

NOTICE OF MEETING**Committee III/V:**

Penny Noble
 Janet Fraser
 Allan Wong
 Joy Alexander
 Patti Bacchus
 Fraser Ballantyne
 Mike Lombardi
 Christopher Richardson
 Stacy Robertson

Vancouver Board of Education
 Secretary-Treasurer's Office

Scott Robinson, Superintendent of Schools
 Russell Horswill, Secretary-Treasurer

Notice of Meeting

A Meeting of the **Plenary/Education and Student Services Committee and Finance & Legal Committee (Joint Committee III/V)** will be held in Boardroom, VSB Education Centre, 1580 West Broadway, Vancouver, British Columbia, on

March 31, 2016 at 5:30 pm

Student Trustee: Timme Zhao

Senior Staff:	Nancy Brennan Catherine Jamieson Magdalena Kassis	Brian Kuhn Lisa Landry Jim Meschino	David Nelson Julie Pearce Ellen Roberts	Rob Schindel Janet Stewart Ian Wind
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Comm III Reps	Sylvia Metzner, VSTA Heather Allison, VESTA Jim Rutley, VASSA John Cortens, VEPVPA William Wong, PASA Farah Shroff, DPAC Rene Joiner, CUPE Loc 15 Tim Chester, IUOE Ken Chohanik, Trades Brent Boyd, CUPE 407 Haidee Pangilinan, VDSC	Alt:	Phoebe Macmillan, VSTA Jody Polukoshko, VESTA Claudette Alain, VEPVPA Audrey Van Alstyne, PASA Morgane Orger, DPAC Lois Holmlund, CUPE 15 Tim DeVivo, IUOE Raymond Szczecinski, Trades
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Comm V Reps	Terry Stanway, VSTA Heather Allison, VESTA Annette Vey-Chilton, VASSA Hugh Blackman, VEPVPA Harjit Khangura, IUOE Alex Dow, DPAC Sherry Kallergis, PASA Warren Williams, CUPE 15 Charleen Ann Derzak, CUPE 407 Elaine Au-Yang, VDSC	Rory Brown, VSTA Allan Haley, VESTA Iraj Khabazian, DPAC Maureen Cowin, PASA
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Other Reps:	Roberto Moro, VASSA Marion Broadbent, VEPVPA Dan Graves, VESTA John Pesa, Trades Will Bacarac and Reylyn Labrador, VDSC	Tim Chester, IUOE Sung Wong, CUPE National Gerhard Maynard, PASA Mabel Sun, DPAC
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Others:	Secretary-Treasurer's Office Maisie Louie, Learning Services Elaine McKay Chris Allen Lynda Bonvillain	District Parents Ed Centre Building Engineer Rentals Cafeteria
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COMMITTEE MEETING

**PLENARY COMMITTEE III/V – FINANCE & LEGAL
EDUCATION & STUDENT SERVICES**

**Thursday, March 31, 2016 at 5:30 pm
Boardroom, VSB Education Centre**

REVISED AGENDA

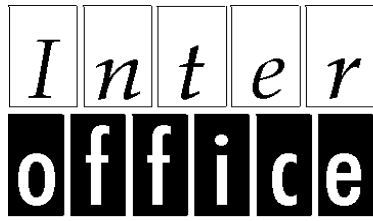
A. Reports for Trustee Information

1. 2016 / 2017 Preliminary Operating Budget Proposals
2. 2016 / 2017 Fiscal Framework
3. Restoration Budget

B. New Business

C. Date and Time of Next Meeting

Plenary Committee III/V on Monday, April 11, 2016 at 5:30 pm in the Boardroom



Memorandum

vancouver school board



March 31, 2016

Item 1

To: Plenary Committee III/V

FROM: Russell Horswill, Secretary Treasurer
Lisa Landry, Director of Finance

RE: **Preliminary Budget Proposals for 2016/2017**

INTRODUCTION:

Attached is the Preliminary Budget Proposals for the Vancouver Board of Education (VBE) for 2016/2017. This report includes preliminary budget proposals as identified by the Senior Management team to achieve a balanced 2016/2017 budget. In accordance with the *School Act*, school districts in the province must approve a balanced budget.

This document is provided as a starting point to the consultation process. Revisions, additions or deletions may be made by Trustees, following the consultation process.

The consultation process for 2016/2017 is as follows:

- April 11, 2016 at 5:30 pm at the Education Centre – to obtain input from VBE stakeholders; and
- April 12, 2016 at 7:00 pm at Mount Pleasant Elementary and further, on April 14, 2016 at 5:00 pm at the Education Centre (if required) – to obtain input from the general public.

The budget will be discussed and adopted by the Board on April 28, 2016.

This report is provided for information.



VANCOUVER BOARD OF EDUCATION

2016/2017

PRELIMINARY BUDGET PROPOSALS



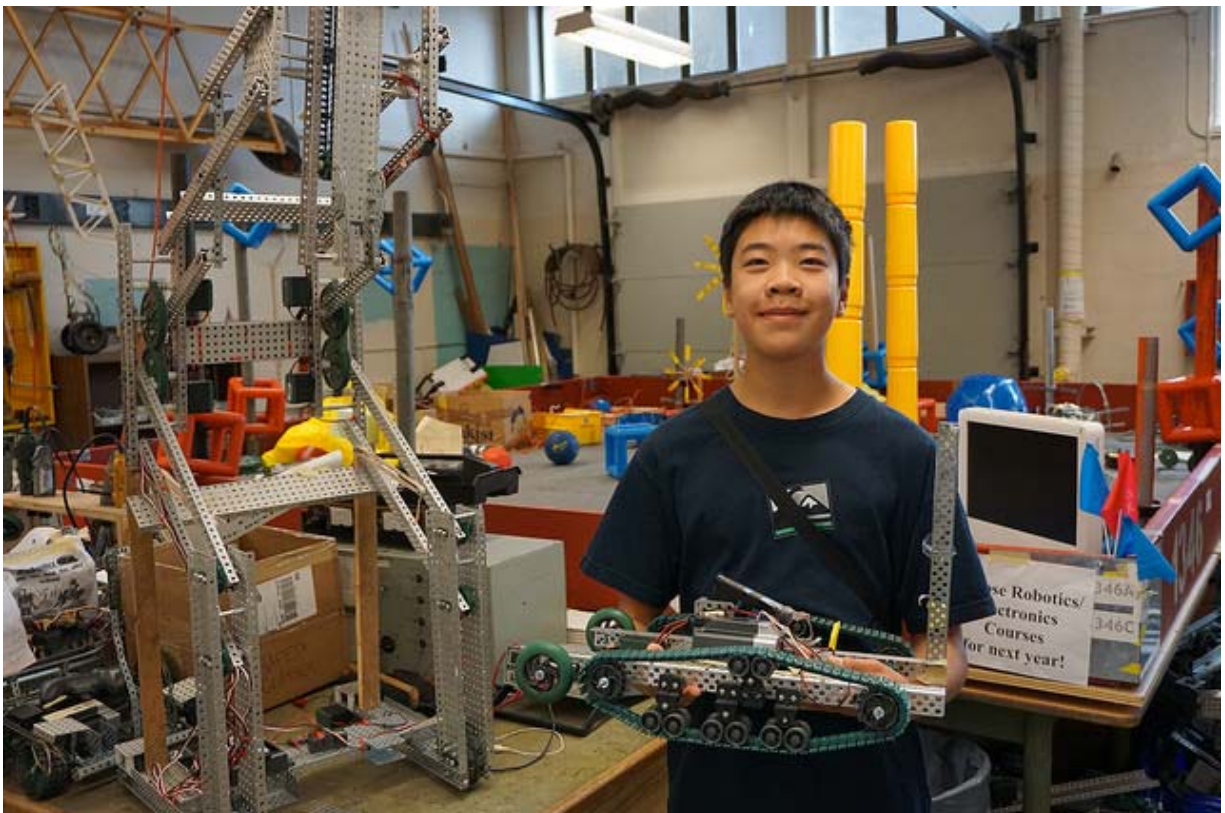
Senior Management Team

March 31, 2016

2016/2017

Preliminary Budget Proposals

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1.0 Overview



In April 2015, an initial projected funding shortfall of \$24.98 million was estimated for 2016/2017. Largely as a result of additional costs downloaded from the ministry offset by some savings reported in the Amended Annual Budget for 2015/2016 the shortfall has increased to \$27.26 million.

In accordance with the *School Act*, school districts must present balanced budgets. Accordingly, this report includes preliminary budget proposals in order to achieve a balanced budget for 2016/2017.

The majority (92.5%) of Vancouver Board of Education (VBE) revenues are derived from provincial operating grants. Accordingly, the level of educational services and programs that the VBE can provide is substantially dependent on the level of provincial funding received. Approximately 82.7% of VBE expenditures are allocated to instruction-related functions, 13.1% to building operations and maintenance, 3.1% to district administration and 0.6% to transportation and other expenses.

This document provides information with respect to the following:

- 2016/2017 base budget projections;
- Preliminary Budget Proposals totaling \$27.26 million which will offset the projected funding shortfall for 2016/2017 and balance the budget (see Appendix A for details);
- Local Capital Reserve projections;
- 2016/2017 Preliminary Financial projections; and
- Additional provincial funding for the Education Plan Supplement of \$0.99 million and the Education Fund (formerly known as the Learning Improvement Fund) of \$9.01 million.

Consultation with stakeholders and the public regarding the 2016/2017 Preliminary Budget Proposals will occur on the following dates:

- April 11, 2016 at 5:30 pm at the Education Centre – to obtain input from VBE stakeholders
- April 12, 2016 at 7:00 pm (location to be determined) and April 14, 2016 at 5:00 pm at the Education Centre (if required) – to obtain input from the general public
- April 25, 2016 at 7:00 pm at the Education Centre – to obtain input from the general public and VBE stakeholders on the Revised Budget Proposals

The Board of Trustees will make their final deliberations and approve the 2016/2017 Preliminary Operating Budget on April 28, 2016.

The 2016/2017 Budget Process / Timeline is included in Attachment B.

2.0 Base Budget Projections

The Base Budget projections reflect the estimated costs for 2016/2017 to maintain the same level of service as provided in 2015/2016. It is developed based on the 2015/2016 Amended Annual Budget adjusted for projected changes for enrolment, enrolment driven revenue and staffing changes, estimated salary and employee benefit increases, inflation and other factors for 2016/2017.

2.1 Summary of Projected Funding Shortfall

Back in April 2015, a preliminary funding shortfall of \$24.98 million was projected for 2016/2017.

Subsequently, in February 2016, the projected shortfall was revised to \$24.38 million. The finalized projected shortfall as of March 2016 is \$27.26 million. This increase in the shortfall was primarily due to the Ministry not fully funding the collective agreement increases for teachers and support staff as well as additional costs being downloaded from the Ministry for the Next Generation Network as confirmed on March 15, 2016.

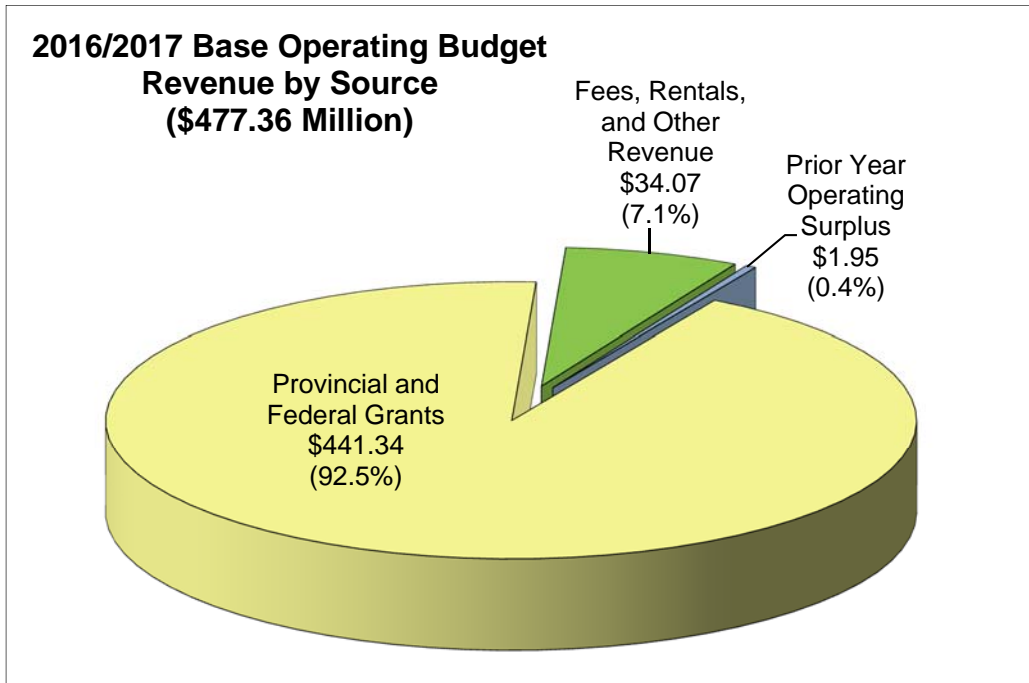
The following table outlines the components of the shortfall and the changes from the February 2016 projection.

