

NOTICE OF MEETING

POLICY AND GOVERNANCE COMMITTEE

Secretary Treasurer's Office
Wednesday, May 15, 2024
Public viewing via live broadcast

Janet Fraser (Chair)
Preeti Faridkot (Vice-Chair)
Jennifer Reddy
Christopher Richardson

Helen McGregor, Superintendent of Schools
Flavia Coughlan, Secretary Treasurer

Notice of Meeting

A Meeting of the **Policy and Governance Committee** will be held in room 180 of the VSB Education Centre (1580 West Broadway, Vancouver BC) **for participating trustees, staff, rights holder representatives and stakeholder representatives** on **Wednesday, May 15, 2024 at 7:00 pm**. The meeting will be live broadcast for the public.

Other Trustees: Lois Chan-Pedley Alfred Chien
Victoria Jung (Alternate) Joshua Zhang (Alternate)
Suzie Mah

Student Trustee: Mia Liu

Other Senior Team Staff: Daniel Blue Maureen McRae-Stanger
Pedro da Silva Pete Nuij
Michael Gray Alison Ogden

Rights Holder Representatives: Faye Mitchell, x^wməθk^wəyəm (Musqueam)
Paul Wick, Skwxwú7mesh Úxwumixw (Squamish Nation)
Kirsten Touring, səliłwətał (Tsleil-Waututh Nation)

Representatives: Suzette Magri, CUPE 15 Alternates: Chris Brown, CUPE 15
Brent Boyd, CUPE 407
Ishi Dinim, DPAC Karen Tsang, DPAC (Alternate 1)
Kyenta Martins, DPAC (Alternate 2)
Tim Chester, IUOE Tim De Vivo, IUOE
Hayden O'Connor, PASA Diane Peters, PASA
Justin Chapman, Trades
Sonia Blair, VASSA Angie Haveman, VASSA
Aryan Gautam, VDSC
Glen Hansman, VEAES Jody Polukoshko, VEAES
Trevor Wrinch, VEPVPA Sarah Dash, VEPVPA
Carl Janze, VSTA Terry Stanway, VSTA

Other Staff: Lynda Bonvillain
Chris Allen

POLICY AND GOVERNANCE COMMITTEE MEETING AGENDA

Wednesday, May 15, 2024 at 7:00 pm
Room 180, VSB Education Centre

With deep gratitude and respect, we are honoured to be learning and unlearning on the ancestral and unceded lands of the xʷməθkʷəy̓əm (Musqueam), Skwxwú7mesh Úxwumixw (Squamish Nation) and səliłwətał (Tsleil-Waututh Nation).

The meeting is currently being broadcasted live, and both the audio and video recordings will be accessible to the public for viewing even after the meeting ends. Footage from this meeting may be viewed from Canada or anywhere else in the world.

Meeting Decorum:

The Board has a strong commitment to ethical conduct. This includes the responsibility of committee members to conduct themselves with appropriate decorum and professionalism. As Chair of the Committee, it is my responsibility to see that decorum is maintained. To do that I ask that:

- i. All committee participants request to speak through the chair.
- ii. Civility towards others is maintained as committee participants share perspectives and participate in discussion.
- iii. Staff are able to submit objective reports without influence or pressure as their work is acknowledged and appreciated.
- iv. Committee participants refrain from personal inflammatory or accusatory language or action.
- v. Committee participants present themselves in a professional and courteous manner.

Please see reverse for the Purpose/Function and Power and Duties of this Committee.

1. Items for Approval

None

Presenters

2. Information Items

2.1 School Liaison Officer Program Update (verbal)

Pedro da Silva, Associate Superintendent

3. Discussion Items

3.1 Policies Review:

Policy 10 – Policy Development

Policy 19 - Accumulated Operating Surplus

Flavia Coughlan, Secretary Treasurer | CFO

Policy and Governance Committee

A. Responsibilities:

- A.1 Review the policy framework for the organization and make policy recommendations to the Board.
- A.2 Assess and make recommendations regarding Board governance structures.
- A.3 Ensure Board Policies are reviewed at least once in a four-year term and that compliance with legislation, regulations and legislative mandate is maintained.
- A.4 Review and make recommendations to the Board on the school district's compliance with legislative requirements.
- A.5 Annually review and recommend an Advocacy Plan to the Board that supports the achievement of the Board's strategic objectives.
- A.6 Review matters referred to the committee by the Board and make recommendations as requested.

