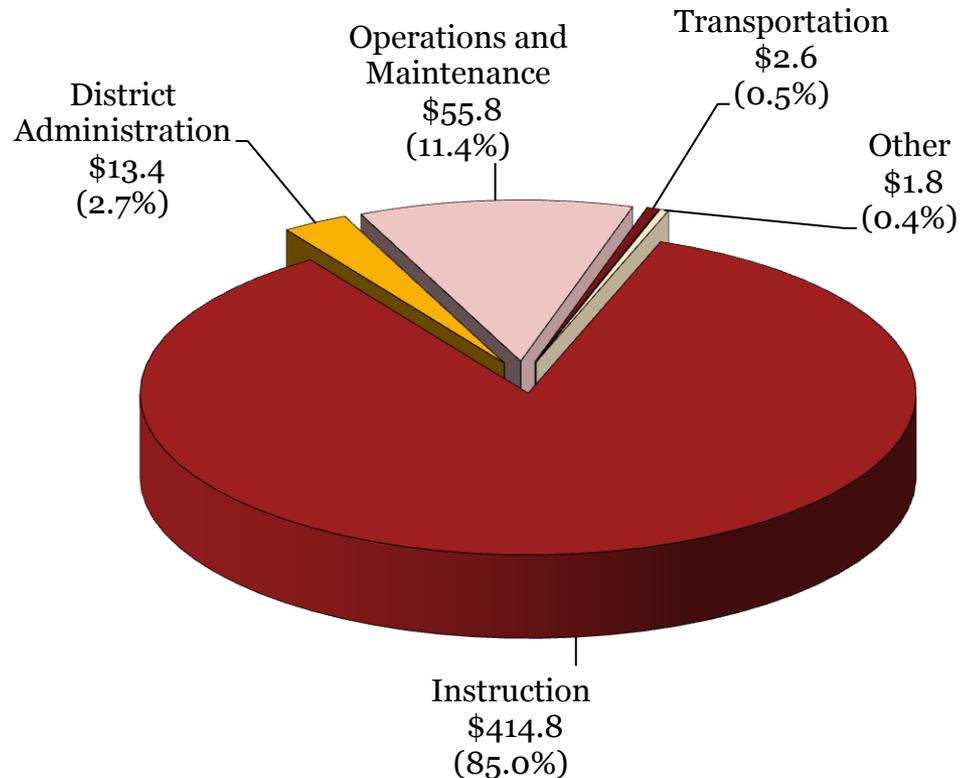
Expenditure Breakdown

Over 92% of expenditures by type in FY12 are related to employee salaries and benefits. 85% of expenditures by function are related to instruction which includes salaries and benefits for teachers, principals, vice-principals, educational assistants, support staff and other professional staff. Over 65% of the operating budget is regulated by provincial legislation, existing contracts or collective agreements.

Expenditure By Type



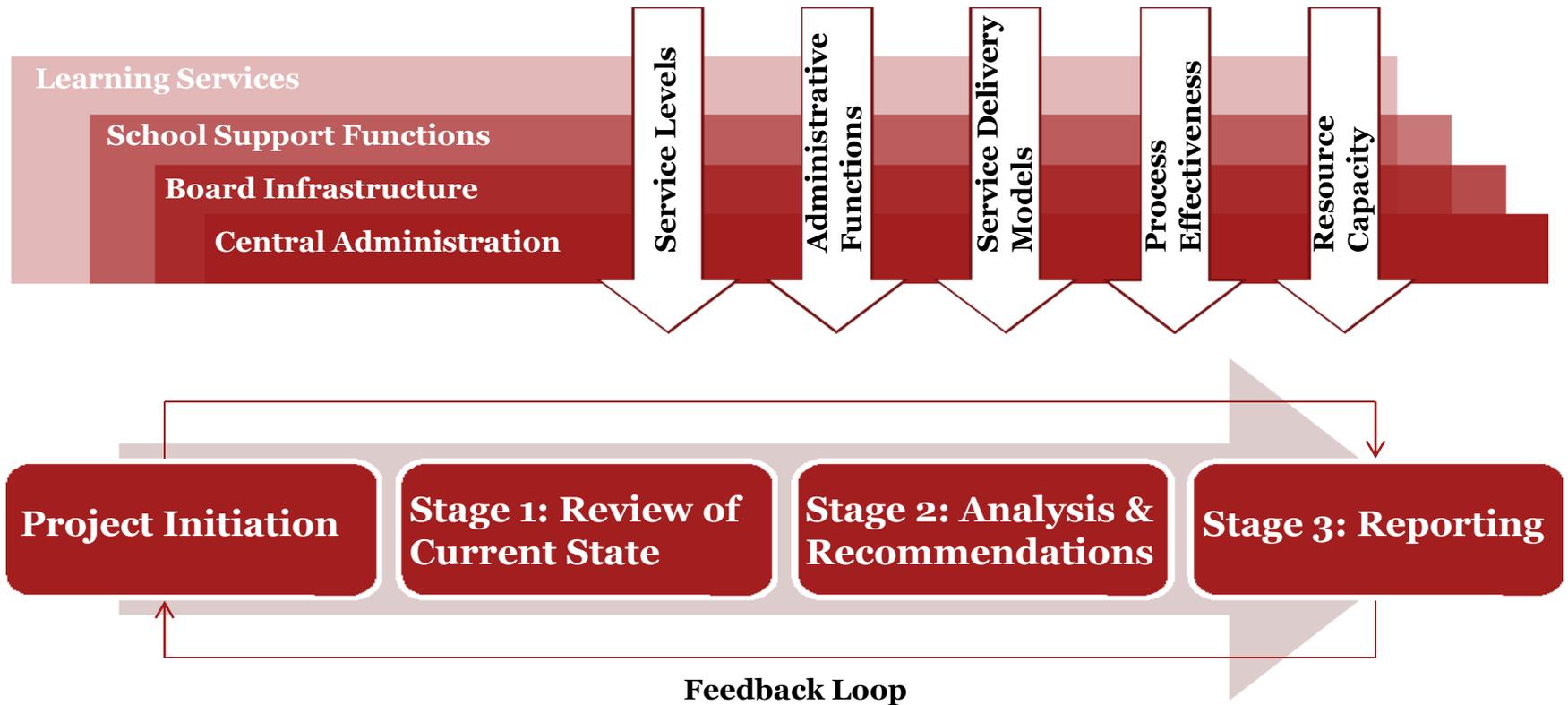
Expenditure By Function



3.0 Approach

3.1 Overview

A three-staged approach was used to conduct the assessment with feedback loops to VSB stakeholders throughout the project. Vancouver School Board outlined four functional areas for review with each area encompassing five dimensions of analysis. Our approach was to conduct the review by function, covering all five dimensions within each function.



3.0 Approach

3.2 Scope

The scope of this project was to assess service offerings and departments of the school board to highlight areas of opportunity for addressing the projected budget deficit. Although further assessment is required to identify areas of opportunity within the terms of the collective agreements, it was considered out of scope for the purposes of this review. Due consideration was also given to legislative regulations, other agreement constraints and the school closure moratorium during the Resource Allocation Review.

| In Scope | | | | | | |
|------------------------------|-----------------------------|----------------------------------|----------------------------|----------------------------|-------------------------------|-------------------------|
| Central Administration | | | Education Administration | Facilities | Information Technology | Revenue Generation |
| Office of the Superintendent | Finance and Administration | Human Resources | School Support Functions | Maintenance & Construction | Information Technology | International Education |
| Governance Model | Reporting & Compliance | Planning & Policy Compliance | School Offices | Operations | Infrastructure | Continuing Education |
| Decision-Making Process | Accounting & Treasury | Staff On boarding & Off boarding | District Learning Services | Planning & Facilities | Service Delivery & Operations | Rentals & Leases |
| Accountability | Budgeting & Forecasting | Succession Planning | District Field Services | | | Miscellaneous Grants |
| Strategic Planning | Project / Risk Management | School Staffing & Allocation | Other Learning Services | | | |
| Stakeholder Engagement | Payroll & Benefits | Health & Safety | | | | |
| | Finance – Business IT | Labour Relations | | | | |
| | Records Management | Employee Performance | | | | |
| | Purchasing & Admin Services | Attendance Management | | | | |

| Out of Scope |
|-----------------------------|
| Collective Agreements |
| Provincial Funding Formulas |
| Provincial Legislation |

3.0 Approach

3.3 Information Gathering

Over the course of a seven-week period, PwC conducted a review of all functional areas in scope. Opportunities for cost reduction and revenue generation were developed using information from a variety of sources including:

- Over 40 on-site interviews and workshops with Trustees, District Management, key staff of in-scope departments, various committees, school administration and union representatives;
- Over 150 documents provided by VSB, including numerous business reviews and studies internally prepared by the school board;
- External research with public sector subject matter advisors; and
- Comparative analysis using external data from peer school boards.

3.4 Organization of Opportunities

Through the information gathering activities outlined, a number of proposed items were evaluated based on their alignment with the engagement scope. Specifically, each opportunity was evaluated using four lines of evidence to determine their suitability for further assessment:

- Support of the findings through Vancouver School Board documentation;
- Support of the findings through external research and subject matter advisors;
- Support of the findings through a comparative analysis of peer school boards, where applicable; and
- Agreement with the District Management Team as to the operational feasibility of the items.

Items deemed most appropriate for further consideration were included in this report and have been organized into three themes.

4.0 Themes of Findings

Part A. Short-Term Items

- Items that can be initiated but not necessarily finalized within the next budget year;
- Items identified as having low complexity considerations, minimal capital investment requirements and a potential realization of benefits during the year. Items are further refined based on whether it would have an impact on the operating budget;
- Items that strategically align the services provided to the core priorities of the school board and Ministry of Education;
- Items to reduce the scope of the services provided while maintaining the requisite outcomes; and
- Items to refocus services towards the school board's core mandate.

Part B. Long-Term Items

- Items that have a high level of implementation complexity, moderate to high capital investment requirements and an unlikely realization of benefits during the year;
- Items to streamline and/or restructure the school board to increase efficiency, reduce duplication and eliminate fragmentation of service delivery while maintaining the same level of services; and
- Items to increase the efficiency of specific services that are currently provided.

Part C. Strategic Initiatives

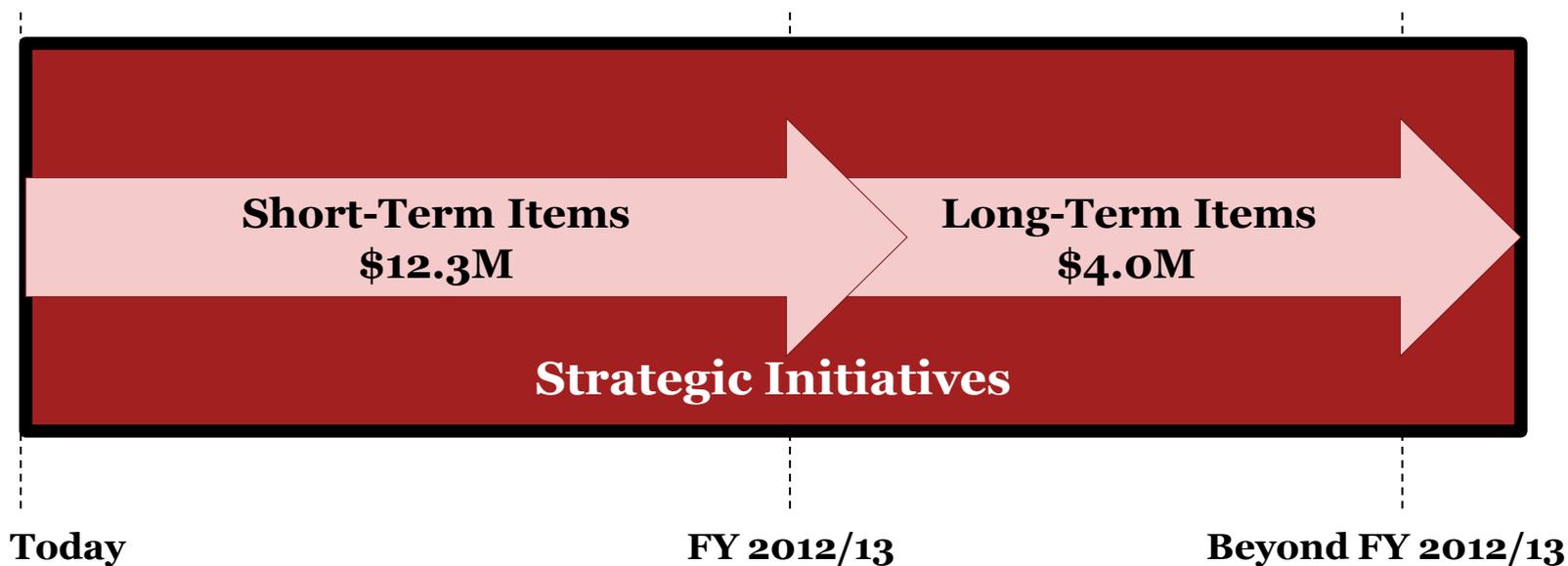
- Overarching initiatives that form the foundation to implement other initiatives successfully;
- Initiatives to provide a platform to gain efficiencies and effectiveness; and
- Initiatives to more closely align VSB processes and procedures to the overall strategic plan.

4.0 Themes of Findings

Part A outlines ten (10) cost reduction and three (3) revenue generation items that were identified for further consideration in balancing the 2012/13 budget. These opportunities total approximately \$12.3 million. **Part B** identifies five (5) items totaling \$4.0 million that were classified as long-term and could be considered for financial sustainability in future budget years.

Finally, there are eleven (11) overarching initiatives that comprise the third category - **Part C**. These initiatives are strategic in nature and do not necessarily have a quantifiable impact attached to them but are critical to forming the foundational framework to implement the short and long-term items successfully.

All of the findings identified were reviewed to ensure they directly link to the Vancouver School Board's strategic plan and their focus on efficiency, effectiveness and sustainability. Next steps have also been identified to assist VSB in utilizing the findings in this report to continue sustaining the positive learning environment that currently exists today.