2016/2017 Projected Operating Budget Shortfall			
(\$ millions)			
	February 2016	Revised Projection	Change
Costs Not Funded by the Province			
Salary Increments ¹⁾	\$ (1.23)	\$ (2.12)	\$ (0.89)
Employee Benefits Increase ²⁾	3.15	2.84	(0.31)
Inflation ³⁾	(0.77)	(0.63)	0.14
	<u>\$ 1.15</u>	<u>\$ 0.09</u>	<u>\$ (1.06)</u>
Enrolment Change ⁴⁾	\$ (1.02)	\$ (1.03)	\$ (0.01)
Other Factors			
2015/2016 Projected Operating Surplus Carry forward to 2016/2017 ⁵⁾	\$ 1.23	\$ 1.23	\$ -
Prior Year One-Time Revenue and Expenses ⁶⁾	(21.13)	(19.59)	1.54
Prior Year Ongoing Revenue and Expenses ⁷⁾	(1.53)	(2.65)	(1.12)
Ministry of Education Operating Grant Changes ⁸⁾	(2.69)	(1.99)	0.70
Ministry Grant Announcement - March 2016 ⁹⁾	-	(3.11)	(3.11)
Use of 2014/2015 Unrestricted Surplus	0.73	0.73	-
2016/2017 Ministry Directed Administrative Savings	(2.31)	(2.31)	-
2014/2015 Ministry Attendance Support and Wellness Grant	(0.32)	(0.32)	-
International Education Tuition Increase ¹⁰⁾	1.61	1.67	0.06
Other	(0.11)	0.02	0.12
	<u>\$ (24.51)</u>	<u>\$ (26.32)</u>	<u>\$ (1.81)</u>
Total Projected Surplus / (Shortfall)	\$ (24.38)	\$ (27.26)	\$ (2.88)

- 1) Includes cost increases for salary increments (for teachers, administrators and exempt staff) and collective agreement increases, partially offset by teacher turnover savings.
- 2) Includes rate decreases of 1.8% to Teacher's Pension Plan (TPP) and 3.3% to Worksafe BC; these savings are offset by increases to MSP and MPP of 3.6% and a higher cost of Extended Health and Dental premiums based on average of actual claims paid across all policies.
- 3) Based on 1.9% inflation per year for supplies and generally higher rates of increase for utilities and other items under contract.
- 4) Projected enrolment decline as of February 2016 of 249 FTE compared to the 2015/2016 and Laurier Annex non-operational due to zero enrolment.
- 5) Board approved carry forward of projected surplus from 2015/2016 Amended Annual Budget to 2016/2017.
- 6) One-time savings included in the 2015/2016 Amended Annual Budget that will not repeat for 2016/2017: 2014/2015 projected surplus carried forward (\$7.70 million), 2014/2015 April holdback release (\$0.87 million), equipment sale and leaseback (\$2.93 million), delay of furniture and equipment replacement (\$0.38 million), maintenance service reduction (\$0.50 million), and benefit surplus withdrawal (\$1.95 million), use of 13/14 unrestricted surplus (\$5.83 million); offset by impact of Adult Education program changes (\$0.56 million).
- 7) Ongoing 2016/2017 projected costs: Employee benefits (\$1.33 million), NGN costs downloaded from Ministry (\$1.29 million), administrators compensation increase (\$0.77 million), teacher average salaries (\$0.40 million), teacher sick replacement and paid leave (\$0.39 million), and others (\$0.07 million); offset by savings from ongoing enrolment impact (\$0.63 million), IT savings (\$0.51 million), cafeteria revenue (\$0.17 million), increase in international visitors (\$0.13 million), and special education enrolment audit staffing impact (\$0.11 million).
- 8) Decreased funding due to a projected decrease in Funding Protection of \$1.99 million.
- 9) Decrease due to MOE not fully funding collective agreement increases (\$2.15 million) and increase in NGN costs (\$0.96 million).
- 10) Increase in tuition rates for International students from \$13,000 to \$14,000.

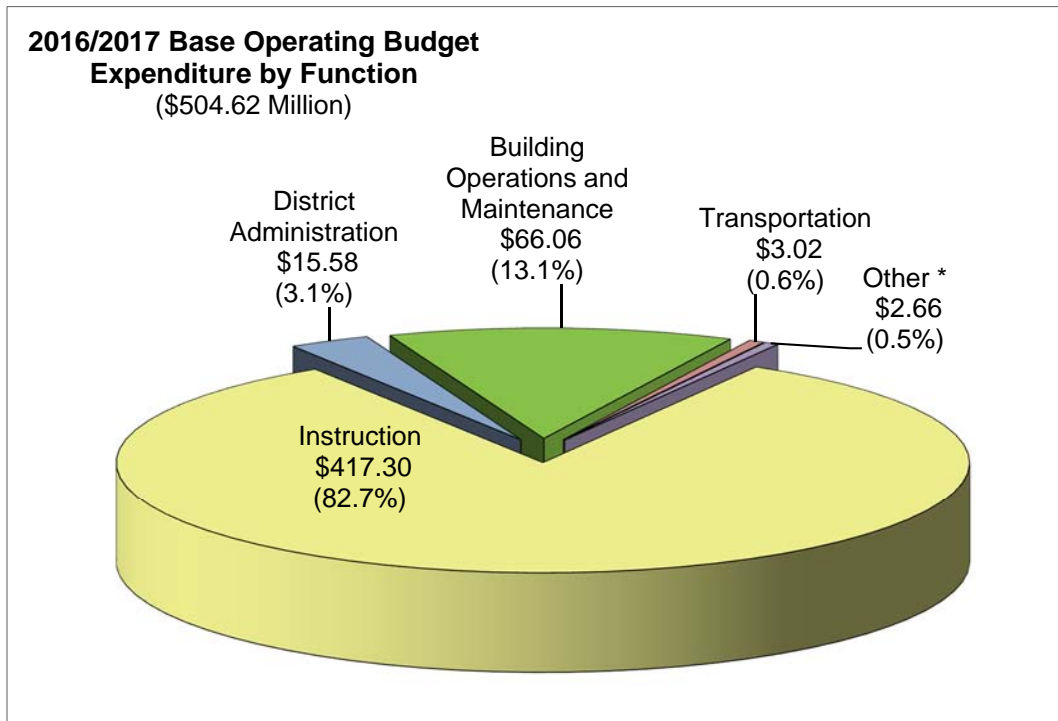
2.2 Base Budget Revenues

The majority of revenues (92.5%) are derived from provincial grants. The level of provincial funding, therefore, has a very significant impact on the educational services and programs that can be provided. The operating grant received from the Ministry of Education is calculated based on enrolment therefore changes in enrolment can significantly impact the grants available to the Board. Projected revenues and other funding sources for 2016/2017 total \$477.36 million. VBE generated revenues represent 7.1% of total operating revenues and are primarily derived from international education student tuition, rentals, leases and investment income.



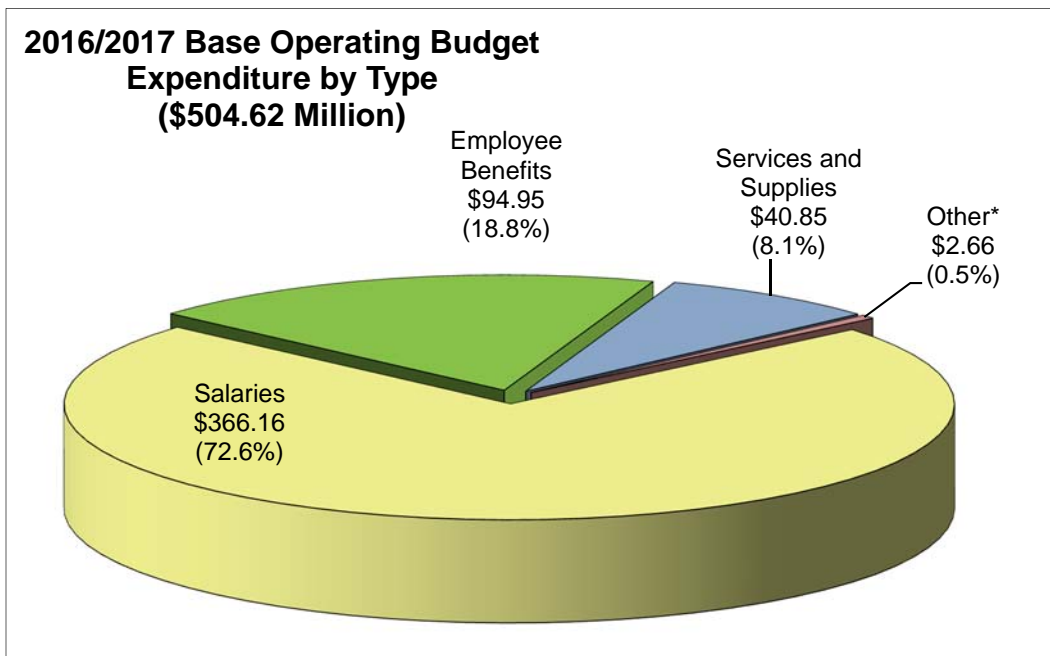
2.3 Base Budget Expenses

Projected expenditures for the 2016/2017 base budget total \$504.62 million (\$27.26 million higher than projected revenues). Approximately 82.7% of the operating budget is expected to be spent on instruction related costs. This includes teachers, educational assistants, school administrators and support staff and school based supplies and services. Facilities operations and maintenance accounts for 13.1% of expenditures, district administration for 3.1% and student transportation for 0.6%. Provisions for the reduction in the unfunded liability for employee future benefits and interfund transfers for such things as furniture and equipment capital purchases represent 0.5% of expenditures. The following graph outlines the operating expenditures by function for 2016/2017.



*Reduction of Unfunded Liability, Interfund Transfers, and Debt Services

Approximately 91.4% of the \$504.62 million operating budget is expected to be spent on salaries and employee benefits (\$461.11 million). Services, supplies, utilities, and other minor expenditures account for approximately 8.1% of the budget. The following graph outlines the operating expenditures by type for 2016/2017.



*Reduction of Unfunded Liability and Interfund Transfers; does not include Debt Services (\$0.03) as this is included in Services and Supplies

2.4 Base Budget Staffing

The base budget adjustments will result in a net decrease of 35.41 FTE. The following table provides a summary of the staff adjustments by employee group.

2016/2017 Base Budget Projection - Staffing (FTE) by Type			
	2015/2016 Final	Adjustments	2016/2017 Base
CUPE 15	1,253.22	(32.25) ¹⁾	1,220.97
CUPE 407	101.00	-	101.00
IUOE	713.90	(2.50) ²⁾	711.40
PASA / Excluded / District Principals / Trustees	112.00	-	112.00
School Administrators - Admin Time	141.66	0.11 ³⁾	141.77
School Administrators - Teaching Time	44.47	(2.11) ³⁾	42.36
Teachers	2,914.48	3.82 ⁴⁾	2,918.30
Adult Learning Centre Instructors	37.85	(7.48) ⁵⁾	30.37
Trades	55.00	5.00 ⁶⁾	60.00
	5,373.58	(35.41)	5,338.17

Source: 2015/2016 Form 1530 submission adjusted for enrolment and Board approvals, 2016/2017 per projected changes

- 1) Change primarily due to enrolment related reduction in Special Education Assistants entitlement (30.25 FTE), enrolment decline to 8J9J Alternative Program (2.00 FTE), Laurier Annex non-operational due to zero enrolment (1.00 FTE), offset by reinstating Capital Accountant position (1.00 FTE).
- 2) Change due to Laurier Annex non-operational (1.0 FTE head custodians and 1.5 FTE supervision aides).
- 3) Change due to Laurier Annex non-operational (1.0 FTE) and enrolment driven VP reduction (1.0 FTE).
- 4) Change primarily due to impact of projected 2016/2017 K-12 enrolment (14.67 FTE), Laurier Annex non-operational (2.80 FTE), and decline in 8J9J Alternative Program (1.00 FTE); offset by reversal of prior year K-12 teacher allocation savings (20.69 FTE) and adding back teaching time from VP reductions (1.60 FTE).
- 5) Change due to reduction of Adult Education instructors due to enrolment decline.
- 6) Change due to reversal of 15/16 Board decision of one-time Trades reduction.

2.5 Local Capital Reserve

The Local Capital Reserve (LCR) is comprised of proceeds from the sale and lease of Board owned property and previous years' operating surpluses transferred to the Reserve. Funds in the Reserve can be used to assist in funding the operating budget, with approval by the Board of Trustees. The Reserve has also been used to assist in funding capital initiatives not funded by the Province (e.g. SIS implementation, International Village completion). As shown in the table below, the LCR is in a deficit position.

The projected balance available in the Local Capital Reserve at the end of 2015/2016 is \$(1.42 million). Net revenues of approximately \$1.28 million are also expected to accrue to the Local Capital Reserve during 2016/2017 which will help fund proposed projects totalling \$0.33 million. This is expected to bring the estimated available balance at the end of 2016/2017 to \$(0.62 million).

Based on the above, the following table outlines the projected financial position of the Local Capital Reserve from 2015/2016 to 2018/2019.

Projected Local Capital Reserve Fund Balance				
(\$ Millions)				
	2015/2016	2016/2017	2017/2018	2018/2019
Opening Balance as at July 1	\$ 1.58	\$ (1.42)	\$ (0.62)	\$ 0.51
Revenue	1.28	1.28	1.28	1.28
Expenditure	(0.16)	(0.16)	(0.16)	(0.16)
Board Approved Interfund Transfers and Work In Progress				
Records Management	(0.20)			
SIS Implementation	(1.12)	(0.33)		
Funding for International Village	(2.80)			
	(4.12)	(0.33)	-	-
Closing Balance as at June 30	\$ (1.42)	\$ (0.62)	\$ 0.51	\$ 1.63

2.6 2016/2017 Preliminary Financial Projection

The following table presents a preliminary operating budget projection for the VBE for 2017/2018. A projected funding shortfall of \$14.62 million is estimated for 2017/2018. It should be noted that this is a preliminary high-level estimate based on assumptions as to the major budget change factors. Accordingly, this projection should be considered as range estimate rather than discrete numbers. It should also be noted that the projection for 2017/2018 may be impacted due to the approval of any budget proposals for 2016/2017.

The estimates for 2016/2017 and 2017/2018 are based on the following key assumptions:

- estimated changes in general student enrolment based on a decline of 196 FTE for 2016/2017;

- there will be continued cost increases for employee benefit costs and utilities;
- approval by the Board of one-time budget proposals for 2016/2017 totalling \$8.01 million. These will result in savings for 2016/2017, but at the same time increase the funding shortfall for 2017/2018.

2017/2018 Preliminary Operating Budget Projection	
(\$ millions)	
	<u>2017/2018</u>
Costs Not Funded by the Province	
Salary Increments	\$ (1.26)
Employee Benefits Increase	(0.42)
Inflation (on Utilities only)	<u>(0.19)</u>
	\$ (1.87)
Enrolment Change (decline of 196 FTE)	\$ (1.51)
Prior Year's Surplus	
2015/2016 Projected Operating Surplus Carry forward to 2016/2017	\$ (1.23)
Use of 2014/2015 Unrestricted Surplus	<u>(0.73)</u>
	(1.97)
Prior Year One-Time Revenue and Expenses	0.80
Reversal of One-Time Budget Proposals	(8.01)
Pay Back of School Balances	<u>(2.06)</u>
	\$ (9.27)
Projected Surplus / (Shortfall)	<u><u>\$ (14.62)</u></u>

3.0 Summary of Preliminary Budget Proposals

A revised operating budget shortfall of \$27.26 million is projected for 2016/2017. The following table provides a summary of the preliminary proposals to achieve a balanced budget for 2016/2017 and to fund a limited number of budget additions. Attachment A provides detail with respect to the preliminary operating budget proposals for 2016/2017.

Level -->	1	2	3	4	Total
\$ Millions					
One-Time	4.10	-	-	N/A	4.10
Ongoing	1.72	0.61	1.08	N/A	3.40
Administrative	5.82	0.61	1.08	N/A	7.51
One-Time	-	0.50	N/A	N/A	0.50
Ongoing	0.42	1.58	N/A	N/A	1.99
Facilities	0.42	2.08	N/A	N/A	2.49
One-Time	(0.75)	4.15	-	-	3.40
Ongoing	2.77	1.48	2.61	6.99	13.85
Educational	2.02	5.63	2.61	6.99	17.26
One-Time Total	3.36	4.65	-	-	8.01
Ongoing Total	4.90	3.67	3.69	6.99	19.25
Total Proposals	8.26	8.31	3.69	6.99	27.26
Estimated Shortfall					(27.26)
Deficit Remaining					\$ -

4.0 Other Provincial Funding

The Province has announced the continuation of other funding sources that will be available to the VBE for 2016/2017:

- Additional funding of \$0.99 million for the VBE for the Education Plan Supplement. The purpose of this funding is to help districts implement initiatives related to the B.C. Education Plan with a focus on supports for early learning and the development of trades' skills, as announced by the Ministry of Education on March 15, 2016.
- Additional estimated funding of \$9.00 million for the VBE as our district's allocation from the Education Fund (formerly known as the Learning Improvement Fund) established under Bill 22 (the Education Improvement Act). This is a decrease of \$0.24 million compared to 2015/2016.