May 15, 2024

ITEM 3.1

TO: Policy and Governance Committee

FROM: Flavia Coughlan, Secretary Treasurer | CFO

RE: Policies Review

*Reference to
Education Plan*

GOAL: The Vancouver School Board will increase equity by...

OBJECTIVE(S): Improving stewardship of the district's resources by focusing on effectiveness, efficiency, and sustainability

INTRODUCTION

One of the responsibilities of the Policy and Governance Committee is to ensure Board Policies are reviewed at least once in a four-year term and that compliance with legislation, regulations and legislative mandate is maintained.

This report is for discussion.

POLICIES REVIEW

At the committee meeting, participants will engage in small group discussions aimed at gathering feedback for the update of Policy 10 - Policy Development and Policy 19 - Accumulated Operating Surplus.

At the meeting, participants will engage in small group discussion to provide feedback regarding the two policies using the following guiding questions.

1. Alignment with current practice: Which aspects of the policy are outdated or inconsistent with our current practices, and how might they be revised or updated?

2. Alignment with other board policies provincial guidance and legislation: How well does the existing policy align with other board policies and/or adhere to provincial guidance and legislation? Are there areas where the policy could be improved to create better alignment and/or ensure compliance?

3. Suggestions for improvement: Are there new considerations or emerging trends that the policy should address to remain relevant?

The feedback collected will be shared with the Board and will inform policy updates.

Attachments:

- A. Policy 10 – Policy Development
- B. Policy 19 – Accumulated Operating Surplus

Policy 10

POLICY DEVELOPMENT

Policy development is a key responsibility of the Board. Policies constitute the will of the Board in determining how the District will be operated and communicate the Board's values, beliefs and expectations. Policies provide effective direction and guidelines for the action of the Board, Superintendent, staff, students, electors and other agencies. Policies also serve as sources of information and guidelines to all who may be interested in or connected with the operation of the District. Adoption of new Board policies or revision of existing policies is solely the responsibility of the Board.

The Board shall be guided in its approach to policy making by ensuring adherence to the requirements necessary to provide high quality public education, compliance with the School Act and provincial as well as federal legislation.

Board policies shall provide an appropriate balance between the responsibility of the Board to develop the broad guidelines to guide the District and the role of the Superintendent to exercise professional judgment in the administration of the District.

The Board believes in the establishment and review of policy which reflects its values and perspectives.

The Board shall adhere to the following stages in its approach to policy making:

1. Planning

The Board, in cooperation with the Superintendent, shall assess the need for a policy, as a result of its own monitoring activities or on the suggestion of others, and identify the critical attributes of each policy to be developed.

2. Development

The Board may develop the policy itself or delegate the responsibility for its development to Superintendent.

3. Implementation

The Board is responsible for the implementation of policies governing its own processes. The Board and Superintendent share the responsibility for implementation of policies relating to the Board-Superintendent relationship. The Superintendent is responsible for the implementation of the other policies.

4. Evaluation

The Board, in cooperation with the Superintendent, shall evaluate each policy in a timely manner in order to determine if it is meeting its intended purpose.

Specifically

1. Any Trustee, standing committee, stakeholder group, employee group, community member, parent, student or Parent Advisory Council of the District may make suggestions regarding the possible development of a policy or the need for policy revisions on any matter by presenting a proposal for a policy or revisions, in writing, to the Superintendent. The proposal shall contain a brief statement of purpose or rationale.
2. The Superintendent will inform the Board of the request for policy development/ revision. The Board will determine the action to be taken.
3. At the direction of the Board the Superintendent will draft amendments to an existing policy or develop a new policy as the case may be.
4. The Superintendent may seek legal advice on the intent and the wording of the policy.
5. The policy draft is then brought by the Superintendent to the Board for review.
6. The Board acknowledges that in certain circumstances, stakeholders affected by a proposed policy may be involved in policy development.
7. Once a draft policy has been considered by the Board it may direct that the document be considered by the Policy and Governance Committee with an invitation for stakeholders to study the draft and to suggest modifications.
8. The Committee will provide feedback to the draft policy to the Superintendent who will advise the Board if a further draft is necessary or recommend the draft policy to the Board for final approval.
9. Only those policies which are adopted and recorded in the minutes constitute the official policies of the Board.
10. In the absence of existing policy, the Board may make decisions, by resolution, on matters affecting the administration, management and operation of the District. Such decisions carry the weight of policy until such time as specific written policy is developed. Those which have continuing applicability shall become part of an existing policy or become a free standing policy if directed by Board motion.
11. The Board may direct the Superintendent to change an administrative procedure to a draft Board policy and will provide the rationale for same.

