

SCHOOL DISTRICT No. 23 – BOARD COMMITTEE REPORT

COMMITTEE: Finance and Legal Committee DATE: April 21, 2010

CHAIRPERSON: Trustee G. Given STAFF CONTACT: L. Paul, Secretary-Treasurer
E. Sadlowski, Director of Finance

Attendees:

Trustee G. Given (Chairperson)
Trustee G. Scanlan (Committee Member)
Trustee J. Watson (Committee Member)
Trustee M. Baxter
Trustee R. Cacchioni
Trustee W. Horning
Trustee A. Hunt-Binkley

Staff:
L. Paul, Secretary-Treasurer
E. Sadlowski, Director of Finance
H. Gloster, Superintendent
T. Beaudry, Assistant Superintendent
D. Carmichael, Finance Manager
M. Essler, Executive Assistant (Recorder)

Partner Group Representation:

COPAC Shelley Kvamme-MacDonald, Treasurer
COTA Alice Rees, President
COPVPA Vianne Kintzinger, Executive Member
CUPE Chris Neufeld, Executive Member
DSC Josephine Schrott, Executive Member

Agenda

Add Information Item: Aboriginal Education Funding and Expense Information

Discussion/Action Items

1. Superintendent's 2010/2011 District Budget Recommendations (attachment)

The Superintendent reviewed with the Committee the 2010/2011 District Budget Recommendations.

The highlights of the Provincial Education Budget are as follows:

- Provincial Budget been increased by \$112 million for the 2010/2011 school year
- the Ministry of Education has indicated that \$54 million of that funding is to pay for the wage increase for the final year of the teachers' collective agreement
- the balance of \$58 million is provided to fund the first year of the implementation of Full Day Kindergarten
- included within the funding lift are the Labour Settlement Funds which used to be listed as a separate line item, but are now rolled into the per pupil FTE allocation

The effects of the Provincial Education Budget on School District No. 23 are as follows:

- the increase in funding to School District No. 23 over the current year is \$2,954,820
- although there is an increase in the operating grant to the District, the cost to maintain all current programs, services, personnel, resources and materials will rise by a significantly greater amount
- in order to achieve a balanced budget for the coming year, School District No. 23 will have to achieve reductions equal to \$4,700,000.

Due to budget shortfalls for three consecutive years, the School District engaged in consultative processes at a far greater level than in previous years. In discussions the most fundamental principle is that "students come first". The focus of the working sessions with all partner groups, district management and senior staff were ways to increase revenue, reduce costs and improve efficiencies. The Superintendent reviewed the budget pressures experienced by the District totaling \$7,640,429, less the financial lift of \$2,954,820 from the Provincial Education Budget, leaves at shortfall of \$4,685,609.

A Transportation User Fee was introduced for the 2009/2010 school year to recover funds that were being dedicated to Transportation costs, over and above the funds the District received from the Ministry of Education to provide these services. The revenue generated was \$750,000 which was less than the \$1,000,000 which was anticipated. The \$20.00 monthly fee per student has been working effectively and a family plan and opportunity to apply for a

subsidy have also been well received by parents who have found the transportation fee to be a burden. The current recommendation is to keep the existing fee structure in place and make no changes to the Transportation User Fee for the 2010/2011 school year.

As the fundamental principle is “students come first”, the recommended reductions to District-based accounts is 60% and the recommended reductions to school-based accounts is 40%.

The Superintendent reviewed the Recommended District-Level Expense Reductions by Area which includes reductions to the following:

- Operations for a total of \$849,000
- Literacy Portfolio for a total of \$89,000
- Career/Life Programs for a total of \$44,500
- Numeracy Portfolio for a total of \$64,500
- Graduation Portfolio for a total of \$64,500
- Student Support Services for a total of \$525,000
- Superintendent/School Board Office Budget for a total of \$271,250
- Board Governance Budget for a total of \$11,750
- Budget for Delivery Services for a total of \$56,000
- Hollywood Road Education Services/Curriculum Resource Centre/Technology Budgets for a total of \$216,000
- Miscellaneous Budget reductions for a total of \$164,500

The Recommended School-Level Expense Reductions includes \$1,000,000 at the elementary school level (which is an average percentage of 1.7% of individual elementary school budgets), \$400,000 at the middle school level (which is an average percentage of 2% of individual middle school budgets), and \$944,000 at the secondary school level, including Central School Programs and Services (which is an average percentage of 3.3% of individual school budgets). Although elementary schools have reductions, due to the introduction of Full Day Kindergarten, the teacher staffing at the elementary school level will actually increase by approximately 10.85 FTE teachers. Middle school teacher staffing due to the recommended reductions will decrease by approximately 11.16 FTE and secondary school teacher staffing will be reduced by approximately 11 FTE teaching positions. The reduction in support staff is 22 positions. Many of these reductions will be achieved through attrition and retirement. The reduction to exempt staff is 1.5 FTE.