The Regulation with respect to the Education Fund guides the district as to how the expenditures are allocated and approved. The Education Fund is meant to provide additional funding to address specific learning improvement issues. Expenditure plan requirements are identified at the school level, in consultation with teaching and other staff, reviewed by the Superintendent and president of the local teachers' union, and submitted to the Minister in early fall.

5.0 Stakeholder and Public Consultation

Attachment B outlines the meetings scheduled to obtain input from stakeholders and the public with respect to the preliminary budget proposals contained in this document. In particular, the following meetings are scheduled:

- April 11, 2016 at 5:30 pm at the Education Centre – to obtain input from VBE stakeholders
- April 12, 2016 at 7:00 pm (location TBD) & April 14, 2016 (if required) at 5:00pm at the Education Centre – to obtain input from the general public
- April 25, 2016 at 7:00 pm at the Education Centre – to obtain input from the general public and VBE stakeholders on the Revised Budget Proposals

Revised budget proposals will be presented to the Education and Student Services and Finance and Legal Committee on April 19, 2016 at 5:00 pm. The Board of Trustees will make their final deliberations and adopt the 2016/2017 Preliminary Operating Budget on April 28, 2016 beginning at 7:00 pm.

Attachment A

Preliminary Budget Proposals

Attachment A: Preliminary Budget Proposals

A revised operating shortfall of \$27.26 million is projected for 2016/2017. The following proposals are presented in order to achieve a balanced operating budget for 2016/2017.

Administrative Proposals	Page	Nature	FTE	Est \$M
Additional Lease Revenue	16	Ongoing		1.00
Benefits Compliance Review	17	Ongoing		0.10
Harassment Investigations Insourcing	18	Ongoing	(1.00)	0.08
Inflation (2015/16)	19	One-Time		0.24
Inflation (2016/17)	19	Ongoing		0.25
Benefits Premium Holidays	20	One-Time		0.23
Borrowing School Balances	21	One-Time		2.06
Change in PO Practice	23	One-Time		1.20
LIT Service Reductions	24	Ongoing	1.00	0.29
LIT Service Reductions	24	One-Time		0.38
Project Manager - Business Systems	26	Ongoing	1.00	0.12
Emergency Management Supplies	27	Ongoing		0.06
Furniture & Equipment	28	Ongoing		0.38
Material Services	29	Ongoing	1.00	0.06
School Based Office Support	30	Ongoing	22.40	1.08
Total Administrative Proposals			24.40	\$ 7.51

Facilities Proposals	Page	Nature	FTE	Est \$M
Space Closure	32	Ongoing	2.80	0.14
Custodial Supplies	33	Ongoing		0.10
Cafeterias	34	Ongoing		0.10
Inflation (2016/17)	19	Ongoing		0.08
Maintenance Service Reductions	35	Ongoing	10.00	1.00
Maintenance Service Reductions	35	One-Time	5.00	0.50
Parking at Schools	36	Ongoing		0.18
Facilities Planners	37	Ongoing	2.00	0.19
M&C Administration	38	Ongoing	2.00	0.21
Total Facilities Proposals			21.80	\$ 2.49

Educational Proposals	Page	Nature	FTE	Est \$M
Field Trip EOC Costs	39	Ongoing		0.34
Inflation (2015/16)	19	One-Time		0.16
Inflation (2015/16 & 2016/17)	19	Ongoing		0.14
DLS Services & Supplies	40	Ongoing		1.10
DLS Services & Supplies	40	One-Time		0.10
School Flex Budget	41	Ongoing		1.18
School Based Support Staff Replacement	42	Ongoing		0.04
International Education Enrolment	43	One-Time	(4.76)	0.82
International Education Counsellor	43	Ongoing	(1.00)	(0.11)
VLN Services & Supplies	45	Ongoing		0.04
Elementary Prep time restructuring	46	Ongoing		0.45
Surplus Carryforward	47	One-time		3.13
Annex/Main School Configuration	48	Ongoing	4.00	0.37
Home Learners	49	Ongoing	1.00	0.09
Adult Education	50	Ongoing	1.17	0.10
Peer to Peer	51	Ongoing	4.00	0.40
Aboriginal Education Prior Years' Surplus	52	One-Time		0.20
Aboriginal Education School Support	52	Ongoing		(0.05)
Learning Technology Teacher Mentors	53	Ongoing	2.10	0.19
Gifted Teacher Mentor	54	Ongoing	0.80	0.07
Teacher-Librarian Teacher Mentor	55	Ongoing	0.40	0.04
Modern Languages Teacher Mentor	56	Ongoing	0.40	0.04
Athletic Coordinator	57	Ongoing	1.00	0.08
Fine and Performing Arts Coordinator	58	Ongoing	1.00	0.08
Literacy/Early Intervention Teacher Consultant	59	Ongoing	1.00	0.09
Anti-Racism/Anti-Homophobia Teacher Mentors	60	Ongoing	1.00	0.09
Brailist	61	Ongoing	1.00	0.06
Home Instruction Teachers	62	Ongoing	0.95	0.09
Early Intervention/Modern Languages Clerical	63	Ongoing	0.60	0.03
Multicultural Liaison Workers	64	Ongoing	2.00	0.12
Optional Elementary Band & Strings Program	66	Ongoing	5.86	0.40
Garibaldi Learning Services Clerical Support	67	Ongoing	1.00	0.05
District-Based Gifted Staffing	68	Ongoing	3.70	0.34
Career Information Assistants	69	Ongoing	9.00	0.58
District Vision and Hearing Teachers	70	Ongoing	1.00	0.09
ELL District Class Reduction	71	Ongoing	1.14	0.11
Additional Entitlements	73	Ongoing	2.29	0.21
SACY SSW	75	Ongoing	1.00	0.07
School Based Vice Principals	76	Ongoing	1.94	0.36
Special Education Staffing	77	Ongoing	2.28	0.21
Secondary Teacher Staffing	78	Ongoing	33.00	2.95
International Education Teacher Staffing	79	Ongoing	6.67	0.61
Enhanced Services Literacy Teachers	80	Ongoing	12.00	1.11
Special Education Support Entitlements	81	Ongoing	12.00	0.64
Elementary Non Enrolling Staffing	82	Ongoing	11.36	1.05
Estimated Severance		One-Time		(1.00)
Total Educational Proposals			120.90	17.26

A1 – Additional Lease Revenue

Background & Analysis

This proposal targets \$1.0 million in additional revenue from rentals.

This is a target; exact locations and the method of generating the additional revenue are both currently being examined. Staff will review all possible spaces and rate structures, and the resulting plan will be a mix of additional VSB rooms and buildings that are not programmed for some portion of a day, possible rates increases and/or rate restructuring.

Recommendations

It is recommended that staff review all possible rental possibilities, with a target to achieve \$1.0 million in additional rental revenue.

Budget Implications

Staffing Impact (FTE)		
Base	Reduction	Employee Group

Budget Impact (\$)			
Salaries & Benefits	Supplies	Revenue	Total
		1,000,000	1,000,000

A2 - Benefits Compliance Review

Background & Analysis

The employee benefit plans at the district are underwritten on an Administrative Services Only (ASO) basis, which means that the district pays the actual cost of benefits. The benefits provider administers the benefits plans, and charges an administrative cost to the district.

In an ASO arrangement, the employee incurs and remits their benefits costs to the benefits provider. The benefit provider reviews the submissions, approves or denies the expense, and reimburses the employee according to the rules of the plan. The benefits provider then charges the employer the costs of the benefits thus reimbursed.

This would be a review of benefits to all employee groups, for all extended health, dental and group life benefits.

Recommendations

PriceWaterhouseCoopers LLP performed a review of VBE’s operations in a report dated May 15, 2015. In their report, PWC advises a VBE undertake a benefits compliance audit:

“VSB expects to spend \$97m in employee benefits for the 2015/2016 budget year. As it has not been performed in the past, VSB should consider conducting a benefits carrier compliance audit to provide assurance that sufficient controls are in place in administering benefits coverage. The value of the audit is enhanced as the school board is able to obtain valuable insight into the actual usage patterns of the plan based on historical data. School boards that have completed compliance audits have identified potential savings of 1% - 5% of total benefits.”

Discussions with our benefits provider, Morneau Shepell, indicate there are sufficient controls in place, and ongoing internal audit work is performed by the benefits provider.

However, VSB will elect to undertake the review, in the interests of following best practice. Savings is not anticipated to be in the range of 1% - 5%, but a more nominal amount, in the range of approximately \$100,000.

Budget Implications

Staffing Impact (FTE)			Budget Impact (\$)			
Base	Reduction	Employee Group	Salaries & Benefits	Supplies	Revenue	Total
		PEBT affiliated groups	100,000 in benefits			100,000

A3 – Harassment Investigations

Background & Analysis

The introduction of Bill 14 two years ago has resulted in a significant increase in workplace bullying & harassment complaints. Bill 14 complaints must be investigated and due to the complexity of the cases, results in a comprehensive report being produced with the determination whether harassment occurred. The reports are legal in nature and often use the reliance of case law when determining factors that may be ambiguous.

The increase in bullying and/or harassment complaints since 2014 has had a significant budget impact. Even though three Labour Relations staff have undergone the required training to investigate complaints as per the BCTF/BCPSEA language and to ensure proper investigation practices, the volume and complexity of complaints have required us to seek outside investigator resources to complete the required detailed work within a timely manner.

Annual expenditures on external investigators since the introduction of Bill 14 have been approximately \$160,000. If an internal investigator was hired, these costs could potentially be decreased by at least half.

Recommendation

It is recommended that harassment investigations be insourced by hiring one staff and reducing the contracted services.

Budget Implications

Staffing Impact (FTE)			Budget Impact (\$)			
Base	Reduction	Employee Group	Salaries & Benefits	Supplies	Revenue	Total
	(1.0)	Excluded	(80,000)	160,000		80,000

A4 – Inflation

Background & Analysis

In years past, supplies budgets had been increased by a percentage based on the Consumer Price Index in order to provide for inflation. Last year, this inflationary increase was not applied as a one-time cut.

Inflation of goods and supplies is not provided for in the Ministry of Education funding formula.

Inflation on goods and supplies accounts for approximately \$450,000 per year. This proposal would discontinue the practice of providing costs increases for inflation.

	2015/2016	2016/2017	
	One-Time	Ongoing	Total
Admin	\$240,548	\$251,157	\$491,705
Facilities	(already cut)	\$77,106	\$77,106
Educational	\$158,326	\$144,537	\$302,863
	<u>\$398,874</u>	<u>\$472,800</u>	<u>\$871,674</u>

The inflation for departments for 2015/2016 (the current year) will be clawed back, and further, the inflation on all departments will be discontinued on an on-going basis, starting in 2016/2017.

This would have the effect of freezing goods and supplies budgets to the funding levels of 2014/2015 for years into the future.

Recommendations

It is recommended that inflation is clawed back for goods and supplies budgets in 2015/2016 and that inflation is frozen for all departments in 2016/2017 and all future budgets.

Budget Implications

Staffing Impact (FTE)			Budget Impact (\$)			
Base	Reduction	Employee Group	Salaries & Benefits	Supplies	Revenue	Total
				Admin 491,705 Facilities 77,106 Education 302,863		871,674

A5 – Benefits Premium Holidays

Background & Analysis

The employee benefit plans at the district are underwritten on an Administrative Services Only (ASO) basis, which means that the district pays the actual cost of benefits. The benefits provider administers the benefits plans, and charges an administrative cost to the district.

During the year, the benefits provider charges premiums to the employer and the employee.

We have received correspondence from Morneau Shepell, our benefits advisor, indicating that some of the plans are over-contributed, calculated as of February 29, 2016. Thus, there is an opportunity to provide for a premium holiday. A premium holiday is pausing the employer and employee contributions for one or more predetermined months, until the over contribution is absorbed.

Plan	Total
IUOE 963 Extended Health (60% employer paid) \$	30,000
CUPE 407 Dental (100% employer paid)	17,000
CUPE 15 Dental (100%) employer paid	178,000
Contribution holidays available - Feb 29, 2016 \$	225,000

When Morneau Shepell calculates surplus, the amount is conservative. Morneau Shepell makes two provisions: the first is a reserve for costs incurred but not yet reported, taking into account that some participants may have not yet submitted their claims. The second reserve is for claims fluctuation, providing for the possibility that claims could be more than experienced in the past. These provisions are reserves that are left within the plan.

It is important to note that these calculations contemplate no changes to the plans or coverage.

Recommendations

This proposal considers taking contribution holidays benefits plans which are over-contributed.

Budget Implications

Staffing Impact (FTE)			Budget Impact (\$)			
Base	Reduction	Employee Group	Salaries & Benefits	Supplies	Revenue	Total
			225,000			225,000

A6 - Borrow from School Balances

Background & Analysis

Schools have accumulated savings from unspent flexible budget allocations over the years. Accumulated amounts have been permitted to accumulate up to a certain defined limit based on school type and size. It is projected that \$2.06 million will exist as at June 30, 2016 once the current year financial statements are prepared. The school surpluses are recorded as “internally restricted” in the financial statements, as the amount has been designated for school use in the subsequent school year. The allocation of any surplus amounts that are not restricted by external funding sources is at the sole discretion of the Board.

It is projected that the operating budget shortfall is greater in the 2016/17 school year than the amount projected for the 2017/18 year. This budget proposal envisions borrowing against the school surplus funds available at June 30, 2016 for use in the 2016/17 school year. To do this, schools would be advised that the amount reserved will not be available until July 01, 2017 as the funds are being used to support programs in the 2016/17 school year.

In order to replenish the school balances in the 2017/18 school year, budget cuts totaling \$4.12 (twice the amount) will need to be processed; 1) \$2.06 million to repay the schools back for the amount borrowed, then 2) \$2.06 million of deferred cuts “saved” in the 2016/17 school year. This proposal is a deferral recommendation, which avoids \$2.06 million worth of cuts in the 2016/17 Operating Budget.

Recommendations

It is recommended that the “internally restricted school surpluses” accumulated at June 30, 2016 be reclassified as “internally restricted to fund 2016/17 budget” and that the amount reclassified be repaid to the schools as part of the 2017/18 budget process.

Budget Implications

Staffing Impact (FTE)		
Base	Reduction	Employee Group

Budget Impact (\$)			
Salaries & Benefits	Supplies	Revenue	Total
		2,065,140	2,065,140

ESTIMATED PROJECTION OF APPROPRIATED SURPLUS

Illustrative Purposes Only. Actual results may vary.