12. The Superintendent shall develop administrative procedures as specified in Policy 11 – Board Delegation of Authority and may develop such other procedures as deemed necessary for the effective operation of the District. These must be in accordance with Board policies.
13. The Board may also delete a policy and subsequently delegate the Superintendent authority over this area. The Superintendent may choose to then develop an administrative procedure relative to this matter.
14. The Superintendent must inform the Board of any changes to administrative procedures. The Administrative Procedures number and title shall be referenced as an information item in a Board agenda. Tracked changes shall be made accessible on line to trustees for a period of one month following such a change.
15. The Superintendent shall arrange for all Board policies and administrative procedures and subsequent revisions to be posted on the District’s website, in a timely manner.
16. The Board shall review and revise its policies on a rotational basis which provides for all policies being reviewed at least once per term of office.

Legal Reference: Sections 65, 74, 85 School Act

Adopted: Sept 24, 2018

Policy 19

ACCUMULATED OPERATING SURPLUS

The Board of Education is responsible for ensuring the district is protected financially from financial forecasting risk and unforeseen circumstances which could negatively impact school district operations and the education of students. A level of financial reserves, in the form of an accumulated operating surplus, is an indicator of financial health and can contribute to multi-year planning for future educational services and operational needs. To discharge this responsibility and in order to provide increased financial stability, effective planning and support funding predictability, the Board has established an accumulated operating surplus policy. The Board has established this accumulated operating surplus policy from funds sourced from operating revenues from all previous years that are in excess of operating expenditures from all previous years.

When operating expenditures from all previous years exceed operating revenues from all previous years an accumulated operating deficit results. When an accumulated operating deficit occurs, it means future revenues are needed to pay for past expenditures. School districts in BC are not permitted to budget for or incur expenditures that result in an accumulated operating deficit.

The following guiding principles form the basis for this Policy:

- To align the allocation of accumulated operating surpluses with the goals of the District's Education Plan in support of the achievement of the educational and operational goals of the District.
- To ensure an alignment exists with other relevant programs, policies, administrative procedures, and initiatives including the Framework for Enhancing Student Learning, the Financial Planning and Reporting Administrative Procedure, targeted funding for Indigenous students, etc.
- Actual surplus balances need to be benchmarked with other school districts and jurisdictions and with pre-determined targets on an ongoing basis to gauge whether financial health is being achieved.
- To support resources that are focused on programs for and services to students with a focus on improving student achievement.
- Surplus goals need to be consistent with and supportive of realistic longer-term financial plans.

The following terms used in this Policy are defined as follows:

- **"Accumulated Operating Deficit"** means the accumulated excess of Operating expenses over Operating Revenues less Inter-Fund Transfers from current and prior years.
- **"Accumulated Operating Surplus"** means the accumulated excess of Operating Revenues over Operating Expenses less Inter-Fund Transfers from current and prior years.
- **"Annual Operating Deficit"** is the amount by which a fiscal year's Operating Expenses and Inter-Fund Transfers exceed that same fiscal year's Operating Revenues.
- **"Annual Operating Surplus"** is the amount by which a fiscal year's Operating Revenues exceed that same fiscal year's Operating Expenses and Inter-Fund Transfers.
- **"Inter-Fund Transfers"** means the transfer of funds from one fund to another (e.g., between Operating Fund and Capital Fund).