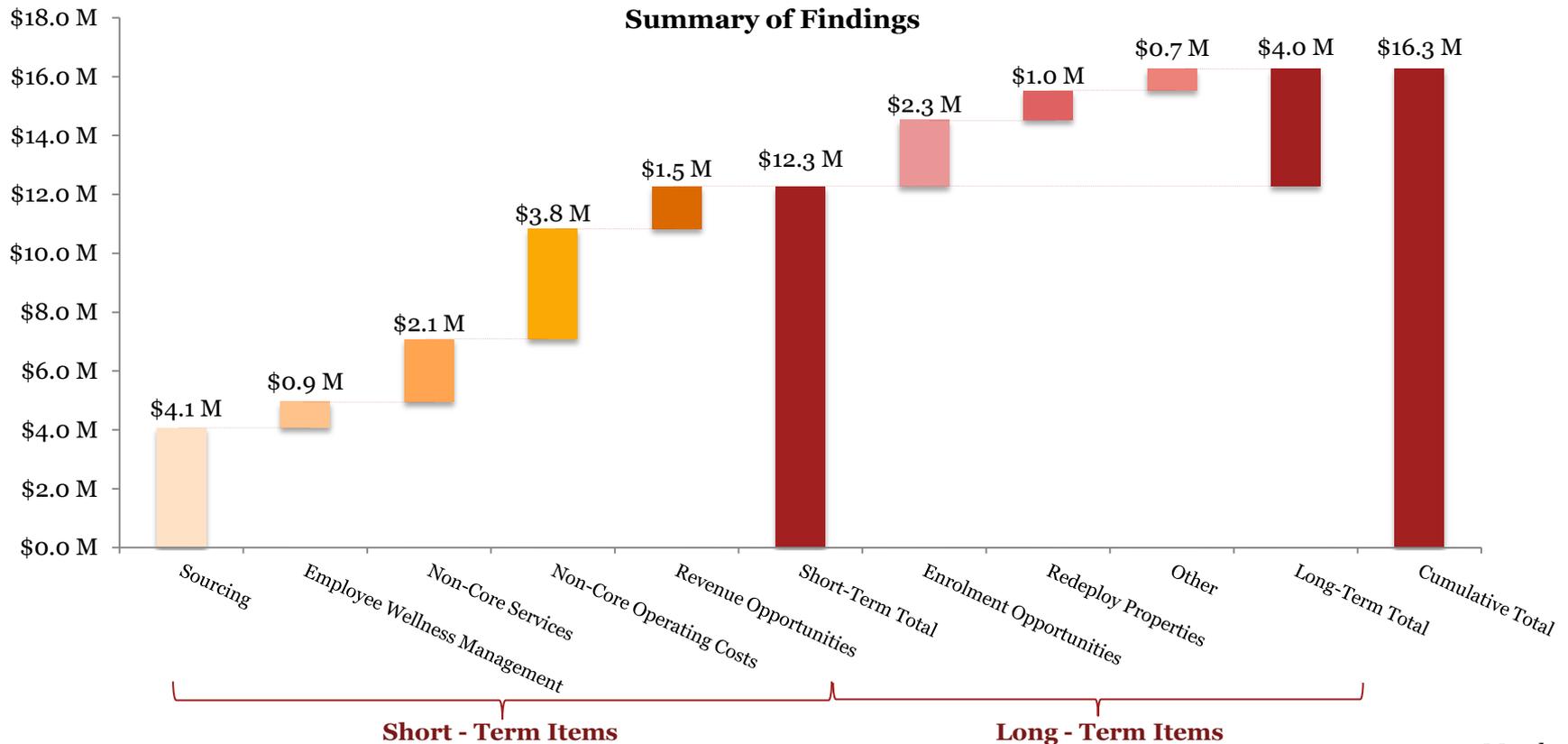
4.0 Themes of Findings

Findings by Theme

There are approximately \$12.3 million in cost reduction/revenue generation opportunities described in **Part A** of this report. Approximately 40% of these cost reductions can be achieved through a review of the sourcing process and employee wellness management. The remaining opportunities involve a review of non-core services and operating costs (48%) and revenue generation items (12%).

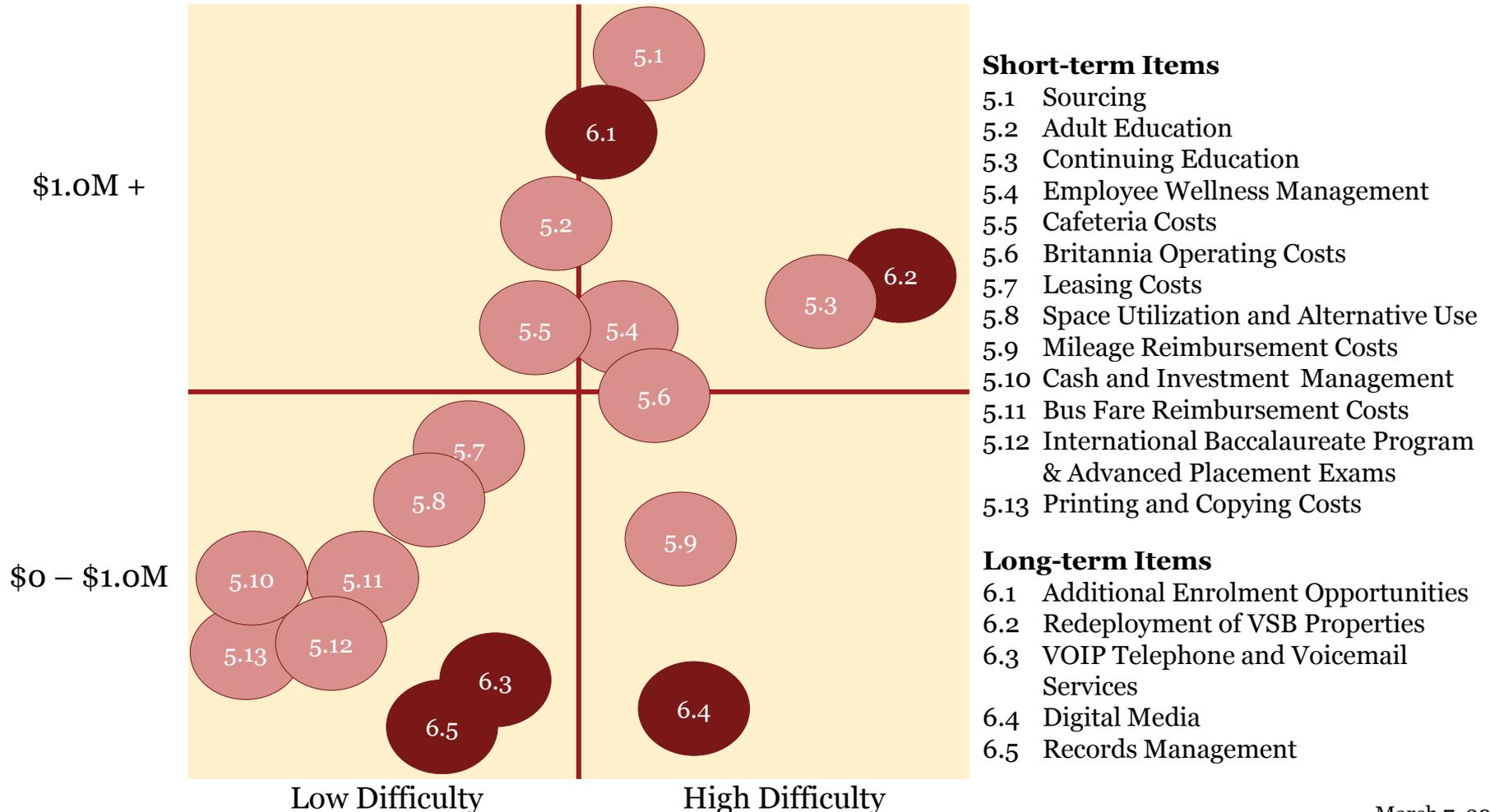
Part B also identifies \$4.0 million in long-term items with the majority of the cost savings and revenue generation arising from additional enrolment opportunities and a review of school property redeployment. Further findings around technological upgrades to transition the district into a 21st century learning environment were also addressed.

All identified items are meant to examine operating costs and revenues to address the budget shortfall in the next fiscal year and beyond.



4.0 Themes of Findings

PwC independently assessed each item according to the potential savings impact and difficulty of implementation, which takes into consideration infrastructural prerequisites, level of complexity, resource requirements, and experiences from past implementations. In conjunction with the long-term strategic vision, VSB should consider all these variables when prioritizing the findings and determining which items to further pursue. Short-term items in the lower left quadrant can be promptly addressed to achieve smaller savings immediately and with minimal difficulty. Items in the upper right quadrant represent greater savings areas which will require a higher level of implementation planning to fully realize the savings.



Short-term Items

- 5.1 Sourcing
- 5.2 Adult Education
- 5.3 Continuing Education
- 5.4 Employee Wellness Management
- 5.5 Cafeteria Costs
- 5.6 Britannia Operating Costs
- 5.7 Leasing Costs
- 5.8 Space Utilization and Alternative Use
- 5.9 Mileage Reimbursement Costs
- 5.10 Cash and Investment Management
- 5.11 Bus Fare Reimbursement Costs
- 5.12 International Baccalaureate Program & Advanced Placement Exams
- 5.13 Printing and Copying Costs

Long-term Items

- 6.1 Additional Enrolment Opportunities
- 6.2 Redeployment of VSB Properties
- 6.3 VOIP Telephone and Voicemail Services
- 6.4 Digital Media
- 6.5 Records Management

5.0 Summary of Short-Term Items

Part A outlines 10 cost reduction and 3 revenue generation opportunities that were identified for further consideration in balancing the 2012/13 budget at VSB. These opportunities total approximately \$12.3 million.

- 5.1 Sourcing
- 5.2 Adult Education
- 5.3 Continuing Education
- 5.4 Employee Wellness Management
- 5.5 Cafeteria Costs
- 5.6 Britannia Operating Costs
- 5.7 Leasing Costs
- 5.8 Space Utilization and Alternative Use
- 5.9 Mileage Reimbursement Costs
- 5.10 Cash and Investment Management
- 5.11 Bus Fare Reimbursement Costs
- 5.12 International Baccalaureate Program & Advanced Placement Exams
- 5.13 Printing and Copying Costs

5.0 Summary of Short-Term Items

5.1 Sourcing

VSB has an electronic procurement (ePro) system used to leverage discounts, centralize purchasing and set purchasing standards. However, the school board faces challenges implementing consistent purchasing procedures district-wide. VSB should consider how to best standardize purchasing procedures for district departments and schools, as well as assess where further purchasing discounts could be negotiated. This can help the school board achieve up to \$4.1 million in annual savings and improve the effectiveness of the sourcing process to be more responsive to learning and teaching needs.

5.2 Adult Education

VSB operates six adult education centers and eleven outreach programs with flexible schedules to meet the needs of adult students. However, the multiple locations and the operational demand from the self-paced program limit VSB's ability to maintain a financially sustainable Adult Education program. By reviewing the operating efficiency of each site and consolidating the self-paced program to certain adult education centers, VSB could achieve up to \$1.2 million in savings per year to improve the financial condition of the program while continuing to serve the needs of students.

5.3 Continuing Education

VSB currently offers a wide variety of interest courses as part of its non-core services in a highly competitive market. However, the shortfall of the revenue generated from the program adds financial burden to the school board's overall educational service delivery. VSB should assess the impact of discontinuing these courses with the purpose of realigning VSB's resources to its core services. The potential savings of up to \$910K could help VSB reallocate its current resources to increase responsiveness to student learning needs.

5.4 Employee Wellness Management

The school board's Employee Attendance Support Program (EASP) was developed to provide guidelines for supporting and addressing workplace attendance through increased levels of communication, awareness and interaction with employees. VSB should consider assessing the viability of a district-wide deployment of EASP and to monitor, manage and promote employee wellness to reduce absenteeism and better serve student learning needs. This has potential savings of up to \$890K per year.

5.0 Summary of Short-Term Items

5.5 Cafeteria Costs

VSB operates 17 teaching and non-teaching cafeterias and offers School Meal Programs for eligible students. The school board is upstanding in supporting student health and wellness through access to nutritious meals. However, food services are not part of their core offerings and there have been challenges in recovering cafeteria operating costs. VSB should consider the impact of implementing alternative service delivery models for the non-teaching cafeterias and assessing the costing model for the School Meal Program. They can achieve up to \$890K in savings annually which can be reallocated towards meals for more vulnerable students along with their core educational services.

5.6 Britannia Operating Costs

VSB provides building operations and maintenance services to the Britannia Community Services Centre with other parties through a cost sharing agreement to provide quality facilities to students and neighboring communities. The agreement has not been updated in over 30 years and certain terms may not be relevant in the current operating environment. VSB and their partners should consider a reevaluation of the agreement terms to assess the fairness to all parties. This can result in up to \$850K of potential operating cost reductions.

5.7 Leasing Costs

VSB leases several properties to accommodate Adult Education and Alternative programs. Although there are advantages to offering the programs at the desired locations, there are significant leasing costs that come with it. The school board should consider reviewing the current leasing arrangements and whether there are suitable location alternatives at VSB owned properties. This could potentially result in up to \$670K of annual cost savings which could be reallocated to learning environments that would continue to support student engagement.

5.0 Summary of Short-Term Items

5.8 Space Utilization and Alternative Use

VSB has performed extensive analysis around additional opportunities for multi-purpose usage of their properties. Progressive changes have been made to rental rates to keep facility rentals sustainable but the rental rates continue to be lower than comparable public organizations and in some cases are not covering the related operating costs. VSB should consider assessing the viability of implementing a cost-recovery model for its facility rental programs and to proceed with their intention of multi-purpose usage of schools. Alternative scheduling, including a year-round schooling calendar should also be considered with the educational mandate at the forefront. This can potentially help VSB achieve \$610K in additional revenue per year while keeping rates at an equitable level for public accessibility.

5.9 Mileage Reimbursement Costs

VSB has a policy to compensate individual employees who use personal vehicles for business purposes on a per kilometer basis. Depending on the frequency of vehicle usage and requirement of transporting tools, various rates may be applicable. Unclear eligibility guidelines have led to cost uncertainty associated with mileage reimbursement. VSB should consider reviewing the reimbursement policy to clarify the eligibility status of the various rates, which could potentially achieve up to \$590K of savings.

5.10 Cash and Investment Management

VSB transacts with various bank service providers and has numerous bank accounts both centrally and at the school-level. In addition, the school board has an investment policy that has not been updated for over 13 years. As a result, there are higher banking service fees and a limit on investment returns. VSB should consider centralizing school-level banking services to leverage economies of scale and reviewing the relevancy of their investment policy. This could potentially result in \$490K of additional cost savings and revenue generation.

5.0 Summary of Short-Term Items

5.11 Bus Fare Reimbursement Costs

The school board's bus fare reimbursement policy was designed to provide transportation for students who meet certain criteria. However, the subjective nature of the criteria brings challenges for VSB to control the costs, especially given their positive virtue to provide equitable learning access for all students. VSB should consider reviewing the reimbursement criteria to provide objective guidance on student eligibility status. This could potentially result in \$450K of cost reduction and would help ensure that reimbursements are allocated to those that require it.

5.12 International Baccalaureate Program & Advanced Placement Exams

The IB Program has been very successful at the Vancouver School Board and is envisioned to continue its success in the future. VSB should consider implementing an Academy and Exam fee structure in the IB Diploma Program and Advanced Placement Exams to offset some of the operating costs. This would help improve the financial sustainability to continue offering the programs into the future. This can result in up to \$350K in revenue generation per year.