Projected Impact of Borrowing Against Internal Reserves

as at March 30, 2016

	30-Jun-15	30-Jun-16 Projected	30-Jun-17 Projected
Invested in Capital Assets	\$ 109,874,078	\$ 109,874,078	\$ 109,874,078
Local Capital Fund	1,579,093	1,579,093	1,579,093
Capital Fund Balance	<u>\$ 111,453,171</u>	<u>\$ 111,453,171</u>	<u>\$ 111,453,171</u>
External Commitments			
Donated Funds for School Programs	\$ 2,592,370	\$ 2,802,577	\$ 2,802,577
Distributed Learning Funding for Courses in Progress	219,759	219,759	219,759
	<u>2,812,129</u>	<u>3,022,336</u>	<u>3,022,336</u>
Internal Commitments			
Purchase Order Commitments	1,896,257	1,896,257	
Change in PO policy		(1,200,000)	
		<u>696,257</u>	<u>696,257</u>
Funds Required to Complete Projects in Progress	3,072,061	3,072,061	
Funds Redirected to Fund Next Year's Budget		(3,072,061)	
		<u>-</u>	<u>-</u>
School Budget Balances	\$ 2,683,475	\$ 2,060,000	\$ 2,060,000
Internal (Borrowing) to Fund Shortfall	-	(2,060,000)	-
	<u>2,683,475</u>	<u>-</u>	<u>2,060,000</u>
Restricted by Board Resolution to Fund Shortfall			
Prior Year Unrestricted to Fund Next Year's Budget	\$ 5,813,151	\$ 734,061	400,000
Current year Surplus to Fund Next Year's Budget	8,021,731	1,234,113	-
PO Funds Redirected to Fund Next Year's Budget		1,200,000	-
Accumulated Education Plan Surplus to Revenue		3,072,061	-
Borrowing (Repaid) Against Reserves to Fund Shortfall	-	2,060,000	(2,060,000)
	<u>\$ 13,834,882</u>	<u>\$ 8,300,235</u>	<u>(1,660,000)</u>
Unrestricted Operating Surplus	734,061	-	-
Unfunded Accrued Employee Benefits	(976,611)	(843,847)	(711,083)
Accumulated Surplus	<u>\$ 24,056,254</u>	<u>\$ 11,174,981</u>	<u>\$ 3,407,510</u>

A7 – Change in Purchase Order Practice

Background & Analysis

When schools or departments order a good or a service, purchase orders are made, and at the time of ordering, the funds in the budget are committed to the purchase.

In past years, any purchase orders that were ordered during the school year for goods or services that were not received prior to the end of the school year were accumulated and the funds carried forward into the following year, when the goods would arrive.

The total amount of purchase orders as at June 30, 2015 was \$1.9 million. This proposal contemplates purchase orders of \$1.2 million at June 30, 2016 will be deferred until the following budget year.

Recommendations

It is recommended that the carryover of purchase order funds be discontinued. It is important to note that this does not change the purchasing power of schools and departments. Purchases made close to year end will be funded by the following year's budget on an ongoing basis.

Budget Implications

Staffing Impact (FTE)			Budget Impact (\$)			
Base	Reduction	Employee Group	Salaries & Benefits	Supplies	Revenue	Total
				1,200,000		1,200,000

A8 – LIT Service Reductions

Background & Analysis

Students and teachers in classrooms and other learning spaces, and employees serving in administrative and support functions in offices across the District, rely on the regular use of information technology. The new BC curriculum also assumes the use of technology by students and teachers as an integrated part of the learning process.

It is also important that technology hardware and software have a regular replacement cycle and for core systems, annual warranty and maintenance, built into the budgeting process.

Recommendations

To assist the VBE with the significant funding shortfall forecasted for 2016/2017, reductions to LIT staffing, supplies, and services have been identified.

It is proposed that one-time savings from the 2015-16 budget should be approved with impacts such as:

- Reduced flexibility for mid-year purchases of parts and computers
- Delayed purchase and implementation of equipment
- Delayed initial lease payments for replacement projects

It is proposed the 1.0 FTE OSB (2nd floor reception desk) be eliminated. The impact will be as follows:

- No receptionist for 2nd floor to receive and direct visitors, interviewees
- All employees and visitors will be required to use a fob to access the 2nd floor

It is proposed that a reduction of supplies and services budgets be approved resulting in impacts as described here:

- Reduced scope and increased delay (until 2017-18) for the acquisition of governance, management, and security access control software
- Further delayed purchase and implementation of new equipment
- Reduced ability to contract with consultants and contractors
- Reduced opportunities for training and workshops) for LIT employees
- Elimination of courier budget
- Reduction of in-house printing, meeting supplies, furniture/equipment budgets
- Reduced ability to purchase unanticipated software tools, parts, minor upgrades to computer equipment

Budget Implications

2015-16 & 2016-17 One-Time Savings

Staffing Impact (FTE)			Budget Impact (\$)			
Base	Reduction	Employee Group	Salaries & Benefits	Supplies	Revenue	Total
				2015-16 50,000 246,000		
				2016-17 81,000		377,000

2016-17 Ongoing Reductions

Staffing Impact (FTE)			Budget Impact (\$)			
Base	Reduction	Employee Group	Salaries & Benefits	Supplies	Revenue	Total
2.0	1.0	CUPE15 - OSB	58,930	229,654		288,584

A9 – Project Manager – Business Systems

Background & Analysis

Currently, the Finance Department has an excluded PASA position that manages special projects across various departments. The position has provided support to implement Learning Information Technology initiations, records management strategies, financial forecasting, and other financial functions such as student fee paying. Over the years, the Project Manager – Business Systems has provided excellent support on many different projects, and has been instrumental in insuring the projects have ongoing supports.

The removal of the Project Manager – Business Systems will result in the various departments (primarily Finance and Learning Information Technology) having less resources to manage new initiatives. This reduction will reduce the VBE's ability to support growth and innovations.

Recommendations

It is recommended that the Project Manager – Business Systems PASA position contained in the Finance Department structure be removed.

Budget Implications

Staffing Impact (FTE)			Budget Impact (\$)			
Base	Reduction	Employee Group	Salaries & Benefits	Supplies	Revenue	Total
1.0	1.0	PASA	116,170			116,170

A10 – Emergency Management Supplies

Background & Analysis

The district’s emergency management supplies and services are funded within the Employee Services accounts. This account is used to maintain and service our schools’ existing emergency program including supplies, supply bins, radios, and staff training among other items.

Recommendation

It is recommended that the emergency management supplies budget be reduced by \$60,000.

Staffing Impact (FTE)		
Base	Reduction	Employee Group

Budget Impact (\$)			
Salaries & Benefits	Supplies	Revenue	Total
	60,000		60,000

A11 – Furniture and Equipment

Background & Analysis

The Purchasing and Administrative Services Department maintains a central budget to support the purchase of major furniture and equipment in schools, at the Education Centre and at other district sites. The budget has been approximately \$1,100,000, however as a part of the 2014/2015 and 2015/2016 budget process, a one-time reduction of \$375,000 was made resulting in the net budget of approximately \$725,000.

Purchasing and Administrative Services department manages this budget by ensuring requests fit the following criteria and prioritize requests dependent on need.

- The replacement of essential furniture and equipment that are;
 - unsafe or potentially hazardous,
 - beyond economical repair,
 - obsolete, and
 - incorrectly sized student furniture.
- The provision of essential classroom furniture and equipment for schools with increased enrolment.

Recommendation

Given the projected funding shortfall for 2016/2017, it is recommended that a permanent reduction of (\$375,000) be made as a part of the 2016/2017 budget. It is anticipated that the district could manage based on an annual budget of \$725,000 for furniture and equipment.

It should also be noted that each school also receives funding through the “Flex Budget” for the purchase of minor furniture and equipment. For 2015/2016, this amount totals \$550,169. This proposal does not impact the “Flex Budget” currently received by schools.

Budget Implications

Staffing Impact (FTE)		
Base	Reduction	Employee Group

Budget Impact (\$)			
Salaries & Benefits	Supplies	Revenue	Total
	375,000		375,000

A12 – Material Services

Background & Analysis

The Material Services department provides services to VSB schools and departments including the following:

- Transportation of furniture, equipment, and district mail;
- Delivery service for the meal program;
- Internal moves for schools, departments and capital projects;
- Provision of a supply and equipment inventory primarily for the Maintenance and Construction Department;
- Scheduling, distribution, inventory and setup of loan furniture and equipment for school events;
- Scheduling, distribution and inventory of small tool loans primarily for Maintenance and Construction department staff;
- Storage and redeployment of surplus furniture and equipment; and
- Discard and recycles end of life furniture and equipment and waste generated by other departments.

As a part of the Material Services departments operation, there are four Technical Resource and Support 'A' (TRA) positions that provide warehouse and shipping support. The annual salary of the TRA position is \$55,340.

Recommendation

Given the projected funding shortfall for 2016/2017, it is recommended that a permanent reduction of one TRA FTE be made.

Budget Implications

Staffing Impact (FTE)			Budget Impact (\$)			
Base	Reduction	Employee Group	Salaries & Benefits	Supplies	Revenue	Total
4.0	1.0	CUPE 15	55,340			55,340

A13 – School Based Office Support

Background & Analysis

School based Office Support workers perform critical roles supporting students, parents, staff and the school community. With the need to find significant budget savings, this staffing was reviewed to reduce staffing at both the elementary and secondary school levels.

Elementary schools:

Each elementary main school and each annex receives one full time Office Support C position. Also, schools that have over 250 students receive an additional Office Support B allocation (often known as “extra clerical”). In schools with over 50 staff members on site, these additional Office Support B positions perform the job of the WorkSafeBC required Occupational First Aide (OFA2). In those larger schools a reduction of the Office Support B position is not possible due to this requirement. In the smaller schools (with fewer than 50 FTE staff members on site), the extra clerical positions could be eliminated. This would yield a savings of 13.3 FTE.

Secondary schools:

Almost all secondary schools have a combination of 10 month and 12 month Office Support positions and depending on the school size, a combination of Office Support B, Office Support C, and / or Office Support D positions. In schools with over 50 staff members on site, the Office Support B positions perform the job of the WorkSafeBC required Occupational First Aide (OFA2) and therefore cannot be reduced. Some schools have more than the one full time Office Support B position. In these schools, the Office Support B position which is not required to perform the OFA2 position could be reduced. This reduction would affect 5 of the larger secondary schools for a total reduction of 3.0 FTE.

Mini programs, alternate programs and VLN:

A number of mini and alternate programs are provided an Office Support B – 10 month allocation. Some of these programs are located on the school property but some are found off-site. It is proposed that, with the exception of those programs off the school property, the Office Support B – 10 month allocation for mini and alternate programs be eliminated. This would result in a total savings of 4.1 FTE.

The VLN office also has an allocation of office support staff. These Office Support B positions as 12 month positions. With the program’s upcoming restructuring, it is recommended that 2.0 FTE Office Support B – 12 month positions be reduced.

Recommendation

It is recommended that a total of 13.3 FTE elementary Office Support B – 10 month positions be eliminated

It is recommended that a total of 3.0 FTE secondary Office Support B – 10 month positions be eliminated

It is recommended that a total of 4.1 FTE Office Support B – 10 months positions at mini schools and alternate programs be reduced

It is recommended that 2.0 FTE Office Support B – 12 month positions at VLN be reduced.

Staffing Impact (FTE)		
Base	Reduction	Employee Group
65.7	22.4	CUPE 15

Budget Impact (\$)			
Salaries & Benefits	Supplies	Revenue	Total
1,078,904			1,078,904

F1 – Closure of Classroom Space

Background & Analysis

Due to declining enrollment there are several classrooms and/or outbuildings throughout the district which may be considered surplus to the needs of a school for enrolling purposes. Currently the area for these classrooms is included in the calculation for cleaning time for Operations staff.

If a classroom were closed and not used by the school, the area could be removed from the calculation for cleaning which would reduce staff and therefore budgets. The area for classrooms varies throughout the district, however based on an average of 70sq.m per classroom; the savings would be approximately \$1,450 per classroom. The classroom would need to be locked and the schools would no longer be able to have access to them for any purpose. The Building Engineer would maintain a key to allow access to the room for Operations & Maintenance purposes.

Surplus classroom and/or outbuilding space has been identified that would meet this proposal savings target.

Recommendations

It is recommended to close surplus classrooms and outbuildings in 2016/2017 for a savings of \$140,000.

Budget Implications

Staffing Impact (FTE)			Budget Impact (\$)			
Base	Reduction	Employee Group	Salaries & Benefits	Supplies	Revenue	Total
416.13	2.8	IUOE	140,000			140,000

F2 – Custodial Supplies Reduction

Background & Analysis

Although we are expecting price increases for all custodial supplies a reduction of \$100,000, (8.5%) in the custodial supplies budget can be offset somewhat by a reduction in the floor care programs for both gymnasium flooring and resilient flooring.

Reduced supply budgets will also mean in less inventory being kept on-site, resulting in increased delivery costs as sites order lesser amounts more frequently.

Recommendations

Despite the overall negative impact of this reduction (increased wear, diminished appearance), due to the substantial shortfall the VBE is facing in 2016/2017, it is recommended that this reduction be approved.

Budget Implications

Staffing Impact (FTE)			Budget Impact (\$)			
Base	Reduction	Employee Group	Salaries & Benefits	Supplies	Revenue	Total
				100,000		100,000

F3 - Cafeterias

Background & Analysis

In recent years, the Food Services group have worked to increase accountability with regard to the secondary VSB operated Cafeterias (10 sites). There is increased emphasis placed on balancing the cafeteria operating budgets to the extent possible, while recognizing that there are vulnerable students who receive Principal approved subsidized school meal programs.

The VSB operated Secondary school cafeterias have received instructions that food is not to be made available to staff or students for free or at a discounted rate, unless they have been approved by the Principal under the meal program. The best estimate is that there is approximately \$100,000 of free or discounted food provided annually at the 10 district operated secondary schools that directly impacts the cafeteria budget.

Recommendations

It is recommended that the staff pursue changes to the Cafeteria operating standards to eliminate any free or discounted food being provided to staff and students, in order to maximize the potential revenues generated by the programs. Ongoing food and inventory programs will be managed to reduce potential spoilage.

Budget Implications

Staffing Impact (FTE)		
Base	Reduction	Employee Group

Budget Impact (\$)			
Salaries & Benefits	Supplies	Revenue	Total
		100,000	100,000

F4 – Maintenance Service Reductions

Background & Analysis

The 2015/16 Operating Budget included a “one-time” cut of \$500,000 to the Trades staffing, which has jeopardized maintenance levels.

It is being proposed that a further \$1,500,000 budget reduction be applied to the Maintenance and Construction budget affecting the Trades staffing / supplies budget (\$1,000,000 on-going and \$500,000 one-time). These planned reductions will further jeopardize maintenance’s ability to maintain schools at any kind of acceptable level, and further build on the \$700,000,000 deferred maintenance backlog. However, facility maintenance expenditures on staffing are not constrained by legislative or collective agreement requirements. Accordingly, there is some flexibility to vary the level of maintenance work performed each year.

In order to achieve the district wide required operating budget reductions it is proposed to further reduce maintenance support to our VSB schools, by reductions to maintenance trades staff, along with minor reductions to grounds support. The specific trades proposed for reductions are based on minimizing the impact on the continued safe operation of our schools and facilities.