- **“Internally Restricted Operating Surplus”** means a portion of an Accumulated Operating Surplus that has been set aside through a board motion for specified use in future years.
- **“Local Capital”** is comprised of previous years’ available operating surpluses, which are transferred to Local Capital with board approval; revenues from sales of capital assets; and investment income earned on these funds.
- **“Operating Expenses”** are the total of all expenses in the Operating Fund as disclosed on Schedule 2 of the annual financial statements that boards must provide to the Ministry.
- **“Operating Revenue”** are the total of all revenue in the Operating Fund as disclosed on Schedule 2 of the annual financial statements that boards must provide to the Ministry.
- **“Unrestricted Operating Surplus (Contingency)”** means the accumulated Operating surplus built up in the School District’s Operating fund that has not been designated for specific uses.

1. The Board’s accumulated operating surplus will consist of internally restricted operating funds and unrestricted operating funds.

1.1 The Board may approve restrictions on spending of the surplus. Boards of education are required by legislation to prepare balanced annual operating budgets, which may include use of (appropriation of) prior year accumulated surplus.

Restrictions can be made for items that are identified by the Board, have defined timelines, are directly related to a board goal outlined in their strategic, operational, and financial plans or that meet the specified needs of the School District. Restrictions on spending of the surplus will be for the following purposes:

- For operations spanning multiple school years;
- For anticipated unusual expenses identified; and
- Due to the nature of constraints on the funds.

1.1.1 Operations Spanning Multiple School Years

To support effective planning, there will be situations where monies will need to be carried over to future years. These could be for categories such as:

- Future years’ Operations/Budget (not beyond the next two fiscal years).
- Schools and Department surplus/carry-forwards (not beyond the next two fiscal years).
- Operating projects in progress.
- Technology, utilities, equipment, and capital projects (includes amounts to be transferred to Local Capital, but have not yet been identified for specific initiatives)
- Purchase order commitments.
- Educational programs spanning multiple school years (e.g., distributed learning, summer school, International Student Program).

The amount of Accumulated Operating Surplus restricted for Operations Spanning Future School Years at the end of a fiscal year should be a minimum of 1.5% and a maximum of 3.0% of actual Operating Expenses of that fiscal year.

1.1.2 Anticipated Unusual Expenses Identified

To support effective planning, there will be situations where senior management has identified unusual/non-recurring expenses anticipated to be spent in the upcoming fiscal year that will not be funded by revenues of that year. These could be for categories such as:

- Staffing and labour relations that are not pre-planned (i.e. changes in employee benefits rates, severance payments).
- Implementation of new curriculum initiatives.
- The impact of emerging events (i.e. COVID-19 pandemic, refugee students).

The amount of Accumulated Operating Surplus restricted for Anticipated Unusual Expenses Identified at the end of a fiscal year should be a minimum of 0.5% and a maximum of 1.0% of actual Operating Expenses of that fiscal year.

1.1.3 Nature of Constraints on the Funds

In recognition of some monies having constraints as to how they can be spent, funds may need to be internally restricted in their entirety at the end of the fiscal year. These internal restrictions could be for categories such as:

- Contractual obligations (i.e. professional development);
- Unspent Indigenous education targeted spending;
- School Generated Funds (not externally restricted).

1.2 Restricted for Future Capital Cost Share

To support major capital projects that are identified in the Board's 5-year Capital Plan and approved by the Ministry for concept plan or business case development, Boards may restrict operating surplus to satisfy capital project cost share expectations at the time the project is brought forward for funding approval. Capital cost share expectations can be found within the [Capital Plan Instructions](#).

The amount of Accumulated Operating Surplus restricted for Future Capital Cost Share at the end of a fiscal year should be a minimum of 1.0% of actual Operating Expenses of that fiscal year.

1.3 Unrestricted Operating Surplus (Contingency)

To support effective planning, and risk mitigation, there will be situations where contingency funds need to be available for unexpected increases in expenses and/or

decreases in revenues. Budgeted annual operating expenses should be reflective of actual estimated costs or, where applicable, contractual expenditure requirements. The contingency reserve mitigates the risk of actual costs being greater than estimated. These could be for categories such as:

- **Major Emergent Operating Issues** – the School District is exposed to major non-recurring costs related to various emergency events or situations, e.g., inclement weather, forest fires, etc. These situations cannot be anticipated and budgeted for, and it may not be feasible to absorb the cost of such events in other budget areas in any given year.

- **To Offset Unrealized Revenues** – The School District is exposed to the possibility of unrealized revenues and/or declines in base revenues from year to year due to the cyclical nature of the revenue source being impacted by economic downturns, (e.g., lower off-shore student enrolment).