5.13 Printing and Copying Costs

VSB operates an in-house printing service to support administrative and learning needs. In addition, there are over 3,000 printing and copying devices across the schools, which combined with minimal printing guidelines places a financial burden on the school board. VSB should develop and communicate standardized printing guidelines to reduce printing costs and should further consider replacing less efficient printers with higher efficiency models. This would improve the financial and environmental sustainability of the school board and potentially save up to \$300K on printing costs.

6.0 Summary of Long-Term Items

Part B identifies \$4.0 million of items that were classified as long-term and could be considered for financial sustainability in future budget years. The savings associated with these findings will not be realized in the 2012/13 budgeting cycle but consideration should be given to implementing these items as part of the school board's long-term operational objectives.

- 6.1 Additional Enrolment Opportunities
- 6.2 Redeployment of VSB Properties
- 6.3 VOIP Telephone and Voicemail Services
- 6.4 Digital Media
- 6.5 Records Management

6.0 Summary of Long-Term Items

6.1 Additional Enrolment Opportunities

VSB is performing a Sectoral Review to provide a central repository for demographical and geographical data. This would assist in strategic decision making, including enrolment, staffing, and utilization of school space decisions. Utilizing this data to forecast potential International Education enrolment can generate up to \$2.3 million in additional student enrolment.

6.2 Redeployment of VSB Properties

Vancouver School Board has performed a comprehensive, detailed analysis around redeploying property taking into factors such as underutilized space, seismic risks, proximity to alternative locations and multi-purpose usage. Based on the analysis and key figures from the VSB School Closure Report prepared in 2010, the school board should consider the impact of the redeployment of properties which can help VSB achieve over \$1 million in annual savings and to balance both the educational and fiscal environment.

6.3 VOIP Telephone & Voicemail Services

VSB has outdated telephone equipment that does not align them with the long-term vision of their district and the need for innovative change and modernization of education. Through an assessment of their telecommunication needs, VSB can save up to \$430K in operating costs through the implementation of Voice Over Internet Protocol services. This would help build the back office technological infrastructure needed to support a 21st century learning environment in the classrooms.

6.0 Summary of Long-Term Items

6.4 Digital Media

VSB has placed an emphasis on the importance of educational media and instructional support and this has historically been maintained through textbook, VHS and DVD purchases. Transitioning into the future, this will not align with the long-term vision of their district as well as the BC Government's Education Plan. VSB should consider assessing the viability of implementing digital media as a long-term strategy. This can help achieve up to \$230K in savings per year and promote the implementation of technology to enhance teaching and student learning.

6.5 Records Management

VSB has established an objective of maintaining a central repository for document storage to ensure compliance to legislated retention procedures. The current physical document storage system is labor intensive and is running at a sub-efficient level. VSB should consider assessing the long-term costs and benefits of implementing an electronic records management system with legislated record retention procedures and staffing related union agreements in mind. By implementing this, VSB could potentially save up to \$80K annually and allow the school board to reallocate the savings to student learning opportunities.

7.0 Summary of Strategic Initiatives

Part C includes overarching opportunities that are strategic in nature and identified as fundamental areas that Vancouver School Board should consider assessing to better serve students for future years.

- 7.1 Operational Planning
- 7.2 Shared Services / Outsourcing
- 7.3 IT Strategic Planning
- 7.4 Application and Systems Integration
- 7.5 Budget Monitoring and Accountability
- 7.6 Partnership Opportunities
- 7.7 Organizational Structure
- 7.8 Succession Planning / Transition Process
- 7.9 Service Consolidation of Accounts Payable
- 7.10 Sustainability
- 7.11 Enterprise Risk Management

7.0 Summary of Strategic Initiatives

7.1 Operational Planning

Vancouver School Board should consider developing divisional operating plans which link directly to the Five-Year Strategic Plan. This would serve as the governance framework foundation to enable proactive prioritization and implementation of initiatives. VSB should further consider developing a rigorous accountability model and updating documents around the school board's policies, procedures and plans. This can help VSB prioritize key initiatives and align resources accordingly to meet their Strategic Plan.

7.2 Shared Services / Outsourcing

To better support instruction at all schools and education centers, VSB operates a centralized model for the majority of administrative functions including payroll, transactional HR, benefits administration, procurement, and information technology (IT). However, some of these functions and operations also exist at the school-level which create redundancies and duplication of work. VSB should consider assessing the viability of implementing an alternative shared service model to deliver administrative services that can increase efficiencies and promote transparency. Using Ministry estimates of 3% to 8% in potential savings, VSB could achieve up to \$320K in cost reductions per year. VSB can also explore the possibility of hosting and support other organizations' functions as a potential means of raising additional funds.

7.3 IT Strategic Planning

VSB has recognized the need to develop an IT Strategic Plan several years ago. The absence of a clearly defined IT Strategic Plan results in opportunities around system integrations, workflow, project prioritization, technological training, and centralized services, where available. VSB should consider the benefits of formally articulating a vision and strategy for the use of technology to ensure they have the tools and infrastructure available to support students needs and bring the learning environment in line with the long-term provincial education plan.

7.0 Summary of Strategic Initiatives

7.4 Application and Systems Integration

VSB has made investments in numerous IT systems and applications to support administrative and teaching functions. However, these have historically been performed without a long-term strategic plan which has led to a lack of integration between the systems and regular upgrade requirements. This leads to data quality risks and as such, VSB should consider assessing an upgrade to certain IT systems to take full advantage of an integrated IT environment. They can also explore the possibility of further investing in PeopleSoft to host and support other organizations' functions through centralized virtual access.

7.5 Budget Monitoring and Accountability

VSB utilizes a modified zero based budgeting process to build the operating budget. This includes adjusting prior year service levels for known assumptions and validating with senior management. A well-developed budget process should align the school board's strategic goals to departmental service plans. VSB should consider reviewing the current budget accountability model and facilitating continuous budget planning with more effective budgeting tools. This would help monitor the overall financial position in order to make proactive budgeting decisions linked to the Strategic Plan.

7.6 Partnership Opportunities

Vancouver School Board has a multitude of partnership agreements that have successfully allowed them to build relationships with the community while leveraging cost efficiencies. There are both cost sharing and revenue generating partnership opportunities to consider and VSB should continue their proactive exploration of additional partnership agreements to establish further relationships within the community and also achieve cost efficiencies in the process. Depending on the opportunity there is potential for significant cost savings to be realized.

7.7 Organizational Structure

Vancouver School Board has restructured their organization to best align reporting lines with their long-term strategic vision and service delivery model. Further review of alignment is needed to determine where cross-departmental communications could be improved with the goal of developing internal process efficiencies district-wide.

7.0 Summary of Strategic Initiatives

7.8 Succession Planning / Transition Process

Vancouver School Board strives to build collaborative relationships to support its staff to meet the needs of students and the community. This can be further supported through an assessment of the transition process, both into and within VSB, and succession plans to ensure that appropriate resources and skill sets are available. This will help develop critical skills and foster growth for potential leaders in the organization and in turn enhance the teaching and learning environment district-wide.

7.9 Centralization of Accounts Payable Services

To fully support teaching and learning activities at the school level, VSB has allocated resources across schools to enhance the learning experience. However, some school-level administrative functions that do not directly serve the classroom services can be assessed for centralization, specifically accounts payable functions. VSB should consider the impact of consolidating these functions with Central Administration for added cost efficiencies and for potential savings up to \$180K per year.

7.10 Sustainability

Vancouver School Board has been successful in reducing utilities costs and its carbon footprint through implementation of numerous green initiatives. There are several sustainability initiatives planned and in progress that VSB should consider integrating into core business operations as part of a long-term strategic vision and to demonstrate management leadership on sustainability. It has been conservatively estimated that the various sustainability initiatives can generate potential savings of \$200K annually.

7.11 Enterprise Risk Management

VSB does not have the resources to effectively oversee and manage all types of risk that exist throughout the district. An Enterprise Risk Management model would help assess the overall risk exposure of the school board and VSB should consider the implementation of such a model to provide the framework to create a controlled risk environment where employees are able to work in optimal learning conditions with minimal risk to themselves and students.

8.0 Next Steps

Key considerations for next steps have been provided below to assist Vancouver School Board in taking action to realize the potential benefits from implementation of the findings.

Prioritization

Assess the prioritization of the findings with the immediate impact on the 2012/13 budget in mind. Discuss the need for consultation with other internal and external parties (“parties”), including the community and Trustees.

Plan Development

Collaboratively develop a detailed implementation plan and assess the resource requirements, while actively engaging parties during the process.

Communication

Communicate with other parties to collect feedback and address potential concerns. Board and Senior Management support of the full benefit realization potential are key.

Resource Allocation and Initiation

Approve allocation of resources with continual involvement of key parties and monitoring by senior management throughout the project.

Appendix I

Detailed Description of all Findings

Item 5.1: Sourcing

Function: Purchasing Services

Theme: Short-Term

| Opportunity Profile | |
|--------------------------------------|---|
| Opportunity Size | \$ 1,630,000 – \$ 4,070,000 |
| Opportunity Type | <input checked="" type="checkbox"/> Operating Budget Impact |
| Difficulty of Implementation: | Moderate |
| Current State | <ul style="list-style-type: none"> VSB has an electronic procurement (ePro) process in place meant to centralize purchasing, set purchasing standards and utilize discounts. However, it is not being fully utilized throughout the district. 74% of the total PO dollar value (\$44M) is still processed using paper requisitions (13% of total number of orders). 32% of identifiable orders are not utilizing discounts and are processed through express pay vouchers. Over \$6.7M of orders are not identifiable as they are purchased at the school level and reimbursed without obtaining full details of the order. Textbooks can be purchased using five different methods, centrally and at the school-level, and tracked in PeopleSoft, One-Write Plus or not at all. Up to 80% of textbook purchases may not be purchased at the central level (up to \$2.2M) and they have potentially over 50 unique textbook vendors. It was communicated that ePro was not very user-friendly and the list of available items does not always meet user requirements, which has led to one-off purchases by individuals. Purchasing Cards (P-Cards) are used by approximately 175 users and provides a rebate of 0.79% . Rebates for 2011 was \$10K. Spend for FY11 budget year was \$900K. This accounts for 1% of the total spend. |
| Key Discussion Points | <ul style="list-style-type: none"> There is a significant financial risk with the lack of a rigorous purchasing policy and ineffective tracking of orders. |

| Synopsis | |
|--|---|
| Proposed Actions | <ul style="list-style-type: none"> Consider implementing an ePro purchasing policy with strong enforcement, training and support to promote consistent usage. Consider implementing P-Cards throughout the schools for certain purchases to assist in improving the school purchase and reimbursement process. CPO contracts should be renegotiated every year rather than through automatic renewal. The orders could also be processed through PO's as an alternative. Analyze category spend and focus on negotiating contracts based on volume and spending on fewer vendors. Consider monitoring spend and develop KPIs to measure performance. Consider consultation with end user needs to arrive at a suitable list of available items for purchase. Consider further examination into the sourcing process. Average requisition entry to receipt time is 29 days. Bottlenecks exist in various stages of the process and are not identifiable to one specific activity. |
| Outcomes | <ul style="list-style-type: none"> Reduce cost of goods and services through volume aggregation. Increase productivity through utilization of electronic interfaces. Increase cost savings through utilization of discounts and reduction in paper costs. Decrease financial risk through an identifiable audit trail of all school level purchases. |
| Considerations for Implementation | <ul style="list-style-type: none"> Controls for P-Cards will need to be implemented. Consider any additional need to monitor and maintain purchase agreements as it was noted that some agreements have expired. Although the sourcing initiatives can be initiated in the short-term, full benefit realization may not occur until afterwards as additional factors need to be considered. |

Item 5.1: Sourcing

Function: Purchasing Services

Theme: Short-Term

Opportunity Summary

| | Conservative Estimate | | Optimistic Estimate | |
|--|-------------------------|---------------------------|-------------------------|---------------------------|
| Opportunity | Operating Budget Impact | Non-Operating Cost Impact | Operating Budget Impact | Non-Operating Cost Impact |
| Reduction in non-discounted purchasing costs | \$ 1,630,000 | \$ - | \$ 4,070,000 | \$ - |
| Total | \$ 1,630,000 | \$ - | \$ 4,070,000 | \$ - |

Item 5.2: Adult Education

Function: Adult Education

Theme: Short-Term

| Opportunity Profile | | Synopsis | |
|--------------------------------------|--|--|--|
| Opportunity Size | \$ 130,000 – \$ 1,200,000 | Proposed Actions | <ul style="list-style-type: none"> Consider the impact of consolidating self-paced programs to fewer centres to better align staff and student ratios. Conduct further spend analysis to potentially reduce services and supplies by 15% to 20%. Consider redeploying resources that are currently performing duplicate work. Consider reviewing other Adult Education resources to assess efficiencies at the individual centre-level. |
| Opportunity Type | <input checked="" type="checkbox"/> Operating Budget Impact | | |
| Difficulty of Implementation: | | Moderate | |
| Current State | <ul style="list-style-type: none"> There are six Adult Education (“AE”) centre sites and eleven outreach programs with flexible scheduling arrangements. VSB offers a self-paced program for students as an alternative to a structured, scheduled class. More than 20% of enrolment is comprised of under-19 students who are working towards graduation completion. Due to the complexity in managing AE enrolment, less than 90% of students are funded. Due to the difficulty in forecasting enrolment projections, historical information is used in allocating staff. This may not be the most accurate driver for staffing the AE centres. It was noted that some positions were performing similar tasks as other positions within the school board. | | |
| Key Discussion Points | <ul style="list-style-type: none"> Four of the six AE sites are located within 6km of each other in and around the downtown area. Self-paced programs have a widespread student to teacher ratio throughout the centres. Salaries and benefits costs alone exceed the generated revenues of \$13.5M in FY11. | | |
| | | Outcomes | <ul style="list-style-type: none"> Provide a more focused offering of self-paced programs. Improve supply and service cost efficiencies. Reduce duplication of work and improve administrative cost efficiencies. Redeploy resources to other core areas of the school board. |
| | | Considerations for Implementation | <ul style="list-style-type: none"> VSB needs to assess whether the provision of AE courses form part of the school board’s core services. At a minimum, part of the core mandate would involve supporting the graduation of students under 19 years of age. This should be taken into consideration prior to any decisions on the Adult Education program. There are high expectations from the community to be offered these services. Consideration of staffing decisions will need to comply with union agreements. Smaller Adult Education centres may not be able to achieve similar economies of scale efficiencies as larger centres. Potential relocation of the Main Street centre may require reconsideration of where Adult Education services would be offered. |