Recommendations

It is recommended to sustain the previous lay-off of 2 painters, 2 sheet metal trades, and 1 machinist from 2015/16 as well as the lay-off of an additional 2 painters, 2 sheet metal and 1 machinist for a total \$1,000,000 reduction for 2016/17. The staffing complement to achieve the further \$500,000 one-time reduction will be finalized over the coming months, and will depend on anticipated preventative maintenance work and submitted workorders.

It is recommended that a \$1,000,000 ongoing and \$500,000 one-time budget reduction be processed for Trades staffing / supplies budget in the Maintenance and Construction department.

Budget Implications

Staffing Impact (FTE)			Budget Impact (\$)			
Base	Reduction	Employee Group	Salaries & Benefits	Supplies	Revenue	Total
22.0	4.0	Painters	864,367	135,633		1,000,000 (Ongoing)
16.0	4.0	Sht. Metal				
7.0	2.0	Machinists				
	To be Determined 5.0		432,183	67,817		500,000 (One-time)
						1,500,000

F5 – Parking at Schools

Background & Analysis

It currently costs Maintenance & Construction \$200,000/year to maintain 3,500 parking lot spaces at schools across the district. Repaving and patching asphalt and concrete surfaces (\$100,000/year), cleaning and removing snow (\$50,000/year), and maintaining perimeter fences (\$50,000/year) are all significant and necessary costs to keep the parking facilities safe and useable.

In some schools there is limited parking and therefore obtaining a parking stall every day is not guaranteed. The VBE also has a goal to reduce our carbon footprint. Reduced reliance on automobiles by VBE staff could contribute to this goal.

Recommendations

It is proposed to implement a nominal monthly parking fee at all our school sites for employee parking. The fee will likely be in the order of \$20 per month to cover existing maintenance costs related to the parking lots plus the estimated costs of a parking administration company. The net revenue is estimated to be \$175,000. This recommendation may also reduce vehicle use by employees and monthly parkers will be guaranteed a spot.

Budget Implications

Staffing Impact (FTE)			Budget Impact (\$)			
Base	Reduction	Employee Group	Salaries & Benefits	Supplies	Revenue	Total
					175,000	175,000

F6 – Facilities Planners

Background & Analysis

The VBE has a number of schools that need seismic upgrading under the seismic mitigation program. The VBE hires project managers to manage these capital projects. These managers are charged to the individual capital projects they support. However, the VBE also provides other support services to these capital projects such as procurement, accounting and facilities management/planning. Last year, one procurement staff and the facilities manager was moved to the Vancouver Project Office to be funded from Capital funds instead of Operating funds. In addition, one planning staff was moved as well.

The Manager of Planning currently has two Planner positions (PASA) that are staffed and one Planner position that is vacant. It is felt that the vacant position can be eliminated without hard-ship to the Planning Department. The current Planners provide valuable support to the District pertaining to the Long Range Facility Plan, enrolment projects, school boundary planning, and other facility planning areas.

Recommendations

It is proposed to that the Planner staff position that was moved to the Vancouver Project Office be permanently removed from the base budget. Further, it is proposed that one of the two existing Planner positions (PASA) be permanently eliminated from the Operations and Maintenance Department.

Budget Implications

Staffing Impact (FTE)			Budget Impact (\$)			
Base	Reduction	Employee Group	Salaries & Benefits	Supplies	Revenue	Total
3.0	2.0	PASA	193,182			193,182

F7 – Maintenance & Construction Administration

Background & Analysis

Budget reductions have created pressures to further reduce the administration team managing the responsibilities of the Maintenance & Construction department.

While all efforts will be made to minimize impact, the reductions proposed below will ultimately contribute to reduced service and response levels from the department.

Recommendations

The recommendation is to make \$207,992 in administrative staffing cuts. In order to minimize the impact, the following recommendations are made:

- 1) Transfer the costs for the position of Assistant Maintenance Manager to the operating portion of the Annual Facilities Grant (AFG) budget, as this position has a significant involvement in the management of AFG projects.
- 2) Eliminate the position of Assistant Grounds Supervisor. With the elimination of the Assistant position, the Grounds Supervisor will be managing a department of approx. 60 FTE (Full-Time Equivalent employees).

Budget Implications

Staffing Impact (FTE)			Budget Impact (\$)			
Base	Reduction	Employee Group	Salaries & Benefits	Supplies	Revenue	Total
10.0	1.0 (to AFG)	PASA	94,448			
	1.0	PASA	74,651			207,992

E1 – Field Trip EOC costs

Background & Analysis

Funds are currently provided for employees on call (EOCs) required for teachers and support staff who are accompanying students on approved filed trips.

The funding is based on student enrolment as follows:

- Annexes - \$1,065 (2.88 EOC days)
- All schools with 88 students or less - \$2,131 (5.76 EOC days)
- All schools enrolling 800 to 1600 students - \$3,553 (7.68 days)
- Schools with more than 1600 students - \$3,552 (9.6 EOC days)
- Board Approved Alternate Programs - \$2,131 (5.76 days)

A survey of other school districts indicates that the costs of the EOCs is usually built into the overall cost of the field trip.

If these days were eliminated, the savings would be \$346,320.

Recommendation

It is recommended that the policy of funding EOCs for field trips be brought into line with the practice of other school districts, and the cost instead be incorporated in the overall cost of the trip.

Budget Implications

Staffing Impact (FTE)			Budget Impact (\$)			
Base	Reduction	Employee Group	Salaries & Benefits	Supplies	Revenue	Total
				346,320		346,320

E2 – DLS Release Time, Supplies and Services Accounts

Background & Analysis

There are a variety of release time, supplies and services accounts within the various divisions of the Learning Services Departments. These accounts are used to purchase resources and materials, provide TOC release time, bring in additional support when needed, pay licensing fees, and pay for special events or activities (workshops, student events, etc.) among other things.

Staff has reviewed all line items in the various divisional budgets and has recommended either the reduction, elimination or amalgamation of a number of these release time, supply and services accounts.

Recommendations

It is recommended that the DLS supplies and services accounts be reduced by the following amounts:

Release time (on-going)	\$321,473
Services and Supplies (one-time 15-16)	\$10,300
Services and Supplies (one-time 16-17)	\$85,530
Services and Supplies (on-going)	\$780,059

Budget Implications

Staffing Impact (FTE)			Budget Impact (\$)			
Base	Reduction	Employee Group	Salaries & Benefits	Supplies	Revenue	Total
			321,473 (release)	85,530 (supplies one-time) 780,059 (supplies on-going)	10,300 (supplies one-time 15-16)	1,197,362

E3 – School Flex Budgets

Background & Analysis

Schools receive funding from two major sources:

- Annual “Flexible Budgets” – These are funds allocated from the VSB Operating Fund to schools. This funding is based on a general per student allocation plus additional allocations for furniture and equipment replacement, library resources, program support and other items. The total Flexible Budget allocated to schools is in the range of \$6 million per year.
- “School Generated Funds” – These are funds that individual schools generate from permissible school fees, charitable donations and various forms of fundraising.

The allocation for 2015/2016 to schools for their flexible budgets totals \$5.8 million. Over the past number of years, these amounts have accumulated in schools, with a significant number of the schools holding accumulated savings balances. As of the last audited statements ended June 30, 2015, the amount accumulated in unspent funds totaled \$1.9 million.

This proposal seeks to reduce the annual allocation by 20%, a total of \$1.18 million (\$5.8 million x 20%). No change would be made to school generated funds.

Recommendations

It is recommended that the amount of school flex funding annually allocated to schools be reduced by 20%.

Budget Implications

Staffing Impact (FTE)		
Base	Reduction	Employee Group

Budget Impact (\$)			
Salaries & Benefits	Supplies	Revenue	Total
	1,181,835		1,181,835

E4 – School-based support staff replacement

Background & Analysis

The district’s current practice is to replace all school based support staff when they are absent for any portion of the school day. Of these partial day absences, many of them are shorter than 3 hours and many are related to medical appointments. The minimum call-out for an on-call CUPE worker is 4 hours. This means that the district dispatches a replacement employee for more hours than is necessary at the school level.

Staff have noted that in 2015-2016, there were approximately 375 absences that were 2-3 hours in length. If these absences had not been filled with an on-call employee, and instead covered internally at the school level, the district would have saved approximately \$40,000.

The impact of not replacing these short absences is that some schools would be forced to find internal coverage for some assignments. It could also potentially relieve pressure in terms of support staff on-call shortages as it will allow the district to prioritize on-call staff for coverage of full day absences.

Recommendations

It is recommended that the district not provide replacements for CUPE employees whose absences are shorter than 4 hours in length.

Budget Implications

Staffing Impact (FTE)		
Base	Reduction	Employee Group

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

E5 - International Education

Background & Analysis

The international program department directs and supports international student enrolment in Vancouver School District schools. The program currently provides district support to over 1600 international students at 18 secondary schools, 26 elementary schools and 2 adult education centres. The international education department has successfully promoted VSB's program to attract students from 38 countries. The program currently generates net annual revenue of approximately \$11.65 million to the district and creates over 83 full time teaching positions. Continued support is needed for student success within a growing program and a two-component plan of increased revenue and increased counsellor staffing is therefore proposed to the Board for its consideration.

Proposed Enrolment Increase:

It is proposed that the International program enrol an additional 100 FTE international students in 2016-17, resulting in an increase in gross revenue of \$1,400,000. This additional enrolment will also generate corresponding expenses in commissions to agencies for targeted referrals (\$140,000) and 4.8 FTE additional teachers (\$438,707). It is also proposed that 1.0 FTE counsellor be added to provide support specific to international students (\$111,448). The overall additional net revenue associated with this enrolment increase will therefore be \$709,845.

Proposed Staffing Increase:

The VBE's international Education program is currently the largest in the province and one of the largest in the country. With the proposed addition of another 100 FTE students in the 2016-17 school year, program enrolment will have grown by over six hundred students since the 2011-12 school year. It is important that adequate support is provided for these students, many of whom live in Canada without direct parental emotional support. It is therefore requested that the Board approve the addition of one continuing counsellor position, which would be funded on an ongoing basis by the proposed enrolment increase. This position would be a district level counsellor who would provide direct support to students.

The total annual cost associated with this position is \$111,448. Under this proposal, all costs would be funded completely by the increase in enrolment and after all expenses are taken into account, net revenue to the District from this combined proposal would be \$709,845.

Item	FTE	One-Time	Ongoing	Total
Additional 100 FTE in students		\$ 1,400,000	-	1,400,000
Additional teachers	4.76	(438,707)	-	(438,707)
Counsellor position	1.00	-	(111,448)	(111,448)
Supplies and Services		(140,000)	-	(140,000)
Totals	5.76	\$ 821,293	(111,448)	709,845

Recommendations

1. The Vancouver School District increase international student enrollment by 100 FTE students for 2016-17.
2. The Vancouver School District add one FTE continuing counsellor position effective July 1, 2016.

Budget Implications

Staffing Impact (FTE)			Budget Impact (\$)			
Base	Reduction	Employee Group	Salaries & Benefits	Supplies	Revenue	Total
82.06	One-Time (4.76) Ongoing (1.00)	VTF VTF	One-Time (438,707) Ongoing (111,448)	(140,000)	1,400,000	One-Time 821,293 Ongoing (111,448) 709,845

E6 – VLN Supply Account

Background & Analysis

Currently a proposal is in place to restructure VLN. As part of the restructuring model analysis presented at Committee I, the budget review indicates a reduction of \$40,000 is able to be accommodated.

Recommendations

It is recommended that \$40,000 be reduced from the VLN supplies budget.

Budget Implications

Staffing Impact (FTE)		
Base	Reduction	Employee Group

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

E7 – Elementary Prep time restructuring

Background & Analysis

Article D.4 of the VSB / VTF Collective Agreement stipulates that each full time elementary teacher shall receive 100 minutes of preparation time per week. In 2007, as a result of other districts having been unsuccessful in arbitrations, BCPSEA advised Vancouver that its practice in relation to prep time provision at the elementary school level was incorrect. It advised Vancouver it should change its practice to provide “pay back” prep to teachers who missed their prep due to stat holidays and ProD days. As a result, since 2007, the district provides schools with TOC days to “pay back” prep time to teachers who missed regularly scheduled prep on stat holidays and ProD days.

This provision of TOC’s to schools to pay back prep has a significant cost. For example, in 2013-2014 there were 902 TOC days provided to schools for the purpose of providing release time for prep that was missed. This resulted in an approximate cost of \$315,000. In 2014-2015 there were 1,187 TOC days provided to schools for this purpose at the approximate cost of \$451,060.

If the district was able to organize elementary teachers’ preparation time schedules at times when the prep time would not fall on stat holidays and ProD days, the need to “pay back” would decrease. As the majority of stat and ProD days fall on Mondays and Fridays, if elementary schools were directed to (as much as possible) scheduled teachers’ prep schedules on Tuesday, Wednesday or Thursdays, there would be a reduction to these costs.

Further, in an effort to maximize the savings, and in recognition that there will always be other days such as Pro-D and Parent-Teacher conferences which are most likely scheduled on these three suggested days of the week, rather than providing a TTOC to cover the missed prep at the cost to the district, school based administrators could be asked to provide the make-up prep.

With these two components in place (restructuring so prep is scheduled primarily on Tuesday/Wednesday/Thursday) as well as have school based administrators provide the make-up prep when it is required, a significant savings could be achieved.

Recommendation

It is recommended that elementary schools be required to, as much as possible, schedule prep time on Tuesdays, Wednesdays, and Thursdays and that if preparation time is needing to be paid back, that school principals or vice-principals provide that release time.

Staffing Impact (FTE)			Budget Impact (\$)			
Base	Reduction	Employee Group	Salaries & Benefits	Supplies	Revenue	Total
	1,200 TOC days	VTF	450,000			450,000

E8 – Surplus Carryforward

Background & Analysis

At the end of 2014-2015, \$24.3 million was carried forward as a restricted surplus. Of this total, \$13.83 million was restricted to balance the 2015-2016 budget. A further \$3.12 million is being held for projects in progress, primarily for the Education Plan.

Funding in the Education Plan has built up since its introduction in 2012/2013. The VSB has been provided approximately \$1.0 million annually for this program, however, the ministry has not guaranteed the funding for more than one year at a time. VSB chose a conservative roll-out of the ministry funded early literacy program. Therefore, the program was being expanded conservatively and is currently expected to operate at an amount equal to the grant provided on an annual basis.

Recommendations

Given the significant funding shortfall projected for 2016-2017, it is recommended that these surplus funds no longer be restricted for projects but instead be restricted to balance the 2016-2017 budget. The Education Plan will not be able to expand to all schools but can continue to operate at its current level with a minor expansion, consistent with its Ministry funding.