The amount of Unrestricted Operating Surplus (Contingency) at the end of a fiscal year should be a minimum of 1.0% and a maximum of 2.5% of actual Operating Expenses of that fiscal year.

2. To mitigate financial risk, the following administrative guidelines shall guide this policy:
 - 2.1 Increases/decreases to the Internally Restricted Surplus balances in the Accumulated Operating Surplus shall be specific to each category of restriction, as approved by Board motion through the School District’s annual financial planning/budgeting process.
 - 2.2 The Secretary-Treasurer shall be responsible for:
 - 2.2.1 Recommending the necessary increases/decreases and transfers so that the School District’s Restricted Operating Surplus balances and Contingency balance are maintained in accordance with this Policy.
 - 2.2.2 Conducting an annual review of all Internally Restricted Operating Surplus balances, and the Contingency balance including comparing actual levels with the established minimum and maximum levels within this Policy and with other school districts and jurisdiction benchmarks and reporting the results of such a review to the Board of Education.
 - 2.2.3 Recommending changes to the minimum and maximum balance guidelines shown in this Policy for the Board’s approval.
 - 2.2.4 Recommending any revisions or amendments to this Policy, as may be required from time to time, as a result of changes in applicable Ministry of Education directives, accounting standards, economic conditions, etc.
 - 2.3 Restriction Increases/Decreases and Transfer of Funds

- 2.3.1 Increases/decreases in Internally Restricted Operating Surplus for any of the categories identified in Section 2 will be approved by the Board of Education as part of the annual budget development process.
- 2.3.2 The Board of Education shall approve the use of surplus for specific District initiatives that are linked to multi-year planning decisions as per Administrative Procedure 503 – Financial Planning and Reporting.
- 2.3.3 Any transfer of funds between the Operating Fund and Capital Fund not included in the Annual Budget or Amended Annual Budget, will be approved by the Board of Education.
- 2.3.4 It is expected that the annual operating budget will allow transfers to local capital which are sufficient to allow efficient replacement or acquisition of capital assets consistent with the School District's Capital Plan. Transfers to local capital shall be authorized by Board motion. They should be for specific initiatives linked to the Board's strategic plan, with a timeline for spending the transfers.

2.4 Accountability

The local policy requirements on how the education community will be involved in discussions on how surpluses would be spent is detailed in Administrative Procedure 503 – Financial Planning and Reporting. To ensure the Ministry of Education and the public are aware of how surplus funds have been accumulated and how the operating surplus has or will be spent, the Secretary-Treasurer will ensure a narrative is included in the annual District's Financial Statement Discussion and Analysis report. That narrative, in conjunction with reporting on the District's multi-year plans and by using the suggested reporting format in Appendix A and Appendix B of the Ministry of Education Accumulated Operating Surplus, [Companion Guide](#), will explain how operating surpluses balances were used to support Board strategic plans, operational needs and enhanced educational outcomes for students.

Legal Reference:

Adopted:	March 4, 2019
Amended:	December 13, 2021

School District No. 39 – Accumulated Operating Surplus Policy

Appendix A – Surplus Summary

Category of Accumulated Operating Surplus

	Purpose	Minimum Level	Maximum Level
Operations Spanning Future School Years	For future years’ operations (not beyond 2 years), school/department carry-forwards, projects in progress, etc.	1.5% of actual operating expenses of that fiscal year	3.0% of actual operating expenses of that fiscal year
Anticipated Unusual Expenses Identified	For unusual/non-recurring expenses anticipated to be spent in upcoming fiscal year that will not be funded by revenues of that year.	0.5% of actual operating expenses of that fiscal year	1.0% of actual operating expenses of that fiscal year
Nature of Constraints on the Funds	For monies that have constraints on how they are to be spent. Does not include monies with external restrictions.	n/a	n/a
Restricted for Capital Cost Share	For supporting major capital projects identified in the 5-year Capital Plan and approved by the Ministry.	1.0% of actual operating expenses of that fiscal year	n/a
Unrestricted Operating Surplus (Contingency)	For working capital purposes within the Operating Fund, for unforeseen general operating emergency expenditures, and future school years beyond the next two years.	1.0% of actual operating expenses of that fiscal year	2.5% of actual operating expenses of that fiscal year