Item 5.2: Adult Education

Function: Adult Education

Theme: Short-Term

Opportunity Summary

| | Conservative Estimate | | Optimistic Estimate | |
|---------------------------------------|-------------------------|---------------------------|-------------------------|---------------------------|
| Opportunity | Operating Budget Impact | Non-Operating Cost Impact | Operating Budget Impact | Non-Operating Cost Impact |
| Reduction in service and supply costs | \$ 130,000 | \$ - | \$ 180,000 | \$ - |
| Reduction in administrative costs | \$ - | \$ - | \$ 300,000 | \$ - |
| Consolidation of self-paced programs | \$ - | \$ - | \$ 720,000 | \$ - |
| Total | \$ 130,000 | \$ - | \$ 1,200,000 | \$ - |

Item 5.3: Continuing Education

Function: Continuing Education

Theme: Short-Term

| Opportunity Profile | | Synopsis | |
|--------------------------------------|---|--|---|
| Opportunity Size | \$ 130,000 – \$ 910,000 | Proposed Actions | <ul style="list-style-type: none"> Consider the impact of discontinuing Continuing Education programs from VSB offerings. |
| Opportunity Type | <input checked="" type="checkbox"/> Operating Budget Impact | Outcomes | <ul style="list-style-type: none"> Ability to focus on core services and higher demand programs. Redeploy resources to other core areas of the school board. |
| Difficulty of Implementation: | Moderate – High | | |
| Current State | <ul style="list-style-type: none"> The Continuing Education Program offers a wide variety of interest courses in many locations across the school board’s geographical area. The operating costs for Continuing Education consistently exceed the revenues generated from the program. It is difficult to stay market competitive as other organizations provide similar programs as part of their core services and charge less than VSB. | | |
| Key Discussion Points | <ul style="list-style-type: none"> The provision of these courses is not part of the school board’s core services. Other BC school boards have discontinued Continuing Education programs to focus on core services. | | |
| | | Considerations for Implementation | <ul style="list-style-type: none"> A significant investment in change and communications strategy must be considered before further action is performed. VSB will need to coordinate input with community organizations for possible transition of offerings to other facilities. There are high expectations from the community to be offered these services. Consideration of staffing decisions will need to comply with union agreements. Any reduction in Continuing Education programs will reduce exposure to other VSB offerings. One-time closing costs, indirect cost savings including building overhead, print shop costs, accounting and payroll services will need to be considered. Although the exploration around additional rental opportunities can be initiated in the short-term, full benefit realization may not occur until afterwards as numerous factors and collaboration with the Facilities department need to be taken into consideration. |

Item 5.3: Continuing Education

Function: Continuing Education

Theme: Short-Term

Opportunity Summary

| Opportunity | Conservative Estimate | | Optimistic Estimate | |
|--|-------------------------|---------------------------|-------------------------|---------------------------|
| | Operating Budget Impact | Non-Operating Cost Impact | Operating Budget Impact | Non-Operating Cost Impact |
| Continuing Education 2012/13 budget | \$ 80,000 | \$ - | \$ 80,000 | \$ - |
| Reduction in school allocation costs | \$ 50,000 | \$ - | \$ 50,000 | \$ - |
| Potential increase in available rental opportunities | \$ - | \$ - | \$ 780,000 | \$ - |
| Total | \$ 130,000 | \$ - | \$ 910,000 | \$ - |

Item 5.4: Employee Wellness Management

Function: All

Theme: Short-Term

| Opportunity Profile | | Synopsis | |
|--------------------------------------|--|--|--|
| Opportunity Size | \$ 470,000 – \$ 890,000 | Proposed Actions | <ul style="list-style-type: none"> Consider an implementation plan to rollout EASP to all district sites. Develop monthly absentee reports to be sent to department and school owners to manage and follow up as required. Consider additional means to more effectively monitor attendance. |
| Opportunity Type | <input checked="" type="checkbox"/> Operating Budget Impact | Outcomes | <ul style="list-style-type: none"> Proactively monitor absenteeism and foster a healthier environment for students and staff. Promote the well-being of staff, increase management capacity, reduce unnecessary costs related to absenteeism and support student achievement through the development of a healthy work culture and consistent staff attendance. Up-to-date policies and procedures, information systems to record and analyze trends, and dedicated resources to develop and implement strategies to improve staff attendance. These elements, combined with employee wellness programs and return-to-work initiatives, reinforce each other to develop a comprehensive attendance support program. Reduce culpable absentee instances and the costs associated with them. |
| Difficulty of Implementation: | Moderate | Considerations for Implementation | <ul style="list-style-type: none"> VSB needs to consider sensitivity to existing collective agreements and an overall focus on employee wellness rather than a disciplinary model. VSB, similar to many peer school boards, has implemented relevant policies and associated procedures with which to manage staff attendance. However, only a limited number have started down the path of developing comprehensive attendance support programs. There is a need to consider how to roll out the EASP successfully with assigned accountability for both the supervisor and employee. With more proactive management, VSB believes the replacement cost savings could be significantly higher than the provided estimates. |
| Current State | <ul style="list-style-type: none"> There are numerous methods of collecting attendance figures from the various employee groups. There are over ten unique employee groups that are required to submit timesheets and this can be done in both paper and electronic format. The numerous processes can lead to unreliable data. Teachers-On-Call (“ToC”) costs have remained consistent over the last three years at around \$10M. The daily ToC rates have been increasing during this time and is expected to further inflate the associated ToC costs. Replacement costs for all employees was upwards of \$20M and results in a significant cost to the district. VSB has an Employee Attendance Support Program (EASP) developed to provide guidelines for supporting and addressing workplace attendance through increased levels of communication, awareness and interaction with employees. This is in the process of being rolled out to all areas of the school board. | | |
| Key Discussion Points | <ul style="list-style-type: none"> An attendance management solution will need to proactively identify non-culpable and culpable instances to deal with them separately. There is more that could be done currently to manage and monitor absenteeism. | | |

Item 5.4: Employee Wellness Management

Function: All

Theme: Short-Term

Opportunity Summary

| | Conservative Estimate | | Optimistic Estimate | |
|--------------------------------|-------------------------|---------------------------|-------------------------|---------------------------|
| Opportunity | Operating Budget Impact | Non-Operating Cost Impact | Operating Budget Impact | Non-Operating Cost Impact |
| Reduction in replacement costs | \$ 470,000 | \$ - | \$ 890,000 | \$ - |
| Total | \$ 470,000 | \$ - | \$ 890,000 | \$ - |

Item 5.5: Cafeteria Costs

Function: Food Services

Theme: Short-Term

| Opportunity Profile | | Synopsis | |
|--------------------------------------|---|--|---|
| Opportunity Size | \$ 150,000 – \$ 890,000 | Proposed Actions | <ul style="list-style-type: none"> Consider implementing the management proposed change of refocusing the School Meal Program solely to vulnerable students. In conjunction with the above, consider an increase to the SMP fees. As this is an internal fund transfer between CommunityLINK and the operating budget, there would be no adverse impact to the student. Assess the cost efficiencies of the three non-teaching cafeterias and whether a different service delivery model would be more cost effective. Analyze teaching cafeteria payroll and supply costs to identify potential efficiencies that can be attained. Consider standardizing SMP monitoring methods throughout cafeteria sites to ensure that all vulnerable students have the opportunity to participate. |
| Opportunity Type | <input checked="" type="checkbox"/> Operating Budget Impact | | |
| Difficulty of Implementation: | | Outcomes | <ul style="list-style-type: none"> Increase financial sustainability of the School Meal Program to continue offering the program to all eligible students. Increase net revenues for non-teaching cafeterias and refocus services towards the educational mandate of the school board. Capital outlays will be minimized as equipment already exists. Contain payroll and supply costs to an acceptable level to continue effectively servicing students and staff. |
| Moderate | | | |
| Current State | <ul style="list-style-type: none"> VSB has 17 cafeterias, 11 of which are operated by VSB (8 teaching, 3 non-teaching) and 6 that are operated by a sole contractor. VSB receives 9% commission of gross sales at contracted sites. VSB offers a School Meal Program (SMP) for vulnerable students as defined by the BC Government SSI index and is partially funded by CommunityLINK grants. There were 1,187 SMP participants in FY11. The Cafeteria cost centre was operating at a \$1.0M deficit in FY11 with the majority relating to payroll costs. This is exclusive of payroll costs for teachers in the teaching cafeterias. It was noted that the food purchase guidelines are too flexible and have led to high supply costs. There are initiatives in place to develop a more rigorous purchasing policy and pilot upgraded point of sale systems at the cafeteria sites. Budget ownership resides in central administration and operating decisions reside in the schools. | | |
| Key Discussion Points | <ul style="list-style-type: none"> The non-teaching and Education Centre cafeterias do not directly serve the education mandate. Funding for SMP does not cover the costs of the meals provided. Certain schools have SMP reimbursements that exceed the level of vulnerable students in the school. Methods of tracking eligible SMP students vary across the schools. | Considerations for Implementation | <ul style="list-style-type: none"> VSB needs to assess their responsibility in ensuring student health and wellness and the link to their core mandate. Consideration of staffing decisions will need to comply with union agreements. Consider past experiences in contracting in-house cafeterias to mitigate risks that were identified in the past. Increase in SMP fees will have to be done in conjunction with capping eligible students to avoid exceeding CommunityLINK funds available. |

Item 5.5: Cafeteria Costs

Function: Food Services

Theme: Short-Term

Opportunity Summary

| | Conservative Estimate | | Optimistic Estimate | |
|--|-------------------------|---------------------------|-------------------------|---------------------------|
| Opportunity | Operating Budget Impact | Non-Operating Cost Impact | Operating Budget Impact | Non-Operating Cost Impact |
| Restructure the School Meal Program offering | \$ 150,000 | \$ - | \$ 390,000 | \$ - |
| Reduction in administrative costs | \$ - | \$ - | \$ 180,000 | \$ - |
| Change service delivery model of non-teaching cafeterias | \$ - | \$ - | \$ 320,000 | \$ - |
| Total | \$ 150,000 | \$ - | \$ 890,000 | \$ - |

Item 5.6: Britannia Operating Costs

Function: Facilities

Theme: Short-Term

| Opportunity Profile | | Synopsis | |
|--------------------------------------|---|--|--|
| Opportunity Size | \$ 380,000 – \$ 850,000 | Proposed Actions | <ul style="list-style-type: none"> Review the Britannia agreement with other parties involved to evaluate equity to all parties. |
| Opportunity Type | <input checked="" type="checkbox"/> Operating Budget Impact | | |
| Difficulty of Implementation: | | Moderate | |
| Current State | <ul style="list-style-type: none"> VSB shares facilities at the Britannia Community Centre and has a cost sharing agreement in place with the City of Vancouver and Britannia Community Services Society. In addition to an elementary school, secondary school and three gymnasiums, the 18-acre complex also houses facilities such as a public library, fitness centre, ice rink, racquetball court, swimming pool and seniors centre. Initial intent was to subsidize student use of the facilities but now students are being charged a preferred rate while the costs continue to be incurred by VSB. It was also noted that the facilities are not being utilized by students to the extent that it was initially intended. The original letter of intent was created in 1975 and last updated in 1981. | | |
| Key Discussion Points | <ul style="list-style-type: none"> VSB is incurring a percentage of costs based on the buildings available hours rather than actual hours of usage. It was noted that there is difficulty identifying actual service costs to separate sites. As such, a square footage allocation is performed. VSB does not receive any revenue from the rental of grounds and facilities. Although the agreement states that no party shall be required to pay for the use of Centre's facilities, VSB students and staff are charged a preferred rate. | | |
| | | Outcomes | <ul style="list-style-type: none"> Initiate conversation around potential renegotiations. This may include assessment of cost sharing percentages, revenue sharing arrangements, usage fees and further potential reductions in administrative costs. |
| | | Considerations for Implementation | <ul style="list-style-type: none"> Consider whether an operating model without a cost sharing agreement would be more financially sustainable for all parties involved. Consideration needs to be made whether this would negatively impact the students and community. If agreement cannot be renegotiated, need to consider how to unlock additional value from the facilities or reduce overall operational costs. The impact of opening renegotiations may be negatively perceived by the community. Consultative discussions will need to be performed to assess the best solution for all affected stakeholders. The Centre requires higher staffing needs than schools as the operating hours extend into the evenings and weekend. Consideration of staffing decisions will need to comply with union agreements. |

Item 5.6: Britannia Operating Costs

Function: Facilities

Theme: Short-Term

Opportunity Summary

| | Conservative Estimate | | Optimistic Estimate | |
|--|-------------------------|---------------------------|-------------------------|---------------------------|
| Opportunity | Operating Budget Impact | Non-Operating Cost Impact | Operating Budget Impact | Non-Operating Cost Impact |
| Potential savings from renegotiating Britannia agreement | \$ 380,000 | \$ - | \$ 850,000 | \$ - |
| Total | \$ 380,000 | \$ - | \$ 850,000 | \$ - |

Item 5.7: Leasing Costs

Function: Facilities

Theme: Short-Term

| Opportunity Profile | | Synopsis | |
|--------------------------------------|--|--|---|
| Opportunity Size | \$ 60,000 – \$ 670,000 | Proposed Actions | <ul style="list-style-type: none"> Continue the initiative of identifying a suitable alternative for leased locations taking into account both educational and financial implications. Perform a further review of remaining leases to determine whether they are required for delivery of VSB's educational services. |
| Opportunity Type | <input checked="" type="checkbox"/> Operating Budget Impact | | |
| Difficulty of Implementation: | | Low – Moderate | |
| Current State | <ul style="list-style-type: none"> VSB has entered into numerous leases to accommodate various programs. Building rental costs totaled \$785K in FY11. The majority of those costs arise from leases for Main Street (\$600K), DEEC (\$60K) and Vinery (\$70K) programs. The majority of the remaining smaller leases relate to ground license agreements. Main Street and DEEC are Adult Education centres that provide adult students with courses from the literacy level to secondary school completion and upgrading. The Vinery Program is an alternative education program for at-risk, emotionally fragile students. The program enrolls 22 students and has one Teacher, one Youth and Family Worker, and one School and Student Support Worker. | | |
| Key Discussion Points | <ul style="list-style-type: none"> VSB is incurring significant leasing and building rental costs when there is excess space in their owned properties. Assessments have been done in the past identifying potentially suitable alternatives given factors such as location, space requirements and access to transportation. This has primarily been done for Main Street and DEEC locations. | | |
| | | Outcomes | <ul style="list-style-type: none"> Potential to utilize excess space at VSB properties. Reduce leasing costs. Relocate programs to more suitable locations to continue offering the services. |
| | | Considerations for Implementation | <ul style="list-style-type: none"> The impact on the potential relocation of these programs to the students and community will need to be assessed in detail. This will require consultative discussions with all stakeholders affected. Timing of identifying suitable alternative locations will need to be considered as the Main Street and DEEC leases are set to expire in 2012. Excess space at VSB properties may not meet the requirements for the programs in the leased spaces. |