Budget Implications

Staffing Impact (FTE)			Budget Impact (\$)			
Base	Reduction	Employee Group	Salaries & Benefits	Supplies	Revenue	Total
					3,128,542	3,128,542

E9 – Annex/Main School Configuration

Background & Analysis

While a few of elementary annexes' student enrolment have historically remained stable, there are several whose enrolment has significantly declined. Some of these also service more cross boundary students than in catchment neighbourhood students. Several of these annexes feed into school communities whose student populations have also dropped thereby creating enough space for more in catchment students.

With these sites being geographically close, there is an opportunity to configure grade offerings more efficiently so that staffing savings could be achieved. For example, instead of offering two classes of grade 4 (both with low enrolments below class size limits), grade 4 could be offered only at a Main school. Similarly, in the case of two small Kindergarten classes being offered, the Annex could house all the Kindergarten students.

There are 14 such annex / main school combinations that could be explored with a potential savings of approximately 4 FTE.

Recommendations

It is recommended that staff identify smaller grade configurations that currently exist between Main School and Annex sites and amalgamate these classes into one site.

Budget Implications

Staffing Impact (FTE)		
Base	Reduction	Employee Group
1,611.77	4.0	VTF

Budget Impact (\$)			
Salaries & Benefits	Supplies	Revenue	Total
368,504			368,504

E10 – Home Learners Program

Background & Analysis

The Home Learners program is a K-7 program located at Beaconsfield Elementary and is part of the district Distributed Learning program. The program is offered as a three-way collaboration between the student, parent and teacher. Students are encouraged to attend up to two days per week and work on established BC Curriculum.

Current total program enrolment is 35 students with two full time teachers. Students attend approximately 50 days a year and average daily attendance ranges from 10-14 students Monday-Thursday. Students do not attend on Fridays as staff are doing online work, collecting resources, checking curriculum and meeting with parents.

Recommendation

Reduce teaching staff to 1.0 FTE.

Budget Implications

Staffing Impact (FTE)			Budget Impact (\$)			
Base	Reduction	Employee Group	Salaries & Benefits	Supplies	Revenue	Total
2.0	1.0	VTF	92,126			92,126

E11 – Adult Education

Background & Analysis

Adult Education programs have been consolidated from five into three centres in past budgets.

This proposal considers a reduction in clerical staffing at two centres, as follows:

Adult Ed Centre	Full-Time Equivalents (FTE)	\$Amount
Gathering Place	0.57 FTE – 10 month clerical position	\$27,062
Main Street	0.60 FTE – 12 month clerical position	\$33,828
Total	1.17 FTE	\$60,890

Further, this proposal also considers making reductions in expenditures on services and supplies.

Recommendations

This proposal considers making reductions in clerical staffing at two Adult Education centres, and reductions in services and supplies.

Budget Implications

Staffing Impact (FTE)			Budget Impact (\$)			
Base	Reduction	Employee Group	Salaries & Benefits	Supplies	Revenue	Total
5.41	1.17	CUPE 15	60,890	39,110		100,000

E12.1 - Peer to Peer Teacher Mentors and Support Staff Mentor

Background & Analysis

There are 3 Peer to Peer Teacher Mentors and 1 Peer to Peer School and Student Support Mentor. One of the teachers provides support and training to Resource teachers, while the other two provide confidential assistance to regular classroom teachers with: planning; resource identification; strategies for classroom management and instruction; and self-regulation and alternate assessment practices.

The Peer to Peer School and Student Support Mentor is responsible for the support and orientation of all SSAs working in mainstream classroom settings, Special Education and alternate Programs. This includes new SSAs entering the school district and SSAs returning from extended leaves or changing work locations or programs. This position provides assistance to the existing SSAs with classroom assignments and management, mentorship, strategies and resource sharing. Peer to Peer support for SSAs are referred by a variety of sources including Learning Services, Human Resources, School Administrators and individuals of teams of SSAs.

The elimination of these roles will mean the elimination of support to new or teachers requiring additional support and support staff.

Recommendations

It is recommended to eliminate the 4.00 Peer to Peer mentor positions.

Budget Implications

Staffing Impact (FTE)			Budget Impact (\$)			
Base	Reduction	Employee Group	Salaries & Benefits	Supplies	Revenue	Total
3.00	3.00	VTF	276,377	64,557 (Supplies & TOC release time)		404,853
1.00	1.00	CUPE 15	63,919			

E12.2 - Aboriginal Education Prior Years' Surplus

Background & Analysis

The Ministry of Education provides all school districts with targeted funding of \$ 1,195 per Aboriginal student (over and above the per-pupil funding amount). With an enrolment of approximately 2,100 Aboriginal students, the projected funding for 2016/2017 is \$2,509,500. This funding provides for the staffing of AEETs and AEEWs among other positions, and allows the Aboriginal Education Department to provide support to schools through student-centred activities and ceremonies, as well as to provide additional resources to schools that have Aboriginal students.

In addition, the District provides an additional \$127,000 per year from our operating budget to supplement the targeted funding and better meet the needs of the Aboriginal students. As a result of careful use of these supplementary funds, there is currently a projected surplus of \$200,000.

Recommendations

That the restricted 2015-2016 surplus amount of \$200,000 in the Aboriginal Education Department budget be restricted on a one-time basis to help balance the 2016/2017 budget and \$50,000 be added to the budget on an ongoing basis to provide support to schools.

Budget Implications

Staffing Impact (FTE)			Budget Impact (\$)			
Base	Reduction	Employee Group	Salaries & Benefits	Supplies	Revenue	Total
				On-going (50,000)	One-Time 200,000	150,000

E12.3 - Learning Technology Teacher Mentors

Background & Analysis

There are 5 part-time Learning Technology Teacher Mentors making up a total of 2.1 FTE.

2.00 FTE Learning Tech Mentor positions were approved in 2012 (two elementary teachers and two secondary teachers). In the Spring of 2015 an additional Learning Tech Mentor was added (elementary). The Learning Technology Mentoring Team's responsibilities include:

- Professional development support and workshops such as PILOT (Professionals Investigating Learning Opportunities with Technology),
- on-site mentoring/team teaching in classrooms
- supporting the rollout of the secondary teacher laptops
- contributing to and maintaining an interactive website supporting best practices with technology in the classroom
- maintaining a demonstration classroom where teachers can visit and observe
- using, demonstrating and promoting instructional and assessment strategies that integrate technology into the curriculum

To eliminate these positions would mean that there is no district-level support for teachers wishing to incorporate technology into their classroom use of the redesigned curriculum.

Recommendations

It is recommended that the 2.1 FTE of Learning Technology Teacher Mentors be eliminated.

Budget Implications

Staffing Impact (FTE)			Budget Impact (\$)			
Base	Reduction	Employee Group	Salaries & Benefits	Supplies	Revenue	Total
2.1	2.1	VTF	193,465			193,465

E12.4 - Gifted Teacher Mentor

Background & Analysis

There is currently a 0.80 FTE Gifted Education Mentor providing support for and coordination of Gifted Education program delivery at the district and school level.

During the 2014-2015 budget process, this position was changed from a 1.00 Gifted Consultant position to a part-time Teacher Mentor position. To eliminate this position entirely would mean a reduction in available supports to district gifted programs and school programs, and which would therefore require a reallocation of responsibilities.

Recommendations

It is recommended that the position of Gifted Teacher Mentor be eliminated.

Budget Implications

Staffing Impact (FTE)			Budget Impact (\$)			
Base	Reduction	Employee Group	Salaries & Benefits	Supplies	Revenue	Total
0.80	0.80	VTF	73,701			73,701

E12.5 - Teacher-Librarian Teacher Mentor

Background & Analysis

Originally a full time Consultant position, the Teacher Librarian Mentor is a 0.41 FTE position that supports all of the elementary and secondary school libraries/learning commons throughout the district. Responsibilities include the organization and provision of professional development opportunities, mentoring of new Teacher-Librarians, the contribution to and maintenance of the TL website and collaboration with classroom teachers to facilitate the redesigned curriculum.

The elimination of this position would mean that there is no district level support to school libraries or teacher-librarians.

Recommendations

It is recommended that the 0.41 Teacher-Librarian Teacher-Mentor position be eliminated.

Budget Implications

Staffing Impact (FTE)			Budget Impact (\$)			
Base	Reduction	Employee Group	Salaries & Benefits	Supplies	Revenue	Total
0.41	0.41	VTF	37,772			37,772

E12.6 - Modern Languages Teacher Mentor

Background & Analysis

The Modern Languages Department currently has 1.40 FTE (1.00 Teacher Consultant and 0.40 Teacher Mentor) allocated to providing support to Modern Language teachers at the elementary and secondary levels. Modern languages include all languages taught at the secondary level as well as FSL in the elementary grades, French Immersion (K-12) and both elementary Mandarin programs. Federal funding is provided to support all French programs and a portion of that funding can be used to provide staffing to a current maximum of 1.00 FTE. The remaining 0.40 FTE comes from the District's general operating funds. The Modern Languages Teacher Mentor and Teacher Consultant provide support to all language programs and staff, organize professional development opportunities, and work with classroom teachers to create or acquire appropriate resources for each program.

Recommendations

It is recommended that the 0.40 FTE Modern Languages Teacher Mentor position be eliminated.

Budget Implications

Staffing Impact (FTE)			Budget Impact (\$)			
Base	Reduction	Employee Group	Salaries & Benefits	Supplies	Revenue	Total
1.40	0.40	VTF	36,850			36,850

E12.7 - Athletic Coordinator

Background & Analysis

The position of Athletic Coordinator provides supports to schools in the coordination of district-wide sports events and tournaments at both the elementary and secondary levels. This position also oversees the organization of training opportunities for coaches and works with external sports groups and organizations.

The elimination of the position would result in schools having to assume increased responsibility for the coordination and organization of all inter-school events. It would involve possible restructuring or elimination of some elementary district-wide events.

Recommendations

It is recommended that the position of Athletics Coordinator be eliminated.

Budget Implications

Staffing Impact (FTE)			Budget Impact (\$)			
Base	Reduction	Employee Group	Salaries & Benefits	Supplies	Revenue	Total
1.00	1.00	CUPE 15	76,759			76,759

E12.8 - Fine and Performing Arts Coordinator

Background & Analysis

The Fine and Performing Arts Coordinator provides support to schools through the organization of various district-wide Fine Arts events such as the elementary choral festival and various district band performances, to name just a few. The Coordinator also arranges multiple professional development opportunities for teachers in the four strands of the Fine Arts curriculum (Drama, Dance, Visual Arts, and Music) and works closely with the various groups of teachers (Elementary Band and Strings, Secondary Music, Secondary Visual Arts, Secondary Drama) involved in teaching Fine Arts. The Coordinator provides direction and organization to schools around the selection of performance groups and artists for the various school sites, and oversees the distribution of funding from the Sheila Tripp grant.

The elimination of the position would result in schools having to assume increased responsibility for the coordination and organization of all inter-school events. It would involve possible restructuring or elimination of some elementary district-wide events.

Recommendations

It is recommended that the position of Fine and Performing Arts Coordinator be eliminated.

Budget Implications

Staffing Impact (FTE)			Budget Impact (\$)			
Base	Reduction	Employee Group	Salaries & Benefits	Supplies	Revenue	Total
1.00	1.00	CUPE 15	76,759			76,759

E12.9 - Literacy/Early Intervention Teacher Consultant

Background & Analysis

The Literacy/Early Intervention Consultant provides support to those teachers and schools that implement the Reading Recovery and Early Intervention strategies that are so important to the success of our youngest learners. This position involves organizing workshops, training and resource support for the primary and resource teachers from the 56 elementary schools involved in the Early Intervention strategy.

During the 2014-2015 budget process, the District eliminated the position of 1 FTE Literacy/Learning Disabilities Consultant and 0.4 Literacy Mentor (4-12), leaving this current position as the sole resource for Literacy initiatives. To remove this position would mean that there is no one individual responsible for supporting EI in our schools from a district level.

Recommendations

It is recommended that the position of Literacy/Early Intervention Teacher Consultant be eliminated.

Budget Implications

Staffing Impact (FTE)			Budget Impact (\$)			
Base	Reduction	Employee Group	Salaries & Benefits	Supplies	Revenue	Total
1.00	1.00	VTF	92,126			92,126

E12.10 - Anti-Racism/Anti-Homophobia Teacher Mentors

Background & Analysis

The position of Anti-Racism Mentor provides support to schools to create learning environments that value diversity. This position has previously been reduced from 0.60 FTE to its current 0.40 FTE assignment. The position of Anti-Homophobia Mentor is currently a 0.60 FTE assignment, providing support to schools to create learning environments that respect gender diversity. The terms of the current mentors end in June 2016, and cannot be renewed or extended.

Although the elimination of these positions would affect the level of support and services provided to schools, the work done to date in these areas has led to the establishment of structures, programs and practices at the district and school levels, which would somewhat assist in lessening the impact of the reduction.

Recommendations

It is recommended that both positions (total 1.00 FTE) be eliminated.

Budget Implications

Staffing Impact (FTE)			Budget Impact (\$)			
Base	Reduction	Employee Group	Salaries & Benefits	Supplies	Revenue	Total
1.0	1.0	VTF	92,126			92,126

E12.11 - Braillist

Background & Analysis

Currently, there are 2 Braillists working in the school district. Braillists transcribe print curriculum materials into Braille for blind students. In recent years (2011-2014), there have been as many as 5 students requiring support with Braille. This year, there are 3 students using Braille and next year there will be 2.

Recommendations

It is recommended that there be a reduction in the number of Braillists employed in the District from 2.00 FTE to 1.00 FTE.

Budget Implications

Staffing Impact (FTE)			Budget Impact (\$)			
Base	Reduction	Employee Group	Salaries & Benefits	Supplies	Revenue	Total
2.00	1.00	CUPE 15	56,674			56,674

E12.12 - Home Instruction Teachers

Background & Analysis

There is currently 2.95 FTE allocated to Home Instruction, which serves the homebound population. These teachers support students who are not able to attend school due to a medical condition that prohibits them from attending school and assist in the student's transition back into the regular school population.

Eligible student have medical documentation to support the recommendation. They include a range of students from mental health issues, ranging from anxiety to severe behavior, to those having had or awaiting medical procedures or treatment.

The length of service ranges from short-term, one month or longer, to up to a full school year in some circumstances. On average, service is typically provided for a three to six month period. The service delivery can take the form of once a week up to three times a week depending on the number of students on the teachers' caseload. Full time Home Instruction Teachers can carry a case load of up to 15 students and part time up to 10 at a time.

The delivery of service ranges from direct service providing instructional delivery in a one on one setting to monitoring / tutoring work provided by the home school.

The following is a breakdown of the teacher caseload and the number of students who were provided service for this 2015/2016 school year to date (March 2016).

1.00 FTE (one teacher): 13 students
 0.95 FTE (two teachers) 17 students
 1.00 FTE (one teacher): 11 students

It is believed that with other options available to students such as VLN, that Home Instruction could continue to be delivered with fewer FTE than is currently assigned.

Recommendations

It is recommended that 0.95 of the 2.95 FTE currently assigned to Home Instruction be eliminated.