The Committee reviewed the budget requests which were received. Written budget submissions were received from partner groups such as CUPE, COTA, District Health Promoting Schools Committee, the Parent Advisory Council of Casorso Elementary School, and two primary teachers. There was not a written budget submission received from the ACES Committee.

The Superintendent further reviewed the budget requests which were made and which are not being recommended, along with the alternate reductions considered for the 2010/2011 school year.

In response to trustee queries, the Superintendent confirmed as follows:

- The elimination of musical instrument repairs only affects a minority of schools where the school has purchased instruments for their music program. With the recommendation for the elimination of the musical instrument repairs, schools would be responsible for maintenance of the instruments they purchase.
- With the reduction in staffing levels at middle/secondary schools, the subscription level of students in some elective courses would have to be reviewed and without sufficient enrolment the course may not be offered. With the introduction of common timetables, an alternative would be the sharing of classes between schools (i.e. by teleconferencing or cross-enrolling).
- The elimination of 5.5 custodial positions (4 through retirement) will also be achieved in part through the elimination/reduction of the extra hours previously provided at the middle and secondary schools.

The Committee reviewed the Alternate Reductions Considered for 2010/2011 School Year which are the items discussed at the working committee sessions. The Committee discussed the funding provided to the schools and the use of the MyBudget file. Principals, in consultation with staff and School Planning Councils, make the decisions on the distribution of the funding (i.e. non-enrolling positions, CEA supplementary support etc.). The decisions made at the school-level are reviewed by the Directors to ensure compliance with Collective Agreements and School District procedures.

The Committee discussed the reduction in the Health Promoting Schools Coordinator from 1.0 to .5 with \$30,000 of the .5 funding received from Interior Health.

In response to a query from the COPAC member in attendance, the Superintendent advised that considerations for future budget years include increasing revenues through expansion of entrepreneurial endeavors, cutting costs and

creating efficiencies (i.e. through areas such as photocopying, long distance calling, catering etc.). The District currently offers services to other Districts through our Health & Safety Department. The feedback from COPAC is that the District should investigate further sources of revenue such as fundraising and additional shared services.

The Transportation User Fee was discussed. At the April 21 Planning and Facilities Committee the Committee is recommending to the Board the following changes to Policy 470 – Transportation Services Management:

1. increasing the minimum number of eligible students required to establish a run from 7 to 14
2. capping the transportation assistance at \$530.00 per year per student
3. elimination of subsidies to users of bus routes when there are no eligible students on the route
4. as transportation is an optional service, allow partial subsidies and not full subsidies

Trustee Watson recommended the increase of the transportation fee to \$21 from the current \$20. This would generate an additional \$35,000.

The Committee discussed the recommendation of Trustee Watson. Trustee Watson indicated that he would be bringing the same recommendation to the Public Board Meeting when the Board approves the Superintendent's Budget Recommendations for 2010/2011.

Outcome:

THAT: The Finance and Legal Committee forward to the Board a recommendation that the Board adopt the Preliminary 2010/2011 School District Budget, including the specific budget reductions, as presented at the April 21, 2010 Finance and Legal Committee Meeting.

Information Items

1. Response to Trustee Query re: 9.9% Return on Portfolio as of January 31, 2010

Eileen Sadlowski, Director of Finance, confirmed that the School District's portfolio performance of 9.9% represented the return on the increase in the value of the portfolio as well as cash distributions. The income and value of the portfolio changes daily. The portfolio performance is not the same as the income earned.

2. Aboriginal Education Funding and Expense Information

Trustee Baxter provided the Committee with information on the Aboriginal Education Funding and Expense Information. The early approval of this budget was completed to align with the District budget process.

Items for Future Finance and Legal Committee Meetings

Future:

- Amending of Policy 115 – Inaugural and Annual Board Meetings regarding trustee indemnity

Meeting Schedule

Future Finance and Legal Committee Meetings:

Wednesday, May 19, 2010 at 1:00 p.m. at School Board Office

Wednesday, June 16, 2010 at 6:30 p.m. at School Board Office

Questions – Please Contact:

Gail Given, Chairperson

Larry Paul, Secretary-Treasurer

Eileen Sadlowski, Director of Finance

Phone: (250) 979-1313

Phone: (250) 470-3216

Phone: (250) 470-3224

email: ggiven@sd23.bc.ca

email: lpaul@sd23.bc.ca

email: esadlows@sd23.bc.ca