Item 5.7: Leasing Costs

Function: Facilities

Theme: Short-Term

Opportunity Summary

| Opportunity | Conservative Estimate | | Optimistic Estimate | |
|---|-------------------------|---------------------------|-------------------------|---------------------------|
| | Operating Budget Impact | Non-Operating Cost Impact | Operating Budget Impact | Non-Operating Cost Impact |
| Exiting lease agreement for Main Street property, net of one-time upgrade costs | \$ - | \$ - | \$ 550,000 | \$ - |
| Exiting lease agreement for DEEC property, net of one-time exit costs | \$ 60,000 | \$ - | \$ 60,000 | \$ - |
| Exiting lease agreement for Vinery property, net of one-time exit costs | \$ - | \$ - | \$ 60,000 | \$ - |
| Total | \$ 60,000 | \$ - | \$ 670,000 | \$ - |

Item 5.8: Space Utilization and Alternative Use

Function: Facilities

Theme: Short-Term

| Opportunity Profile | | Synopsis | |
|--------------------------------------|--|--|--|
| Opportunity Size | \$ 130,000 – \$ 610,000 | Proposed Actions | <ul style="list-style-type: none"> Continue initiatives for non-profit / commercial rentals towards a cost recovery model to increase rental revenues and sustain market competitiveness around the usage of facilities and fields. |
| Opportunity Type | <input checked="" type="checkbox"/> Operating Budget Impact <input checked="" type="checkbox"/> Non-Operating Cost Impact | Outcomes | <ul style="list-style-type: none"> Continue offering successful rental facilities through increased financial sustainability of the services. Higher realization value of VSB property that is attained through market competitive rental rates. VSB can continue to proceed with their vision of multi-purpose function schools. This can be further achieved through exploration of preschools, libraries and other community services. |
| Difficulty of Implementation: | Low – Moderate | Considerations for Implementation | <ul style="list-style-type: none"> The impact on the potential increase in rental rates to the affected parties will need to be assessed in detail through collaborative discussions and consultation. The City of Vancouver has implemented rental rates for groups this year that were previously not charged. VSB may be able to leverage this for any rental rate decisions. As various costs are incurred regardless of space utilization, VSB may want to consider the viability of an alternative school year calendar to leverage existing space for greater efficiencies. Reports have shown increases in student achievements and reduction in teacher absences due to the more frequent breaks in the school year. However, this will have to be considered with the educational mandate at the forefront. |
| Current State | <ul style="list-style-type: none"> VSB has performed extensive analysis around additional revenue opportunities with current space availability. There were over \$2.0M in rental revenues in FY11 and VSB identified additional demand for rental opportunities through 22 unique third parties over the course of 2010 to mid-2011. Progressive changes have been made to rental rates to keep facility rentals sustainable. This includes increasing rates 5% and reviewing the possibility of increasing facility availability during lower demand periods. As well, processing and cancellation fees have been applied since 2010. VSB policy is to charge child care programs a moderate fee to recover operating costs. However, it was noted that child care rentals are being subsidized by approximately \$1.5M as the fees have been historically lower than market rates and other BC school board rates. Child care rental rates averaged \$3.71 per hour in FY11. | | |
| Key Discussion Points | <ul style="list-style-type: none"> Although rental rates have increased for non-profit, commercial and child care, they continue to be lower than market rates. This is to remain as equitable as possible for general public usage. | | |

Item 5.8: Space Utilization and Alternative Use

Function: Facilities

Theme: Short-Term

Opportunity Summary

| | Conservative Estimate | | Optimistic Estimate | |
|--|-------------------------|---------------------------|-------------------------|---------------------------|
| Opportunity | Operating Budget Impact | Non-Operating Cost Impact | Operating Budget Impact | Non-Operating Cost Impact |
| Evaluate facility rental opportunities | \$ - | \$ 80,000 | \$ 190,000 | \$ 80,000 |
| Evaluate field rental opportunities | \$ 40,000 | \$ - | \$ 40,000 | \$ - |
| Evaluate child care rental opportunities | \$ 10,000 | \$ - | \$ - | \$ 300,000 |
| Total | \$ 50,000 | \$ 80,000 | \$ 230,000 | \$ 380,000 |

Item 5.9: Mileage Reimbursement Costs

Function: All

Theme: Short-Term

| Opportunity Profile | | Synopsis | |
|--------------------------------------|---|--|--|
| Opportunity Size | \$ 220,000 – \$ 590,000 | Proposed Actions | <ul style="list-style-type: none"> Review the mileage policy to determine objectivity of rate eligibility. Perform a detailed review of rate usage to determine any inconsistencies to the eligibility criteria. Reconsider the business requirement of providing a minimum monthly mileage to trade workers. Perform a cost-benefit analysis of purchasing a fleet of vehicles. This has already been initiated by VSB and results will need to be analyzed. It was noted that comparative school boards and public organizations with a vehicle fleet have reimbursement rates ranging from \$0.46 to \$0.52. |
| Opportunity Type | <input checked="" type="checkbox"/> Operating Budget Impact | | |
| Difficulty of Implementation: | | Outcomes | <ul style="list-style-type: none"> Provide clear objective guidelines on appropriate rate usage. Contain mileage reimbursement costs to circumstances that meet the criteria. |
| Moderate – High | | | |
| Current State | <ul style="list-style-type: none"> VSB reimburses individual employees on a per km basis for personal vehicles used for business purposes. There was \$1.8M in mileage reimbursement costs in FY11. Employees qualify for one of three rates based on how regularly they use their vehicle and whether they are required to transport tools/specialized equipment: <ul style="list-style-type: none"> Casual Rate: \$0.52 Non-Tool Rate: \$1.19 up to 257km; \$0.19 after Tool Rate: \$3.13 up to 177km; \$0.28 after Trade workers qualify for a minimum \$100 monthly allowance. There is no clear definition of what constitutes a tool for the purposes of rate eligibility. Some examples included print material, specialized electronic devices, test kits, small tool boxes and shovels. In many instances school sites offer areas where tools can be stored. As well, it was noted that larger tools and equipment can be relocated by dispatch. | | |
| Key Discussion Points | <ul style="list-style-type: none"> Policy is subject to interpretation and has led to inconsistent rate usage across the school board. Although rates are updated regularly, the policy was last updated in 2008. The mileage claims may not be fully reflective of business purpose km's. | Considerations for Implementation | <ul style="list-style-type: none"> VSB will need to consider the implications to their employees as a historical precedent has been set. Some union groups have negotiated usage of tool rates and although it is not directly in the contract, it may be difficult to make adjustments. This will require consultative discussions with all stakeholders affected. VSB may also need to consider obtaining legal advice depending on the proposed change they want to pursue. The current mileage reimbursement approval and management process will need to be updated to assist employees determine the most appropriate rate usage. Consider whether savings can be reallocated to purchasing fleet vehicles. Qualitative considerations such as personal vehicle conditions and the correlation to higher insurance costs to the VSB will need to be established. |

Item 5.9: Mileage Reimbursement Costs

Function: All

Theme: Short-Term

Opportunity Summary

| | Conservative Estimate | | Optimistic Estimate | |
|--|-------------------------|---------------------------|-------------------------|---------------------------|
| Opportunity | Operating Budget Impact | Non-Operating Cost Impact | Operating Budget Impact | Non-Operating Cost Impact |
| Reduction in mileage reimbursement costs | \$ 220,000 | \$ - | \$ 590,000 | \$ - |
| Total | \$ 220,000 | \$ - | \$ 590,000 | \$ - |

Item 5.10: Cash and Investment Management

Function: Finance

Theme: Short-Term

| Opportunity Profile | | Synopsis | | |
|--------------------------------------|--|--|---|--|
| Opportunity Size | \$ 90,000 – \$ 490,000 | Proposed Actions | <ul style="list-style-type: none"> Consider consolidating all bank accounts to the current central Banking Resolution. This is an initiative that has been thoroughly assessed by the VSB and many positive benefits have been identified. Consider updating the investment policy to reflect currently available securities that meet the Board policy. | |
| Opportunity Type | <input checked="" type="checkbox"/> Operating Budget Impact <input checked="" type="checkbox"/> Non-Operating Cost Impact | | | |
| Difficulty of Implementation: | Low | | | |
| Current State | <ul style="list-style-type: none"> VSB has over 160 bank accounts with 14 different banking service providers. Central Administration has two of the bank accounts and the remaining reside throughout the schools and education centres. Overall, VSB manages over \$73M in cash assets with \$6M at the school level and \$30M in liquid investments with \$4M at the school level. The Revenues from Investment policy was last updated in 1998. | | Outcomes | <ul style="list-style-type: none"> Reduce bank service charges and earn higher interest income. Open potential to earn a higher return on investments while continuing to manage risk exposure. Reduce oversight and control risk by managing at a central level. Reduce time spent on bank administrative activities. |
| Key Discussion Points | <ul style="list-style-type: none"> The multitude of bank accounts with different providers have led to high bank service charges and low interest income. The outdated investment policy does not take into consideration currently available investments. It was noted that other peer school boards have policies that allow investments with Credit Unions and other high rated securities. | | | |
| | | Considerations for Implementation | <ul style="list-style-type: none"> VSB will continue to require a minimum floating cash balance. Any actions will need to be performed with minimal disruption to school and educational activities. Schools may have regular relationships and processes with current providers that will need to be reestablished. Any changes to current banking agreements and policies will need to be communicated to the school-level. | |

Item 5.10: Cash and Investment Management

Function: Finance

Theme: Short-Term

Opportunity Summary

| | Conservative Estimate | | Optimistic Estimate | |
|---|-------------------------|---------------------------|-------------------------|---------------------------|
| Opportunity | Operating Budget Impact | Non-Operating Cost Impact | Operating Budget Impact | Non-Operating Cost Impact |
| Additional interest income | \$ - | \$ 70,000 | \$ - | \$ 70,000 |
| Reduction in bank service charges | \$ - | \$ 20,000 | \$ - | \$ 20,000 |
| Potential increase in investment income | \$ - | \$ - | \$ 400,000 | \$ - |
| Total | \$ - | \$ 90,000 | \$ 400,000 | \$ 90,000 |

Item 5.11: Bus Fare Reimbursement Costs

Function: Transportation

Theme: Short-Term

| Opportunity Profile | | Synopsis | |
|--------------------------------------|---|--|--|
| Opportunity Size | \$ 110,000 – \$ 450,000 | Proposed Actions | <ul style="list-style-type: none"> Review guidelines to determine objectivity of eligibility status. There are several independent measures used in Canada that could be utilized to provide guidance on students' eligibility status. Consider revising the criteria to limit reimbursement for students who voluntarily enroll outside their local catchment. Assess viability of discontinuing bus fare reimbursements. |
| Opportunity Type | <input checked="" type="checkbox"/> Non-Operating Cost Impact | | |
| Difficulty of Implementation: | | Low | |
| Current State | <ul style="list-style-type: none"> VSB has a policy to subsidize school bus passes if the student: <ul style="list-style-type: none"> is in a Special Education program outside of their local catchment; lives further than 4.8km from their school; or requires transportation and is unable to pay for transportation on their own. There was over \$450K in bus fare reimbursement costs in FY11. | | |
| Key Discussion Points | <ul style="list-style-type: none"> The policy is open to subjective interpretation. For example, there are no defined circumstances in which students would “require transportation”. There are also no defined circumstances in which students would be “unable to pay for transportation on their own”. | | |
| | | Outcomes | <ul style="list-style-type: none"> Provides objective criteria to minimize, as much as possible, any subjective predisposition to specific circumstances. Exceptions are still expected to occur but these can be reduced. Bus fare reimbursement costs contained to circumstances that meet the criteria. As this item has already been removed from the budget, there is no impact on next year's operating budget. However, VSB would still realize any savings arising from this area. |
| | | Considerations for Implementation | <ul style="list-style-type: none"> VSB will need to consider the implications to their students and the greater community. This will require consultative discussions with all stakeholders affected. An updated application form will be required with applicable fields to determine eligibility status. Other peer school boards provide subsidized transportation to students within their catchment areas. As this item has already been removed from the budget, it will have a non-operating cost impact to the school board. |

Item 5.11: Bus Fare Reimbursement Costs

Function: Transportation

Theme: Short-Term

Opportunity Summary

| | Conservative Estimate | | Optimistic Estimate | |
|---|-------------------------|---------------------------|-------------------------|---------------------------|
| Opportunity | Operating Budget Impact | Non-Operating Cost Impact | Operating Budget Impact | Non-Operating Cost Impact |
| Reduction in bus fare reimbursement costs | \$ - | \$ 110,000 | \$ - | \$ 450,000 |
| Total | \$ - | \$ 110,000 | \$ - | \$ 450,000 |

Item 5.12: International Baccalaureate Program & Advanced Placement Exams

Function: Instructional

Theme: Short-Term

| Opportunity Profile | | Synopsis | |
|--------------------------------------|--|--|---|
| Opportunity Size | \$ 80,000 – \$ 350,000 | Proposed Actions | <ul style="list-style-type: none"> Consider implementing an Academy and Exam fee structure in the IB Diploma Program to offset some of the program costs. Consider increasing AP exam fees to recover associated costs. In conjunction with International Education, consider developing a plan to attract international students to the IB programs and AP exams. |
| Opportunity Type | <input checked="" type="checkbox"/> Operating Budget Impact | | |
| Difficulty of Implementation: | | Outcomes | <ul style="list-style-type: none"> Ability to offset costs and remain sustainable for future vision of the International Baccalaureate Program and Advanced Placement offerings. Potential to increase enrolment for these programs and for the school board overall. |
| Low | | | |
| Current State | <ul style="list-style-type: none"> VSB has a successful International Baccalaureate (“IB”) Diploma Program in place at Britannia and Sir Winston Churchill Secondary Schools. King George Secondary and students in grades 6 and 7 at Roberts Elementary and Elsie Roy Elementary follow the IB Middle Years Programs. Southland Elementary is in the process of implementing a Primary IB Program. There are over 300 students enrolled in all IB related programs at the various school sites. Demand for IB Programs is evident from full capacity at Churchill to observation of the program growth at peer school boards and Independent Schools in Vancouver. There are several unique costs associated with the program, including specialized staff and materials. Exam fees alone cost the VSB \$169K in FY11. Future vision potentially involves expanding to four Primary and Middle Years programs in the four quadrants of the city to achieve equitable access for all students. There are anywhere between 1,200 to 2,000 students writing Advanced Placement exams each year. Students are charged \$60 for exam fees while the school board incurs close to \$100 in related costs. | | |
| Key Discussion Points | <ul style="list-style-type: none"> Currently there are no IB Academy or Exam fees being charged although it was noted that peer boards are charging various IB related fees. It was noted other districts charge the full fee for AP exam costs. | Considerations for Implementation | <ul style="list-style-type: none"> Although other school boards are charging program fees, VSB will need to consider the implications of increasing Academy and Exam fees as there may be perceived perception of inequitable access. Fees will need to be structured to recover related costs and maintain the financial sustainability of the programs while continuing to remain available for qualified students. VSB should consider how to effectively structure the fee collection method to minimize any effect on the programs. As a globally recognized program, there is an opportunity to attract more international students to the program. There is excess IB Program capacity at Britannia that should be considered. There may be additional opportunities in the Primary and Middle Years IB Programs that need to be considered. |