Budget Implications

Staffing Impact (FTE)			Budget Impact (\$)			
Base	Reduction	Employee Group	Salaries & Benefits	Supplies	Revenue	Total
2.95	0.95	VTF	87,520			87,520

E12.13 - Early Intervention and Modern Languages Clerical

Background & Analysis

Currently, both the Modern Languages Department and the Early Intervention/Literacy Department are based at Mackenzie Elementary. There is currently a 1.00 FTE 12 month clerical (OSB) position supporting Modern Languages and a 0.60 FTE 10 month clerical (OSB) position supporting the EI and Reading Recovery Initiatives. Given that the two departments occupy the same physical space and that there are proposed staffing reductions of both EI/Literacy and Modern Language teacher staffing, thereby creating a decreased workload, it would be feasible that the two positions could be combined.

Recommendations

It is recommended that the 0.60 FTE OSB 10 month position attached to the Literacy Department be eliminated, and that the current Modern Languages clerical support be renamed as Modern Languages/Literacy support.

Budget Implications

Staffing Impact (FTE)			Budget Impact (\$)			
Base	Reduction	Employee Group	Salaries & Benefits	Supplies	Revenue	Total
1.60	0.60	CUPE 15	28,416			28,416

E12.14 - Multicultural Liaison Workers

Background & Analysis

Multicultural Liaison Workers (MCLW's) are cultural and linguistic resource staff of the Vancouver Board of Education, under the ELL support services of the District Reception and Placement Centre.

They are available to support students, families, and school personnel by facilitating communication despite linguistic or cultural differences. The following is the total FTE of Multicultural Workers in our District:

Multicultural Worker FTEs	Int'l Fund FTEs	Students (Std+Ref)	Refugees	Language
1.00		1609	0	Filipino
0.80		1577	8	Chinese
1.00		1517	6	Chinese
0.80	0.20	1390	2	Chinese
1.00		1375	9	Chinese
1.00		1365	0	Filipino
1.00		1301	4	Chinese
0.50	0.50	1228	2	Chinese
1.00		952	7	South Asian
1.00		917	5	South Asian
	2.00	845	0	Chinese
1.00		830	3	Chinese
0.60		765	0	Chinese
1.00		722	9	South Asian
1.00		621	28	Spanish
0.60		585	2	Chinese
0.60		582	4	Chinese
1.00		524	6	Vietnamese
1.00		504	5	Vietnamese
1.00		434	1	Vietnamese
0.50		341	6	Spanish
0.50	0.50	295	1	Korean
0.50		288	1	Vietnamese
0.50	0.50	262	1	Korean
1.00		DRPC - HSW	1	Cambodian
19.90	3.70			

Between the 2010/2011 school year and 2015/2016 the number of students who spoke:

- a South Asian language has declined by more than 600 students (from 3230 to 2597)
- Vietnamese has declined from 2262 to 1769
- Korean has declined from 1062 to 627.

Additionally, between 2009/2010 to February 8, 2016 the annual number of

- newcomer South Asian students has declined from 140 to 79
- newcomer Vietnamese students has declined from 76 to 50
- newcomer Korean students saw a decline of 186 to 69.

A 0.5 FTE reduction of the South Asian MCLWs as well as a 0.5 FTE reduction of the Vietnamese MCLWs took place during the 2014/2015 budget.

Recommendations

It is recommended that the following positions be reduced, based on declining enrolment in these specific linguistic and cultural groups:

- 1.0 FTE SSB South Asian MCLW
- 0.5 FTE SSB Vietnamese MCLW
- 0.5 FTE SSB Korean MCLW

Budget Implications

Staffing Impact (FTE)			Budget Impact (\$)			
Base	Reduction	Employee Group	Salaries & Benefits	Supplies	Revenue	Total
23.60	2.00	CUPE 15	121,680			121,680

E12.15 – Optional Elementary Band and Strings Program

Background & Analysis

The optional band and strings program provides opportunities for elementary students to learn to play a band (gr. 6-7) or string instrument (gr. 5-7). Currently 44 elementary schools have an optional strings or band program.

Curriculum requirements are met through general music programming in the school setting. The band and strings program is an additional service which is currently not provided within all elementary schools. The program is delivered by teachers in itinerant positions, and requires funding beyond the regular staffing allotment provided to a school. Currently, more than 50 % of elementary schools in the district have Music as prep to some or all of the grades in the school, approximately 40 % have classroom teachers providing all of the Music instruction, and many schools have a combination of Music specialists and regular classroom teachers providing Music instruction.

For the 2015-2016 school year, the annual fee was raised from \$25 to \$50 a year in order to offset some of the staffing and program costs.

Recommendations

It is recommended that the teaching staffing associated with the optional band and strings program be eliminated.

Budget Implications

Staffing Impact (FTE)		
Base	Reduction	Employee Group
5.86	5.86	VTF

Budget Impact (\$)			
Salaries & Benefits	Supplies	Revenue	Total
530,603		(135,000)	395,603

E12.16 – Garibaldi Learning Services Clerical Support

Background & Analysis

Currently there are 2.0 FTE OSB (12 month) clerical positions and a 1.0 FTE OSB (10 month) clerical position supporting the educational work done by the Learning Services teams at the Garibaldi location.

To reduce the clerical support by 1.00 FTE (10 month) will create an increased workload for the other clerical support in the building.

Recommendations

It is recommended that 1.00 FTE of OSB clerical support (10 months) be eliminated from Learning Services.

Budget Implications

Staffing Impact (FTE)			Budget Impact (\$)			
Base	Reduction	Employee Group	Salaries & Benefits	Supplies	Revenue	Total
3.00	1.00	CUPE 15	47,600			47,600

E12.17 – District-Based Gifted Staffing

Background & Analysis

Gifted programs provide opportunities for students to participate in challenging academic, intellectual and creative learning experiences with similarly able students who share their interests. The VBE offers a range of programs and services to respond to the diversity of learner needs. Programs/support includes:

- Challenge Centre Programs
- Mentorship Program
- Seminar Programs

Identification of students for these classes requires referrals from the Elementary Schools and further participation in various experiences that contribute to understanding the best educational match between students' needs and available programs.

Currently there is 9.70 FTE in staffing allocations for Gifted Education Programs. A reduction in this area of 3.70 FTE (3.40 teaching and 0.30 Educational Psychologist) would decrease the amount of specialized support available for gifted students.

Recommendations

It is recommended that the Challenge Centre, Mentorship and Seminar Programs as well as the 0.30 Gifted Educational Psychologist position (total 3.70 FTE) be eliminated.

Budget Implications

Staffing Impact (FTE)			Budget Impact (\$)			
Base	Reduction	Employee Group	Salaries & Benefits	Supplies	Revenue	Total
9.70	3.70	VTF	340,866			340,866

E12.18 – Career Information Assistants

Background & Analysis

Career Information Assistants (CIAs) are 10 month CUPE employees who generally work 0.5 FTE in each of our high schools and in Adult Ed. The primary responsibilities of the CIAs in schools are to:

- Provide career exploration opportunities for youth to inform the students' career decision-making
- Promote trades, apprenticeship, secondary school apprenticeship and ACE IT to the secondary school community
- Assist students with post-secondary applications for admissions and financial aid;
- Assist students with job-seeking skills such as information interviews, resumes, cover letters, testimonials, interview strategies, telephone skills, etc.

While the existing support to students is important, it is thought that the functions could be handled more centrally at a district level, with one person assigned to do the following:

- Maintain District electronic media information sharing platform for career information
- Provide information regarding career explorations to staff as needed
- Promote ACE IT and other VSB Trades, Technology and Career programs
- Act as the main contact for all post-secondary updates and share across the District to relevant staff such as counselors, admin etc.
- Monitor and support usage of 'Career Cruising' for all secondary schools
- Compile and share (through electronic platform) information on post-secondary admissions and scholarships
- Assist with district career-oriented events that promote student career exploration and educational decision-making

Recommendations

It is recommended that 10.00 FTE currently assigned to the CIA role in schools be eliminated, and that a 1.00 district CIA position be created and posted for the 2016-2017 school year.

Budget Implications

Staffing Impact (FTE)			Budget Impact (\$)			
Base	Reduction	Employee Group	Salaries & Benefits	Supplies	Revenue	Total
10.00	9.00	CUPE 15	581,801			581,801

E12.19 - District Vision and Hearing Teachers

Background & Analysis

There is 10.80 FTE dedicated to the District Resource Teachers for Vision (3.40) and Hearing (7.40).

Vision teachers work with students with a Ministry designation of “E” (Visual Impairment) as well as those with an “A” (physically dependent – multiple needs) where appropriate or “B” (deaf-blind) designation. The number of students in each of these categories requiring vision support has decreased over the last 8 years from 30 students to 20.

Currently, there are 94 students with a primary designation of an “F” (deaf or hard of hearing) who are supported by the DRT-Hearing; 55 in elementary schools and 39 in secondary schools. There has been a decrease in these numbers over the last four years:

2012 — 117 students
 2013 — 103 students
 2014 — 103 students

Recommendations

It is recommended that due to decreasing enrolment of students requiring Vision or Hearing support, the District Resource Teacher-Vision allocation be decreased by 0.40 FTE and the District Resource Teacher-Hearing allocation be reduced by 0.60 FTE.

Budget Implications

Staffing Impact (FTE)			Budget Impact (\$)			
Base	Reduction	Employee Group	Salaries & Benefits	Supplies	Revenue	Total
10.8	1.0	VTF	92,126			92,126

E12.20 - ELL District Class Reduction

Background & Analysis

There are currently 3 District programs situated at Tupper Secondary that are designed to meet the needs of secondary ELL learners. They are:

ELL Literacy Program: To support students who have had interrupted or minimal education. The sheltered program aims to help students gain the reading, writing and numeracy skills they need to prepare for entry into the mainstream ELL program. Canadian cultural orientation activities are an integral part of this program.

ELL I-LEAD (Intensive Language Enrichment and Development) Program: To support students who have completed up to 9 years of previous formal schooling in their country of origin or in Canada. This program supports students who have been in a VBE school and continue to struggle with English acquisition, are well below grade level in Math and have experienced little success in school. Students in this program are in a sheltered ELL program for one day and take courses for credit on the other day. Students have opportunities to participate in contact assignments and community experiences in support of a thematic academic approach.

ELL EMPOWER (Explore Multiple Possible Opportunities with Education and Resilience) Program: To support students who want to gain work skills and experiences to enable them to support themselves while continuing their education beyond age 19 in other educational settings.

This year's classes contained the following student numbers:

Program	Mar 2016	Sep 2015
ELL Literacy (in homeroom EL08-12)	23	17
ELL I-Lead (in homeroom IL10-12)	21	12
ELL Empower (in 39 ELL Empower Program)	2	4

Of the three classes, EMPOWER was not successful this year in securing more than 3 or 4 students who were interested in attending the program (which has a capacity of 17). It is anticipated that it would be more successful if the students from EMPOWER were combined with those in the ELL I-LEAD program.

Recommendations

It is recommended that the ELL EMPOWER class be eliminated.

Budget Implications

Staffing Impact (FTE)		
Base	Reduction	Employee Group
3.4286	1.1429	VTF

Budget Impact (\$)			
Salaries & Benefits	Supplies	Revenue	Total
105,024			105,024

E12.21 – Additional Entitlements

Background & Analysis

“Additional Entitlements” are additional teaching blocks given to secondary schools that host District Programs such as Mini Schools, International Baccalaureate Programs and Trades Programs. The intent of these additional teaching blocks is to allow program coordinators to organize enrichment activities, etc. It can also allow programs such as IB the flexibility to run certain classes below the regular District class size levels. Some of these mini-schools have fewer blocks of instruction than others (ie.8 versus 20). To remove these additional blocks would mean that teachers would have a larger teaching load and would no longer have as much administrative time to organize programs.

School	Program	FTE
Britannia	Venture Program	0.1429
	International Baccalaureate	0.8571
	Hockey Academy	0.1429
	ACE-IT	0.4286
Byng	Byng Arts Mini School	0.2857
Churchill	Ideal Mini	0.7143
	International Baccalaureate	1.1429
David Thompson	Odyssey	0.1429
Gladstone	Mini	0.1429
Hamber	Challenge	0.1429
	Total Education Coordination	0.1429
John Oliver	Mini	0.1429
Killarney	Mini	0.1429
	Spectrum	0.2143
King George	Small School Entitlement	1.5714
	Technology Immersion	0.1429
	City School	1.000
	International Baccalaureate	0.4286
Magee	SPARTS	0.1429
Point Grey	Mini	0.2857
Prince of Wales	(Trek)	2.0600
	Mini	0.2857
Templeton	Mini	0.1429
Tupper	Mini	0.1429
	ACE-IT	0.2857
Van Tech	Summit	0.0714
	FLEX	0.0715
	ACE-IT	0.1429
Windermere	Leadership	0.0715
	Athena Program	0.0714
TOTAL FTE		11.7035

Recommendations

That the following programs be reduced by the amount indicated for the 2016-2017 school year.

School	Program	FTE reduction
Britannia	ACEIT Auto	0.1429
Britannia	IB	0.1429
Churchill	IB	0.1429
Churchill	Ideal mini	0.1429
Gladstone	Mini	0.1429
Killarney	Mini	0.1429
King George	Mini	0.1429
King George	Small School Entitlement	0.5714
King George	City School	0.5714
Van Tech	ACEIT Hair	0.1429
Total reduction:		2.2860

Budget Implications

Staffing Impact (FTE)			Budget Impact (\$)			
Base	Reduction	Employee Group	Salaries & Benefits	Supplies	Revenue	Total
11.7035	2.286	VTF	210,312			210,312

E12.22 - SACY SSW

Background & Analysis

The School Age Children and Youth – Substance Use Prevention Initiative (SACY) is a partnership initiative of the Vancouver School Board and Vancouver Coastal Health. Since its beginnings in 2006, SACY has interacted with thousands of youth and parents from all secondary schools in the Vancouver School District. There are three intersecting SACY streams – Youth, SACY TEEN ENGAGEMENT PROGRAM (S.T.E.P.) and Parent Engagement program.

The VSB provides funding for the staffing of a Supervisor, 2 Youth Engagement Workers, 1 Parent Support worker, 2 STEP workers. Vancouver Coastal Health provides staffing for an additional 6 Youth Engagement workers.

In the past two years, the youth stream has seen a reduction in referrals for classroom education, workshops, presentations at assemblies, and other school wide activities as well as STEP referrals and follow ups.

If the Youth Engagement Worker position were to be eliminated, the Supervisor could perform these duties in addition to his regular responsibilities, but overall it will result in a decrease of available resources to students at risk in our 18 secondary schools.

Recommendations

It is recommended that the 1.00 Youth Engagement worker position be eliminated.

Budget Implications

Staffing Impact (FTE)			Budget Impact (\$)			
Base	Reduction	Employee Group	Salaries & Benefits	Supplies	Revenue	Total
3.90	1.00	CUPE 15	68,865			68,865

E13 – School Based Vice-Principals

Background & Analysis

There are currently a total of 46 elementary school based vice-principals and a total of 34 secondary school based vice-principals in the district. Vice-principal allocations are provided to schools by considering both the size and nature of the school.