Item 5.12: International Baccalaureate Program & Advanced Placement Exams

Function: Instructional

Theme: Short-Term

Opportunity Summary

| | Conservative Estimate | | Optimistic Estimate | |
|--|--------------------------------|----------------------------------|--------------------------------|----------------------------------|
| Opportunity | Operating Budget Impact | Non-Operating Cost Impact | Operating Budget Impact | Non-Operating Cost Impact |
| Maintain financial sustainability of International Baccalaureate Program | \$ 30,000 | \$ - | \$ 270,000 | \$ - |
| Maintain financial sustainability of Advanced Placement Exams | \$ 50,000 | \$ - | \$ 80,000 | \$ - |
| Total | \$ 80,000 | \$ - | \$ 350,000 | \$ - |

Item 5.13: Printing and Copying Costs

Function: All

Theme: Short-Term

| Opportunity Profile | | Synopsis | | | |
|--------------------------------------|---|-------------------------|---|--|--|
| Opportunity Size | \$ 60,000 – \$ 300,000 | Proposed Actions | <ul style="list-style-type: none"> • Consider developing and communicating printing guidelines to reduce printing costs. This would include minimizing the use of glossy paper, single-sided and color print jobs. • Consider replacing less efficient printers with higher efficiency models. • Consider emphasizing electronic distribution as an alternative to printing. • Consider an independent assessment of printing efficiencies at the central administration site. • Perform further cost benefit analysis around contracting the central in-house printing services. • Consider setting user codes to monitor usage and determine where significant usage exist. | | |
| Opportunity Type | <input checked="" type="checkbox"/> Operating Budget Impact | | | | |
| Difficulty of Implementation: | Low - Moderate | | | | |
| Current State | <ul style="list-style-type: none"> • VSB operates an in-house printing service for internal and external print jobs. It was noted that the service may not be utilized to its full extent, especially as it relates to marketing and advertising of VSB programs. • The school board also provides printing services to external customers and generated \$58K in revenue in FY11. However, the in-house print department operated at a \$250K deficit in FY11. • Costs for printing / copiers are approximately \$1.1 million annually. • Job postings continue to be printed and distributed to school sites and other locations. In FY11, there were over 500,000 copies of job postings with costs exceeding \$16K. • VSB currently have three printer providers that maintain over 3,000 printing and copying units at all district sites. • A print assessment of the elementary and secondary copiers from one of the providers identified potential spend reduction of \$110K which may take several years to achieve based on capital spend. | Outcomes | <ul style="list-style-type: none"> • Reduce carbon footprint and internal print impression costs. • Efficient print device fleet management will align with the goals and objectives of the organization pertaining to environmental sustainability by reducing paper consumption and the volume of print devices. • Efficient fleet management provides an opportunity for reallocation of budget. • Aligns with VSB's emphasis on green initiatives and helps position the school board as a leader in sustainability. | | |
| Key Discussion Points | <ul style="list-style-type: none"> • There are no printing guidelines to help keep printing costs at a reasonable level. • Many public organizations have outsourced printing operations to outside providers. | | | Considerations for Implementation | <ul style="list-style-type: none"> • Communication around the importance of managing paper waste is vital to the success of this initiative. A communication plan around printing may need to be considered. • Need to consider how the Shared Services strategic initiative may help reduce printing costs. • Consideration of staffing decisions will need to comply with union agreements. • Consider what the implications of contracting printing services will be to their current external customer base. |

Item 5.13: Printing and Copying Costs

Function: All

Theme: Short-Term

Opportunity Summary

| | Conservative Estimate | | Optimistic Estimate | |
|-----------------------------|-------------------------|---------------------------|-------------------------|---------------------------|
| Opportunity | Operating Budget Impact | Non-Operating Cost Impact | Operating Budget Impact | Non-Operating Cost Impact |
| Reduction in printing costs | \$ 60,000 | \$ - | \$ 300,000 | \$ - |
| Total | \$ 60,000 | \$ - | \$ 300,000 | \$ - |

Item 6.1: Additional Enrolment Opportunities

Function: Instructional

Theme: Long-Term

| Opportunity Profile | | Synopsis | | | | |
|--------------------------------------|--|-------------------------|---|---|--|---|
| Opportunity Size | \$ 110,000 – \$ 2,260,000 | Proposed Actions | <ul style="list-style-type: none"> Continue forward in collecting demographical and geographical data in the pursuits of optimizing available resources and implementing initiatives. This includes identifying opportunities that may not be fully captured, specifically in International Education. Consider marketing successful programs such as ACE IT to further educate secondary students on the program. There is potential to increase the enrolment numbers significantly as there are currently only 90 students in the program. | | | |
| Opportunity Type | <input checked="" type="checkbox"/> Operating Budget Impact | | | | | |
| Difficulty of Implementation: | Moderate | | | | | |
| Current State | <ul style="list-style-type: none"> VSB is undergoing a Sectoral Review which will provide a central repository for demographical and geographical data. This data is intended to assist in strategic decisions including enrolment, staffing, and utilization of school space. Other key goals of the Sectoral Review include tailored program offerings and provision of a public forum to gather stakeholder input on VSB decisions. This is also utilized as an analytical tool to assist in the optimal provision of programs to students. A dedicated budget of \$300K and team of five have been staffed to ensure successful completion of the project. Other programs exist that present an opportunity to attract further enrolment, including ACE IT, which is designed to provide students with the motivation and academic ability to get started on a trades career path. | | Outcomes | <ul style="list-style-type: none"> Increase and maintain enrolment to serve a larger student base in the local community. Centralized data will be available to rationalize enrolment and staffing decisions. Public forum to validate stakeholder input and utilize as a social marketing tool. Greater exposure to the school board which can assist in attracting enrolment from other school districts and independent schools. | | |
| Key Discussion Points | <ul style="list-style-type: none"> Need to determine to what extent the data can be utilized to achieve VSB's strategic plan and other initiatives, including: <ul style="list-style-type: none"> ➢ Expansion of Montessori; ➢ Increased international education enrolment; ➢ Tailored programs to geographical locations; ➢ Long-term IB sustainability; and ➢ Optimal utilization of available space. | | | | Considerations for Implementation | <ul style="list-style-type: none"> VSB needs to consider the alignment of their marketing plans to the goals and objectives of the Sectoral Review. The City of Vancouver has an existing open data catalogue that VSB may be able to utilize for Sectoral Review data storage. VSB has successfully partnered with post secondary institutions in the past to intern students for the purposes of plotting web data for the Sectoral Review. This should continue to be considered to achieve mutual benefits throughout the community. Although ACE IT funds are restricted to the program, the indirect benefits of the programs success to the organization should be considered. |

Item 6.1: Additional Enrolment Opportunities

Function: Instructional

Theme: Long-Term

| Opportunity Summary | | | | |
|---|-------------------------|---------------------------|-------------------------|---------------------------|
| | Conservative Estimate | | Optimistic Estimate | |
| Opportunity | Operating Budget Impact | Non-Operating Cost Impact | Operating Budget Impact | Non-Operating Cost Impact |
| Utilization of data to increase international student enrolment | \$ - | \$ - | \$ 1,950,000 | \$ - |
| Leverage successful programs to increase student enrolment | \$ 110,000 | \$ - | \$ 310,000 | \$ - |
| Total | \$ 110,000 | \$ - | \$ 2,260,000 | \$ - |

Item 6.2: Redeployment of VSB Properties

Function: Facilities

Theme: Long-Term

| Opportunity Profile | | Synopsis | |
|--------------------------------------|---|--|---|
| Opportunity Size | Over \$ 1,000,000 | Proposed Actions | <ul style="list-style-type: none"> Reconsider the optimal deployment of properties to balance both the educational environment and the financial sustainability needs of the school board. |
| Opportunity Type | <input checked="" type="checkbox"/> Operating Budget Impact | Outcomes | <ul style="list-style-type: none"> Greater opportunity to deliver educational services in a more optimal learning environment. More effective staffing allocation levels through possible redeployment of resources. Any cost savings achieved could be reinvested into the capital budget for critical projects such as the seismic upgrade program. Alignment to the provincial Climate Change Adaptation Strategy. |
| Difficulty of Implementation: | High | Considerations for Implementation | <ul style="list-style-type: none"> At the forefront, VSB will need to consider the implications of any recommendation to the student's learning needs. A significant investment in change and communications strategy will need to be considered as there will likely be considerable reaction to any recommendations on school closures. Any potential considerations for school closure will need to adhere to both the District and the BC Government school closure policies. The VSB School Closure Report was created prior to the full-day kindergarten implementation. As such, the identified cost savings may need to be reassessed as this would have had an effect on the space availability throughout the schools. A moratorium on proceeding with any school closure processes was in effect up to March 1, 2012. |
| Current State | <ul style="list-style-type: none"> VSB has performed extensive analysis around redeploying property given the underutilized space, seismic risk, proximity to alternative locations, revenue opportunities and other relevant factors. The VSB School Closure Report dated in October 2010 identified up to \$1.4M cost savings, net of one-time closure costs. There has been one school closure in the last ten years. | | |
| Key Discussion Points | <ul style="list-style-type: none"> Any school closure considerations will need to have educational benefits and align with VSB's core mandate. Underutilized properties are incurring operational costs upwards of \$800 per student space and maintenance costs of over \$160 per student space. This makes it difficult to maintain the property to a standard appropriate for the student environment. Average cost savings from redeploying Elementary Schools were close to \$350K and Annexes were approximately \$170K. Based on the VSB School Closure Report, there are over 8,442 unused student spaces in the elementary and secondary schools. This translates to 340 empty classrooms. | | |

Item 6.2: Redeployment of VSB Properties

Function: Facilities

Theme: Long-Term

Opportunity Summary

| | Conservative Estimate | | Optimistic Estimate | |
|--|-------------------------|---------------------------|-------------------------|---------------------------|
| Opportunity | Operating Budget Impact | Non-Operating Cost Impact | Operating Budget Impact | Non-Operating Cost Impact |
| Reduction in costs from redeploying property | \$ 1,000,000 | \$ - | \$ 1,000,000 | \$ - |
| Total | \$ 1,000,000 | \$ - | \$ 1,000,000 | \$ - |

Item 6.3: VOIP Telephone & Voicemail Services

Function: Information Technology

Theme: Long-Term

| Opportunity Profile | | Synopsis | |
|--------------------------------------|---|--|---|
| Opportunity Size | \$ 190,000 – \$ 430,000 | Proposed Actions | <ul style="list-style-type: none"> Consider the implementation of VOIP services and funding options available. |
| Opportunity Type | <input checked="" type="checkbox"/> Operating Budget Impact | | |
| Difficulty of Implementation: | | Outcomes | <ul style="list-style-type: none"> Potential long-term savings compared to current telephone related operating costs. Employee access to upgraded technologies to align with both VSB's strategic plan and the overall provincial Education Plan. |
| Low – Moderate | | | |
| Current State | <ul style="list-style-type: none"> VSB currently uses Centrex telephone services, which is technologically outdated. They continue to incur telephone related operating cost upwards of \$750K. VSB employed an independent consulting firm to assess the telecommunication needs of the school board and it was recommended that the school board replace current telephones and voicemail with Voice over Internet Protocol ("VOIP") based systems. The school board requires two dedicated full-time equivalent ("FTE") staff for deploying and repairing the existing telephone systems. | | |
| Key Discussion Points | <ul style="list-style-type: none"> Upgrade of telephone and voicemail services would involve an initial capital outlay of up to \$650K. Timelines are estimated to take upwards of five years to implement to all district facilities with an upgrade required every five to seven years. The BC Government's Education Plan includes a need for innovative change and modernizing education to adapt and respond to students needs. Modeling VSB's back office technological infrastructure to this need will help align their learning environment to the Education Plan. | Considerations for Implementation | <ul style="list-style-type: none"> There will be a capital outlay of up to \$650K to replace all telephone equipment. However, since this is a capital item it would have minimal impact on the operating budget. There should be consideration around the need for a rollout plan to each district site. As the voicemail services are housed in the Education Centre, this site will need to be the central location. The current IT infrastructure may not be able to accommodate optimal use of the technology. Upgrades to the infrastructure may be required and implementation costs will need to be considered. Cost savings will be dependent on the aggressiveness of the implementation plan and will have to be taken into consideration. Training will need to be provided at each site as the technology is updated. |

Item 6.3: VOIP Telephone & Voicemail Services

Function: Information Technology

Theme: Long-Term

Opportunity Summary

| | Conservative Estimate | | Optimistic Estimate | |
|-----------------------------------|-------------------------|---------------------------|-------------------------|---------------------------|
| Opportunity | Operating Budget Impact | Non-Operating Cost Impact | Operating Budget Impact | Non-Operating Cost Impact |
| Reduction in operating costs | \$ - | \$ - | \$ 70,000 | \$ - |
| Reduction in administrative costs | \$ 190,000 | \$ - | \$ 360,000 | \$ - |
| Total | \$ 190,000 | \$ - | \$ 430,000 | \$ - |

Item 6.4: Digital Media

Function: Instructional

Theme: Long-Term

| Opportunity Profile | |
|--------------------------------------|---|
| Opportunity Size | \$ 110,000 – \$ 230,000 |
| Opportunity Type | <input checked="" type="checkbox"/> Operating Budget Impact |
| Difficulty of Implementation: | Moderate – High |
| Current State | <ul style="list-style-type: none"> • Vancouver School Board purchases instructional support material in various media, including books, VHS and DVD's. • There was close to \$250K spent in media and library service supplies with the majority (\$188K) relating to books and publications. However, this is a conservative figure as it was noted that this does not include purchases made directly at the school-level. A VSB analysis indicated up to \$2.9M in textbook purchases in FY10. Textbooks can cost upwards of \$80 and have an average lifespan of eight years. • There are staff who support Media and Library Services through cataloguing and other related duties. |
| Key Discussion Points | <ul style="list-style-type: none"> • Textbook expenditures may be high as available purchasing discounts are not being fully utilized. • The BC Government's Education Plan includes a need for innovative change and modernizing education to adapt and respond to students needs. VSB's instructional support material currently does not support this vision although an initiative is underway to transition to digital media and materials. |

| Synopsis | |
|--|---|
| Proposed Actions | <ul style="list-style-type: none"> • VSB should continue to assess the viability of implementing digital media and supporting it as part of their long-term vision. |
| Outcomes | <ul style="list-style-type: none"> • Potential long-term savings compared to current media and instructional material costs. • Student and teacher access to updated technologies to align with both VSB's strategic plan and the overall provincial Education Plan. • Further assists in reducing paper costs, supporting green initiatives and other sustainability objectives of the school board. |
| Considerations for Implementation | <ul style="list-style-type: none"> • All schools and students may not have access to the required technology to utilize digital media. This will need to be considered as it is one of VSB's objectives in their Strategic Plan - improving equity of access to programs and services across the school district. • Availability of e-textbooks is at a stage of infancy and may be limited as it has not yet been fully adopted by vendors. • The current IT infrastructure may not be able to accommodate online streaming and other technological requirements. Upgrades to the infrastructure will likely be required and implementation costs should be considered. • Cost savings will be dependent on the aggressiveness of the implementation plan and will have to be taken into consideration. • Technology training will need to be provided at each site as the technology is updated. |

Item 6.4: Digital Media

Function: Instructional

Theme: Long-Term

Opportunity Summary

| | Conservative Estimate | | Optimistic Estimate | |
|--|-------------------------|---------------------------|-------------------------|---------------------------|
| Opportunity | Operating Budget Impact | Non-Operating Cost Impact | Operating Budget Impact | Non-Operating Cost Impact |
| Conversion of textbooks from paper-based to electronic-based | \$ 110,000 | \$ - | \$ 160,000 | \$ - |
| Reduction in administrative costs | \$ - | \$ - | \$ 70,000 | \$ - |
| Total | \$ 110,000 | \$ - | \$ 230,000 | \$ - |

Item 6.5: Records Management

Function: Administrative

Theme: Long-Term

| Opportunity Profile | | Synopsis | |
|--------------------------------------|--|--|--|
| Opportunity Size | Up to \$ 80,000 | Proposed Actions | <ul style="list-style-type: none"> Continue with the initiative and refine the costs and staffing requirements of moving forward to an electronically housed records management system. |
| Opportunity Type | <input checked="" type="checkbox"/> Operating Budget Impact | Outcomes | <ul style="list-style-type: none"> Comply with legislative requirements around the retention of student records. Reduce organizational risk by having complete and readily available access to key agreements and documentation. Refocus resources to core educational services. Standardize the process for classifying and maintaining records across the district. Potential reduction in costs through efficiencies and reduction in manual efforts. Improved service around record and documentation requests. Management and ownership of information at an appropriate level. |
| Difficulty of Implementation: | | Low – Moderate | |
| Current State | <ul style="list-style-type: none"> VSB has the goal of maintaining a central repository for document storage with compliance to legislated retention procedures. Legislative policy requires student records to be maintained for seven years after students have completed schooling. Student grades need to be stored indefinitely. Key documents including student records, collective/partnership agreements and financial records are currently housed in paper and electronic-based formats and in various storage areas throughout the district sites, including in basements and “crawl spaces”. There are three employees who manage the storage of students records throughout the school board. VSB has estimated an additional cost of \$50K to scan all historical documents to electronic format. | | |
| Key Discussion Points | <ul style="list-style-type: none"> Maintenance and operating costs have yet to be analyzed for sustaining an electronic records management system. Multiple storage locations of all documentation makes it difficult to retrieve information on a timely basis. Any non-retrievable information could have legislative and reputational implications. | | |
| | | Considerations for Implementation | <ul style="list-style-type: none"> Access rights will need to be defined as there are various sensitivity levels based on the nature of documentation. VSB needs to further assess ongoing maintenance and operating costs for sustaining an electronic records management system. System and infrastructural issues will need to be assessed to ensure it can properly support the electronic records management system. This may require upfront capital costs. Consideration of staffing decisions will need to comply with union agreements. VSB will need to establish standard protocols and processes for efficiently classifying and maintaining both electronic and paper records. |

Item 6.5: Records Management

Function: Administrative

Theme: Long-Term

Opportunity Summary

| | Conservative Estimate | | Optimistic Estimate | |
|-----------------------------------|-------------------------|---------------------------|-------------------------|---------------------------|
| Opportunity | Operating Budget Impact | Non-Operating Cost Impact | Operating Budget Impact | Non-Operating Cost Impact |
| Reduction in administrative costs | \$ 80,000 | \$ - | \$ 80,000 | \$ - |
| Total | \$ 80,000 | \$ - | \$ 80,000 | \$ - |

Item 7.1: Operational Planning

Function: All

Theme: Strategic Initiative

| Opportunity Profile | | Synopsis | |
|--------------------------------------|---|--|---|
| Opportunity Size | N/A | Proposed Actions | <ul style="list-style-type: none"> Consider implementing a formal cycle to establish annual departmental operating plans to be led by the department owner. The operating plans should clearly link to the VSB Strategic Plan and contain measurable targets for tracking and reporting. Consider developing a rigorous accountability model to formally monitor staff performance against mandated objectives. This would include developing measurable key performance metrics. Consider the need to review documents relating to VSB policies, procedures and plans to ensure they are relevant and up to date. |
| Opportunity Type | <input checked="" type="checkbox"/> Strategic Initiative | | |
| Difficulty of Implementation: | | Outcomes | <ul style="list-style-type: none"> Clarify priorities and align all staff to the same set of priorities to focus work efforts. Provide clear documentation regarding specific priorities for each department and identify measurable goals and timelines to report against. More effective deployment of resources to critical projects and initiatives. |
| Moderate | | | |
| Current State | <ul style="list-style-type: none"> VSB has initiated the development of departmental operating plans to link back to the Five-Year Strategic Plan. It was noted that some documentation, including detailed job procedures and employee position control, may not be regularly updated or reconciled to source data. This can expose VSB to various risks, including accuracy of information and difficulties during employee transition. Monitoring of staff performance against mandated objectives may not always be performed. This includes identifying appropriate owners to monitor and manage the divisional budgets accordingly (see “Budget Monitoring and Accountability” initiative). Criteria around prioritization of projects are not always clear which can increase the risk of delays in implementing key initiatives (see “IT Strategic Planning” initiative). | | |
| Key Discussion Points | <ul style="list-style-type: none"> The overall operational framework serves as the foundation on which the other opportunities can be successfully implemented. It should enable real-time prioritization of initiatives and provide the authority to direct and allocate resources in accordance to the established priorities. | Considerations for Implementation | <ul style="list-style-type: none"> The framework should assist the school board in meeting their Strategic Plan with support from the Budget and Fiscal Plans. A research driven, collaborative approach should be considered to achieve these goals. The framework should clearly communicate roles and responsibilities and their level of accountability for delivering against their mandate. This needs to be effectively communicated and agreed upon by all parties. Review of documentation can be greatly simplified by having a central repository (see “Records Management” initiative). |

Item 7.2: Shared Services / Outsourcing

Function: Administrative

Theme: Strategic Initiative

| Opportunity Profile | |
|--------------------------------------|--|
| Opportunity Size | \$120,000 - \$320,000 |
| Opportunity Type | <input checked="" type="checkbox"/> Operating Budget Impact <input checked="" type="checkbox"/> Strategic Initiative |
| Difficulty of Implementation: | High |
| Current State | <ul style="list-style-type: none"> The majority of payroll, procurement, and information technology (IT) services are centralized. Procurement has several purchasing consortia to utilize during the purchasing process. The Education Cooperative Purchasing Group's (EDCO) primary objective is to leverage collective volume and sharing of information and resources to provide high value purchasing solutions. VSB will also take advantage of the BC Government shared services branch Corporate Supply Agreements (CSA). This provides access to preferred pricing for a variety of purchases for business use. Similar job responsibilities as those being performed centrally may also exist at the school-level. These responsibilities usually include purchasing and payables, technical support and hardware and software installation. |
| Key Discussion Points | <ul style="list-style-type: none"> Comparative data indicates that efficiencies could be gained in some administrative functions. The Ministry of Education has discussed finding efficiencies through shared service arrangements with potential savings of 3% to 8%. |

| Synopsis | |
|--|---|
| Proposed Actions | <ul style="list-style-type: none"> Consider the possibility of establishing a "Centre of Excellence" to support other school districts with finance functions, payroll processing, IT and procurement. Consider transitioning all procurement and IT processes under common management. This would provide the opportunity to coordinate procurement and IT efforts currently conducted at the school-level. Review with employee groups the viability of outsourcing payroll, transactional HR, benefits administration, IT and other administrative, transaction-based functions to determine if cost reductions and efficiencies can be achieved. Analyze the return on investment for shared services or outsourcing to determine if a savings opportunity exist. |
| Outcomes | <ul style="list-style-type: none"> Reduce duplication of activities through consolidated roles. Provide transparency as central groups will process the same transactions. Potential savings and increased functionality through outsourcing functions. Increase efficiencies of various processes to align more comparably to other public organizations. |
| Considerations for Implementation | <ul style="list-style-type: none"> Consider skill set requirements for any process or service delivery model changes. Consider the volume of transactions being processed to determine resource level requirements of shared services. Any consideration of shared services may require relocation of resources. Review of collective agreements and relocation feasibility will need to be assessed. Similar shared service approaches have been successfully implemented in other public sector organizations and have resulted in improved cost effectiveness through working collaboratively to streamline common services. VSB may be able to leverage off of these examples. |

Item 7.3: IT Strategic Planning

Function: Information Technology

Theme: Strategic Initiative

| Opportunity Profile | | Synopsis | |
|--------------------------------------|--|--|--|
| Opportunity Size | N/A | Proposed Actions | <ul style="list-style-type: none"> IT should consider formally articulating a vision and strategy for the use of technology which focuses on delivering benefits to both academic and administrative areas. VSB should strongly consider the need to rationalize IT applications to the ones that best support the strategic plan. |
| Opportunity Type | <input checked="" type="checkbox"/> Strategic Initiative | | |
| Difficulty of Implementation: | | Outcomes | <ul style="list-style-type: none"> Decision making and escalation path will be clear and objective. IT department will have a tangible goal to achieve and measure against. This would be done through development of appropriate metrics to gauge IT effectiveness. IT department will work closely with senior management and departments to determine how IT can assist in implementing the school board's overall strategy. The IT strategic plan will be tailored to the school board's needs, including access to tools and training to deliver learning services. It will also be standardized where applicable to allow for more agile decision making, elimination of redundancies and streamlining of IT operations. Improve internal and external IT service satisfaction. |
| Moderate | | | |
| Current State | <ul style="list-style-type: none"> There is a need at the school board for a defined IT strategic plan, including prioritization criteria, training requirements, full centralization of services and workflow requirements. It was noted that IT initiatives are prioritized based on "who can lobby the hardest". Initial request decisions may be escalated and overridden. PeopleSoft upgrades have been delayed due to resource constraints, which has postponed the roll out of other initiatives, including system integration and electronic invoicing. There are over 14,000 different software applications and versions being used at all district sites and are supported by IT on an as-needed basis. The HRIS system is obsolete and only has limited technical support available at twice the normal costs. Going forward technical support will no longer be available which poses an operational risk to the school board. There were many optimistic notions throughout the school board around utilizing technology and the internet for further process efficiencies, including online resourcing, paper reduction and self service. | | |
| Key Discussion Points | <ul style="list-style-type: none"> VSB's external auditors put forth a recommendation for an IT Strategic Plan back in the FY10 Management Letter. | Considerations for Implementation | <ul style="list-style-type: none"> This initiative needs to be considered in conjunction with the operational framework and organizational structure as this would help prioritize IT projects and help fulfill IT's mandate to the school board. Management would need to play a key role in facilitating the prioritization of IT initiatives and providing the leadership needed to successfully deliver on these projects. |

Item 7.4: Application and Systems Integration

Function: Information Technology

Theme: Strategic Initiative

| Opportunity Profile | | Synopsis | |
|--------------------------------------|---|--|--|
| Opportunity Size | N/A | Proposed Actions | <ul style="list-style-type: none"> Consider upgrading and implementing other modules of PeopleSoft based on user requirements. This will require formulating a business case to assess the costs and return on investment of the upgrades. Explore the possibility of hosting PeopleSoft to support other school districts' operations. This would allow other districts virtual access through a central location. Consider the need to streamline work order processes via an integrated work order management system (IWMS). Consider a central data warehouse to house all data fields for a single source of data. |
| Opportunity Type | <input checked="" type="checkbox"/> Strategic Initiative | | |
| Difficulty of Implementation: | | Outcomes | <ul style="list-style-type: none"> Increase productivity through better system functionality. Some of the issues in VSB's PeopleSoft version have been resolved in future releases (i.e. e-procurement). Increase efficiencies through automation and reduction of manual efforts. VSB believes that up to 80% of work order data input can be reduced through automation. Better utilization of available functionality through increased training and system knowledge. Increase accuracy of data and improve data governance. |
| Moderate – High | | | |
| Current State | <ul style="list-style-type: none"> PeopleSoft 8.8 is being used at VSB centrally and is outdated with limited supported from Oracle. One-Write Plus is a standalone accounting system being used at schools. As it does not interface to PeopleSoft, data is manually entered on a monthly basis and the ability to view transactions in the system is limited. Other IT systems that are not fully integrated with PeopleSoft include the StarGarden HRIS system, AS400 and SchoolDude work order management system. Year to date there were over 7,000 work orders that were required to be entered in both PeopleSoft and SchoolDude. Work order costing information is not available in SchoolDude and must be retrieved through PeopleSoft. Manual interfaces exist for all the applications outside of PeopleSoft. Express vouchers are manually entered and various reconciliation processes are performed manually outside the applications. Patches are not being applied and multiple systems have to be used to access data. | | |
| Key Discussion Points | <ul style="list-style-type: none"> Data quality and data governance may be at risk given the number of different systems, lack of training and multiple feeds from other applications. | Considerations for Implementation | <ul style="list-style-type: none"> Consideration will need to be given to the total costs and resources required to implement the upgrades. Limited training exists for PeopleSoft. Any updates or changes will need to consider a concurring training initiative to ensure the systems are used correctly and to its full potential. IWMS may require a different third-party offsite host or a different work order system altogether. This may not be realistic given the recent purchase of SchoolDude. Need to collectively consider the needs and urgency of all users. For example, Human Resources would require a fully integrated system given the various manual procedures currently used to track attendance, the number of other manual processes occurring and the limited technical support available for their current HRIS system. |

Item 7.5: Budget Monitoring and Accountability

Function: All

Theme: Strategic Initiative

| Opportunity Profile | | Synopsis | |
|--------------------------------------|--|--|--|
| Opportunity Size | N/A | Proposed Actions | <ul style="list-style-type: none"> Consider assigning departmental owners greater accountability of their departmental budgets and variances that arise within their areas of responsibility. Consider facilitating continuous budget planning with more effective budgeting tools. This can include regular dashboard reporting of key performance indicators, provision of consistent, reliable financial information and real-time access to VSB's financial position. |
| Opportunity Type | <input checked="" type="checkbox"/> Strategic Initiative | | |
| Difficulty of Implementation: | | Outcomes | <ul style="list-style-type: none"> Increase support towards strategic goals through development of departmental service plans. The budget should express in concrete terms how resources will be allocated and how progress will be measured. More efficient budget balancing process with collaborative involvement from the departments, Finance Department and senior management. More accurate monitoring of VSB's financial position and ability to make proactive budgeting decisions. Increase cost management and spending awareness through a clear accountability model. |
| Moderate | | | |
| Current State | <ul style="list-style-type: none"> The Finance Department initiates the budgeting process and provides support to the individual departments and senior management to build the operating budget. Prior year service levels are adjusted for known assumptions and are validated with senior management to arrive at the base budget. In the past two years, shortfalls were addressed through a modified zero based budgeting process to identify a set percentage where savings could be achieved. This initial step in the budget balancing process is done through consultation with the departmental owners and senior management. At a divisional level, budgets are reviewed with a "bottom-line" focus and not through a detailed analysis of individual items and variances. | | |
| Key Discussion Points | <ul style="list-style-type: none"> The budget should closely align with the department's specific priorities and plans for the year. Budgets should be regarded as a financial monitoring tool rather than a recurring exercise with negligible value. | Considerations for Implementation | <ul style="list-style-type: none"> VSB needs to consider that not all staff will have the financial skill set to conduct robust zero-based budgeting. Continual training and assistance from Finance will need to be considered. Effective budget accountability will require a substantial time investment to thoroughly manage the annual plan and monitor allocated costs to all activities. VSB needs to consider the need to align the budget development process with the upcoming PSAB budgeting requirements. |

Item 7.6: Partnership Opportunities

Function: All

Theme: Strategic Initiative

| Opportunity Profile | | Synopsis | |
|--------------------------------------|--|--|--|
| Opportunity Size | <i>Not quantifiable at this time</i> | Proposed Actions | <ul style="list-style-type: none"> Continue to pursue establishment of additional partnership agreements and opportunities to contract services. Significant savings are available as observed in past agreements but cannot be currently quantified as it will be dependent on the nature of partnership pursued. |
| Opportunity Type | <input checked="" type="checkbox"/> Strategic Initiative | | |
| Difficulty of Implementation: | | Outcomes | <ul style="list-style-type: none"> Reduce various costs through cost sharing agreements and redeployment of resources. Potential service quality and efficiency improvements. Ability to leverage expertise and experience from partners. Increase VSB public awareness and exposure. |
| Moderate | | | |
| Current State | <ul style="list-style-type: none"> VSB has a multitude of partnership agreements that allow them to build relationships with the community while leveraging cost efficiencies. Examples of successful partnerships include arrangements with post-secondary institutions to intern students for relevant work experience. They have also partnered into a long-term lease with a management firm to operate and maintain the Education Centre property. Some of the desired partnerships discussed included property maintenance and waste management. In FY11, VSB incurred costs of over \$2M and \$580K related to these areas. Discussion around partnerships with other public organizations was also noted, including the sharing of resources and systems. | | |
| Key Discussion Points | <ul style="list-style-type: none"> It was noted that there was a general willingness by VSB and other parties to enter into more partnerships. Majority of discussion was around cost sharing partnership opportunities but potential revenue generating partnerships should also be considered. | Considerations for Implementation | <ul style="list-style-type: none"> Terms of the partnership agreements will need to be carefully reviewed to ensure alignment with VSB's core mandate. It will also be important to maintain a level of flexibility and control to minimize any impact to the student learning environment. VSB will need to consider the public perception of pursuing partnerships with private sector organizations for revenue generating activities. The school board should also consider partnerships with organizations holding similar values and principles as VSB to minimize any misalignment of goals and objectives. Any consideration of staffing decisions arising from partnership agreements or contracts will need to comply with union agreements. Access and review of partnership agreements can be greatly simplified by having a central repository (see "Records Management" initiative). |

Item 7.7: Organizational Structure

Function: All

Theme: Strategic Initiative

| Opportunity Profile | | Synopsis | |
|--------------------------------------|--|--|--|
| Opportunity Size | N/A | Proposed Actions | <ul style="list-style-type: none"> Consider performing further analysis on departmental effectiveness, including potential alignment of functional areas with the appropriate skill sets and visibility to best support the departmental and district mandate. Consider performing further assessment on processes where cross-departmental communications would be beneficial. |
| Opportunity Type | <input checked="" type="checkbox"/> Strategic Initiative | | |
| Difficulty of Implementation: | | Outcomes | <ul style="list-style-type: none"> Clarifies leadership roles/accountabilities and aligns departments under the member of the leadership team with the skill set and visibility to best support them. Increase overall productivity throughout the school board through relevant and open lines of communication across departments. |
| Moderate | | | |
| Current State | <ul style="list-style-type: none"> VSB has successfully restructured their organization to best align reporting lines with VSB's long-term strategic vision and service delivery model. There is strong understanding at the management level that the organizational design is the strategy that helps the school board achieve its goals and objectives. Consideration has been provided on further reorganizing the course and program structure to align them to the strategic vision. There was indication that further lines of communication could be opened across departments throughout the district. Duplicate and redundant procedures were found to exist in various departments in the district. | | |
| Key Discussion Points | <ul style="list-style-type: none"> Cross-departmental communication channels may not be utilized to their full extent. | Considerations for Implementation | <ul style="list-style-type: none"> This initiative will need to be considered in conjunction with the other strategic initiatives. Building accountability into the organizational structure is key to increasing communication, transparency and responsiveness within the school board. In addition, cultivating a multi-skilled workforce will assist in adapting to any changes that occur throughout the organizational structure. |

Item 7.8: Succession Planning / Transition Process

Function: Human Resources

Theme: Strategic Initiative

| Opportunity Profile | | Synopsis | |
|--------------------------------------|--|-------------------------|---|
| Opportunity Size | N/A | Proposed Actions | <ul style="list-style-type: none"> Consider reviewing the current career and professional development plans to determine whether it is meeting the needs of the school board to build leadership and critical skill sets across all employee levels. Consider the need to build a detailed skills inventory database for each position to determine an ideal approach to succession planning. This includes the ability to evaluate ideal resources to fill vacant positions and maximize resource potential. Further assess the transition process to determine where efficiency opportunities are available. This would include joint efforts throughout the VSB departments to develop effective transition procedures. |
| Opportunity Type | <input checked="" type="checkbox"/> Strategic Initiative | | |
| Difficulty of Implementation: | Moderate – High | | |
| Current State | <ul style="list-style-type: none"> Vancouver School Board has made it a clear objective to develop a succession plan for key management positions. They have been successful in embracing succession and career planning at the senior leadership level to be well equipped for maintaining a high level of educational services. For positions below the managerial level, comments were made regarding the need for updated job descriptions, backfill, transferable skills and capacity building within the departments. There were several non-managerial positions identified that would not have adequate backfill if the position were to become vacant. Other areas of the transition process were identified as potential areas of opportunity, including an additional need for benefits training and clear points of contact during the on-boarding process. Job transfer benefit adjustments and return of VSB equipment during employee exits may not be monitored to the extent of ensuring a seamless transition process and minimization of risk. | | Outcomes <ul style="list-style-type: none"> Obtain key information on the functional competencies and skills of existing staff for improved staffing decisions when filling vacancies and determining promotions. Develop skills and foster growth for potential leaders in the organization. Enhance capacity by providing personalized professional development in identified areas of need. Considerations for Implementation <ul style="list-style-type: none"> This will need to be considered in conjunction with the operational framework as clear job descriptions and accountabilities would assist in filling positions appropriately. A skills inventory database needs to be updated regularly and used to facilitate performance management to be considered effective. Critical skills should be identified based on the needs of the school board with increased focus to ensure these critical skills are present in key positions. |
| Key Discussion Points | <ul style="list-style-type: none"> Succession planning and career development activities are key to ensuring continual leadership and building a strong pool of employees. There are numerous areas of opportunity in the transition process which would lead to more efficient employees and appropriate skill sets in positions. | | |

Item 7.9: Service Consolidation of Accounts Payable

Function: Finance

Theme: Strategic Initiative

| Opportunity Profile | | Synopsis | |
|--------------------------------------|--|--|--|
| Opportunity Size | Up to \$180,000 | Proposed Actions | <ul style="list-style-type: none"> Consider reviewing the work contract terms and renegotiating working periods from 12 months to 10 months. Consider reducing the Accounts Payable function within the schools with the long-term objective of centralizing the function within Central Administration. There would need to be an indirect reporting structure to the central Finance department. VSB would need to assess the viability based on the outcomes of the pilot. Consider training staff on standardized processes to gain efficiencies and improve effectiveness. |
| Opportunity Type | <input checked="" type="checkbox"/> Operating Budget Impact <input checked="" type="checkbox"/> Strategic Initiative | | |
| Difficulty of Implementation: | | Moderate – High | |
| Current State | <ul style="list-style-type: none"> Each secondary school has an “Accounts Support” role which provides the following functions: <ul style="list-style-type: none"> Performs accounting functions to support schools; Reconciles accounts; Maintains clerical control for purchase orders invoice payable and other clerical reports and fees receivable; Reconciles payable accounts for suppliers, answers queries from suppliers, researches outstanding items by collecting information and documentation from various departments; Prepares monthly trial balance; and Reconciles accounts to District accounts. Workload for these roles are reduced during the summer months due to the student summer break. | | |
| Key Discussion Points | <ul style="list-style-type: none"> Any additional school-level functions that do not directly serve the classroom services can be assessed for different operating models and eventually centralization. | | |
| | | Outcomes | <ul style="list-style-type: none"> Reduce duplication of activities through consolidation of roles as similar functions are occurring for all school transactions. The objective would be to have one central model for Accounts Payable functions. Provide an additional level of transparency of functions occurring at both central and school-level. Increased level of services as functional support would all be centralized in one location. |
| | | Considerations for Implementation | <ul style="list-style-type: none"> Need to consider skill set requirements for any process or service delivery model changes. Any consideration of centralization of services may require relocation and transportation of resources. Review of collective agreements and relocation feasibility will need to be assessed. Consider if there are any similar functions occurring at the elementary schools that could be further assessed. |

Item 7.10: Sustainability

Function: All

Theme: Strategic Initiative

| Opportunity Profile | | Synopsis | |
|--------------------------------------|---|--|---|
| Opportunity Size | \$ 100,000 – \$ 200,000 | Proposed Actions | <ul style="list-style-type: none"> Consider integrating sustainability into core business operations as part of a long-term strategic vision and to demonstrate management leadership on sustainability. Consider reviewing resource levels to focus on sustainability initiatives. Communicate sustainability successes with the broader community to increase positive exposure. |
| Opportunity Type | <input checked="" type="checkbox"/> Operating Budget Impact <input checked="" type="checkbox"/> Strategic Initiative | | |
| Difficulty of Implementation: | | Moderate | |
| Current State | <ul style="list-style-type: none"> VSB has several sustainability initiatives in place that have been successful in reducing utilities costs and its carbon footprint. Initiative highlights include lighting system upgrades at 25 schools, new construction of energy efficient schools, integration of renewable energy technologies and increased student awareness. VSB's five-year electricity reduction target of 5 GWh (15%) is on target to be realized ahead of schedule for a potential savings of \$400 to \$500K. VSB has shown an overall decrease of utility usage from FY09 to FY11 (electricity – 10%; natural gas – 19%; water – 46%; sewage – 53%). A number of projects with high energy, carbon and cost saving potential are currently underway or being evaluated. A significant portion of the existing capacity is used toward meeting Provincial Legislation on measuring and reporting the organization's Carbon Neutral Actions. | | |
| Key Discussion Points | <ul style="list-style-type: none"> Need to consider a highly visible central Sustainability group dedicated to developing and delivering programs district-wide with a broad sustainability mandate. | | |
| | | Outcomes | <ul style="list-style-type: none"> Long-term reduction in utility costs and long-term value for the Vancouver School Board. Long-term reduction in carbon footprint and carbon offset costs. Positive exposure and public relations around energy conservation, carbon offsetting and green initiatives. Opportunity to position VSB as a leader in sustainability. Alignment to provincial Climate Change Adaptation Strategy. |
| | | Considerations for Implementation | <ul style="list-style-type: none"> While the implementation of sustainability initiatives will be highly dependent on availability of capital and qualified resources, it presents an opportunity for leadership and long-term business value for the school board. Sustainability initiatives will need to be considered in parallel with building seismic upgrades and new construction projects. The Sustainability group may liaise and work with existing structures to develop solutions that bring multiple benefits. |

Item 7.11: Enterprise Risk Management

Function: All

Theme: Strategic Initiative

| Opportunity Profile | | Synopsis | |
|--------------------------------------|---|--|---|
| Opportunity Size | N/A | Proposed Actions | <ul style="list-style-type: none"> Consider implementing a formal risk management strategy to provide the framework to guide the development of processes that take into consideration organizational risk. Consider making risk accountability a critical operating requirement at the school board. This would involve applying a disciplined approach to risk evaluation and control, as well as implementing an oversight process that ensures various risks are addressed holistically rather than in silos. |
| Opportunity Type | <input checked="" type="checkbox"/> Strategic Initiative | | |
| Difficulty of Implementation: | | Outcomes | <ul style="list-style-type: none"> Provide a standardized approach to assessing and managing all risks to the school board. Provide systematic and disciplined approach to evaluate and improve controls and governance throughout the school board. Improve management control and public perception through reduced exceptions identified during audits. |
| Moderate | | | |
| Current State | <ul style="list-style-type: none"> There is a need for an Enterprise Risk Management model at VSB to assess overall risk exposure, including financial, operational, reputational and infrastructural risks. It was noted that the Facilities department is very diligent in assessing the infrastructural and seismic risks of the school board but it is not tied to an overall risk framework and strategy to integrate to other areas of the school board that may be affected, such as Learning Services and Health & Safety. There is currently one employee who oversees risk management, school incidents, insurance and Freedom of Information and Protection of Privacy (FOIP). The job responsibilities entail management of over 50 property based incidents and upwards of 800 personal liability incidents a year. VSB has been proactive in considering the need for an Internal Audit function but currently does not have the resources to develop this functional area. | | |
| Key Discussion Points | <ul style="list-style-type: none"> VSB needs to create a controlled risk environment where staff are comfortable taking calculated risks to build an optimal learning environment and taking an innovative approach to delivering educational services. | Considerations for Implementation | <ul style="list-style-type: none"> Ontario school boards have an initiative underway to share the Internal Audit function with peer school boards in their region. This has been approved by the Ontario Ministry of Education and may be a long-term solution worth exploring. Similar to VSB's requirements, the scope of work of the shared internal audit team would be to determine whether the network of risk management, control, and governance processes is adequate and functioning. An additional benefit to be considered through a shared Internal Audit function would be the provision of an independent and objective assessment. |

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