In general, elementary schools with over 400 students are provided a VP and secondary schools with over 1000 students are provided a second VP (all secondary schools have at least one VP). Regardless of this general staffing ratio, the decision to add or reduce a vice-principal allocation from a school is made on a case by case basis considering the complexity of the school site.

Reductions in this area would impact staff, students and families in that various services currently being performed by vice-principals would not be as available.

Recommendations

It is recommended that 4 elementary vice-principals be reduced, over and above the normal staffing ratio. It is also recommended that 2 secondary vice-principals be reduced, over and above the normal staffing ratio.

Staffing Impact (FTE)			Budget Impact (\$)			
Base	Reduction	Employee Group	Salaries & Benefits	Supplies	Revenue	Total
80	6.0	VEPVPA/ VASSA	743,820			
	(4.06)	VTF	(379,055)			364,765

E14 - Special Education Staffing

Background & Analysis

There is currently 1.14 FTE Special Education staffing allocated to both Templeton and Kitsilano High School. These 16 blocks of staffing were distributed to these schools several years ago and was intended to provide flexibility for supporting students who were coming into Gr. 8 and who had not been placed in a district special education program.

To eliminate this staffing would mean a reduction in the schools' ability to provide adapted programs and smaller classes for those students who require more intensive supports.

Recommendations

It is recommended that this additional Special Education staffing at Templeton and Kitsilano High School be eliminated.

Budget Implications

Staffing Impact (FTE)			Budget Impact (\$)			
Base	Reduction	Employee Group	Salaries & Benefits	Supplies	Revenue	Total
2.28	2.28	VTF	210,047			210,047

E15 – Secondary Teacher Staffing

Background & Analysis

Since 2012 the VSB has made the decision to keep non-exempt classes at or below 30 students. If the VSB were to allow secondary schools to have non-exempt classes over 30, there would be savings realized in staffing levels. This would be a net savings after taking into considerations the costs to pay for the required remedies as outlined in section 4 (1) of the Class Size and Compensation regulation. The regulation states that for every month except September that a teacher is teaching a non-excluded class that exceeds 30 students, the Board must provide a remedy.

If this class size limit of 30 were to be removed, the district could yield approximately 33 FTE at the secondary level.

Recommendation

It is recommended that secondary school staffing levels be reduced by 33.0 FTE and that class size limit of 30 students for non-except classes be exceeded.

Staffing Impact (FTE)			Budget Impact (\$)			
Base	Reduction	Employee Group	Salaries & Benefits	Supplies	Revenue	Total
1,611.77	33.0	VTF	3,045,158	(100,000) *remedy		2,945,158

E16 – International Education Teacher Staffing

Background & Analysis

Schools who enroll International students currently receive extra teacher staffing. The formula for allocating International teaching staffing equates to 1.0 FTE for every 22 International Education students enrolled at a school. By changing the formula to a ratio of 24 students per 1.0 FTE of teaching, 6.67 FTE fewer teachers would be allocated to schools who enroll International students.

Recommendation:

It is recommended that international staffing formula be adjusted to be 24 students per 1.0 FTE.

Staffing Impact (FTE)		
Base	Reduction	Employee Group
82.06	6.67	VTF

Budget Impact (\$)			
Salaries & Benefits	Supplies	Revenue	Total
614,480			614,480

E17 - Enhanced Services Literacy Teachers

Background & Analysis

As part of the Revisioning Report presented to the Board in 2014, the services provided through what was formerly known as “Inner City” were reconfigured and realigned to better meet the needs of our most vulnerable students. Through this process, the District created twelve Enhanced Services – Literacy Teachers who provide additional intensive interventions to small groups of students at some of our Tier 1, 2 and 3 schools.

School	FTE	School	FTE
Hastings	1		
Beaconsfield	0.5	Macdonald	0.5
Thunderbird	1		
Strathcona	1		
Nightingale	0.6	Waverly	0.4
Roberts	0.5	Selkirk	0.5
Queen Alex	1		
Britannia	1		
Grandview	1		
Cook	0.5	Henderson	0.5
Seymour	1		
Fleming	0.5	Moberly	0.5
	9.6		2.4
Total FTE		12	

To eliminate these positions would mean a substantial decrease to the level of support provided to our most vulnerable students.

Recommendations

It is recommended that the 12 FTE of Enhanced Services Literacy Teachers be eliminated.

Budget Implications

Staffing Impact (FTE)			Budget Impact (\$)			
Base	Reduction	Employee Group	Salaries & Benefits	Supplies	Revenue	Total
12.0	12.0	VTF	1,105,512			1,105,512

E18 – Special Education Support Entitlements

Background & Analysis

Student and Support workers provide assistance for implementing programs and activities in support of students with special needs in elementary or secondary schools. To remove this additional FTE will have a serious impact on the level of support that can be provided to students who have a Ministry Designation and require intervention.

Recommendations

It is recommended that 12.00 FTE of SSA support be eliminated.

Budget Implications

Staffing Impact (FTE)			Budget Impact (\$)			
Base	Reduction	Employee Group	Salaries & Benefits	Supplies	Revenue	Total
670.0	12.0	CUPE 15	636,000			636,000

E19 – Elementary Non-Enrolling Staffing

Background & Analysis

Elementary schools receive staffing in two main categories; enrolling staffing and non-enrolling staffing. Due to class size restrictions, there is limited ability to reduce the enrolling staffing at the elementary level.

Non-enrolling staff is distributed to schools in one large amount and is used at the school level to provide services in the area of ELL, special education, aboriginal and library. It is not specifically targeted but is provided with the intent that the staffing be used to provide services for students in these areas.

Reductions to the non-enrolling staffing at the elementary level will impede the district's ability to provide the same level of supports to our designated students in the area of ELL, special education, and aboriginal. Another implication of reducing this non-enrolling staffing is that schools may not have the ability to have specialized school librarians.

Recommendation

It is recommended that the non-enrolling teaching staff at elementary be reduced by 11.36 FTE.

Budget Implications

Staffing Impact (FTE)			Budget Impact (\$)			
Base	Reduction	Employee Group	Salaries & Benefits	Supplies	Revenue	Total
1,611.77	11.36	VTF	1,046,912			1,046,912

Attachment B

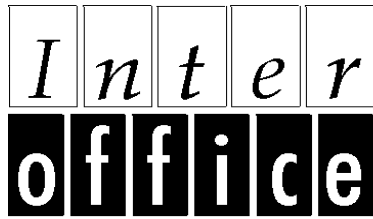
Stakeholder and Public Consultation

Attachment B: Stakeholder and Public Consultation

The following Board approved 2016/2017 Budget Process/Timeline shows the schedule of budget meetings. Please refer to this schedule for the budget meeting dates and deadlines for submissions.

Thursday, March 31, 2016 Education Centre 5:30 p.m.	Plenary Education & Student Services/Finance & Legal (Committee III/V) Public Presentation of 2016/2017 Fiscal Framework & Preliminary Budget Proposals
Monday, April 11, 2016 Education Centre 5:30 p.m.	Plenary Education & Student Services/Finance & Legal (Committee III/V) Stakeholder Consultation on 2016/2017 Preliminary Budget Proposals
Tuesday, April 12, 2016 Location TBD 7:00 p.m. and Thursday, April 14, 2016 Education Centre 5:00 p.m. (if required)	Committee-of-the-Whole Public Input on 2016/2017 Preliminary Budget Proposals
Tuesday, April 19, 2016 Education Centre 5:00 p.m.	Plenary Education & Student Services/Finance & Legal (Committee III/V) Public Presentation of Revised 2016/2017 Budget Proposals
Monday, April 25, 2016 Education Centre 7:00 p.m.	Committee-of-the-Whole Stakeholder and Public Input on Revised 2016/2017 Budget Proposals
Thursday, April 28, 2016 Education Centre Boardroom, 7:00 p.m.	Special Board Meeting Final Deliberations and Adoption of the 2016/2017 Preliminary Budget

Please send written submissions no later than two working days before the meeting to Vancouver Board of Education, Attention: Administrative Coordinator, Secretary-Treasurer's Office, 1580 West Broadway, Vancouver, BC V6J 5K8, or send by fax to 604-713-5049, or email to budget2016_2017@vsb.bc.ca. Please note: all submissions to the Board are considered to be public documents. The Board, therefore, reserves the right to make any submissions available to the public and placed on the website.



Memorandum

vancouver school board



March 31, 2016

Item 2

To: Plenary Committee III/V

FROM: Russell Horswill, Secretary Treasurer
Lisa Landry, Director of Finance

RE: **Fiscal Framework for 2016/2017**

INTRODUCTION:

Attached is the Fiscal Framework report for the Vancouver Board of Education (VBE) for 2016/2017. The purpose of this report is to provide background information and context for the budget process and assist in the development of budget proposals to balance the 2016/2017 budget.

The major components of this document are as follows:

- the historical financial information section which is based on amended annual budgets for the years 2011/2012 to 2015/2016 and shows comparative enrolment, staffing, revenue and expenditure information;
- the 2016/2017 Base Budget section, which includes information on major assumptions made when building the base budget, provides a summary of revenue and expense by type and the projected 2016/2017 operating funding shortfall;
- the local capital reserve section, which provides an updated local capital reserve projection for 2016/2017; and
- the preliminary operating budget projection section for 2017/2018, which details the key assumptions used in building the projections for 2017/2018, and
- a section on long-term financial sustainability.

As noted in the attached document, the VBE is currently estimating that it will be facing a funding shortfall for 2015/2016 of \$27.26 million.

In accordance with the *School Act*, school districts in the province must approve a balanced budget. Preliminary budget proposals required to balance the budget will be presented in a separate report.

This report is provided for information.



VANCOUVER BOARD OF EDUCATION

2016/2017 FISCAL FRAMEWORK

March 2016

VANCOUVER BOARD OF EDUCATION

2016/2017 FISCAL FRAMEWORK

1.0 Introduction

This document is focused on the Operating Fund.

1.1 Historical Information

- 1.1.1 Enrolment
- 1.1.2 Revenue and Expenditure
- 1.1.3 Staffing

1.2 2016/2017 Base Budget

- 1.2.1 Major Assumptions
- 1.2.2 2016/2017 Projected Operating Funding Shortfall
- 1.2.3 Base Budget 2016/2017 Revenue
- 1.2.4 Base Budget 2016/2017 Expenses
- 1.2.5 Base Budget Staffing

1.3 Local Capital Reserve

1.4 2017/2018 Preliminary Operating Budget Projection

1.5 Long Term Financial Sustainability

- 1.5.1 Additional Provincial Funding
- 1.5.2 Base Budget Reductions

1.0 Introduction

The Vancouver Board of Education (VBE) is estimating that it will be facing a funding shortfall for 2016/2017 of \$27.26 million. In accordance with the *School Act*, school districts in the province must approve a balanced budget. The purpose of this report is to provide assumptions and detailed information with respect to the funding shortfall projection for 2016/2017. Additional background information will be available at the website www.vsb.bc.ca under Board of Education/Financial Information.

This document includes the following information:

- historical information based on amended annual (final) budgets for the years 2011/2012 to 2015/2016 and comparative enrolment, staffing, revenue and expenditure information;
- 2016/2017 base budget information including major assumptions made when building the base budget, the projected impact of enrolment, summary of revenue and expense by type and the projected 2016/2017 funding shortfall;
- updated Local Capital Reserve projection for 2016/2017; and
- preliminary operating budget projection for 2017/2018.

The VBE reports revenues and expenditures under three separate funds: the operating fund, special purpose fund and capital fund. The following provides a description of each fund:

- Operating Fund – includes operating grants and other revenues used to fund instructional programs as well as school and district administration, facility operations and maintenance and transportation costs;
- Special Purpose Funds – include separate funds established to account for contributions received from the Ministry of Education or other sources that are restricted for a particular purpose (e.g., Annual Facilities Grant, CommunityLINK, School generated funds, scholarships, etc.); and
- Capital Fund – includes capital expenditures on facilities and equipment funded from Ministry of Education capital grants, the Operating Fund and Special Purpose Funds.

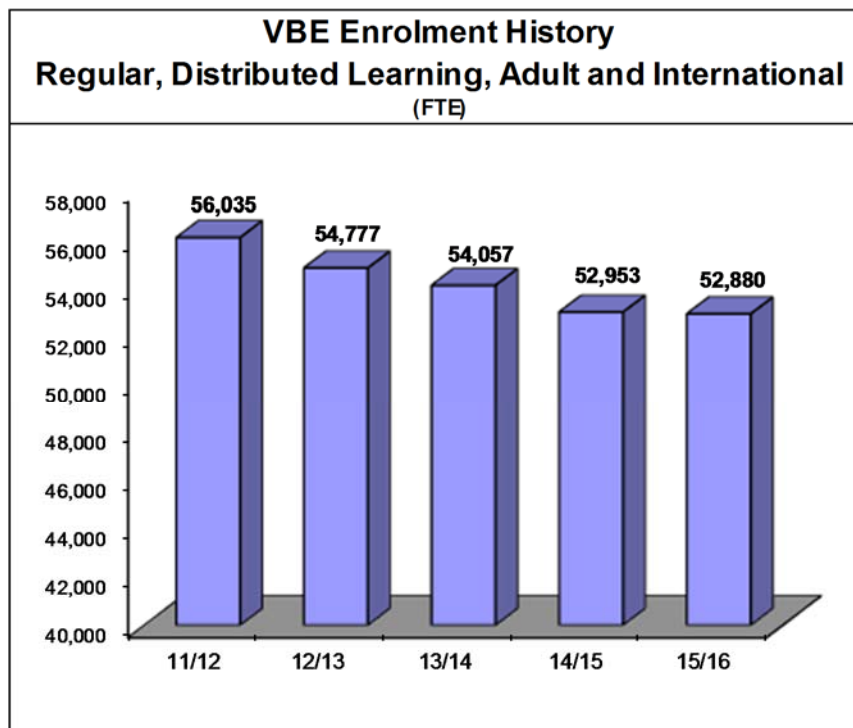
This document is focused on the Operating Fund.

1.1 Historical Information

The information in this section includes comparative final budget information for the years 2011/2012 to 2015/2016.

1.1.1 Enrolment

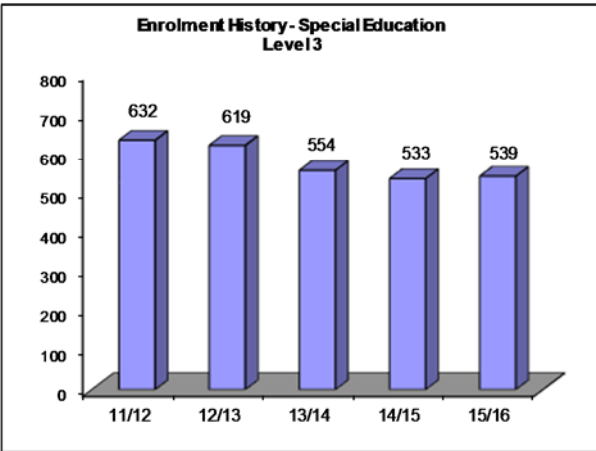
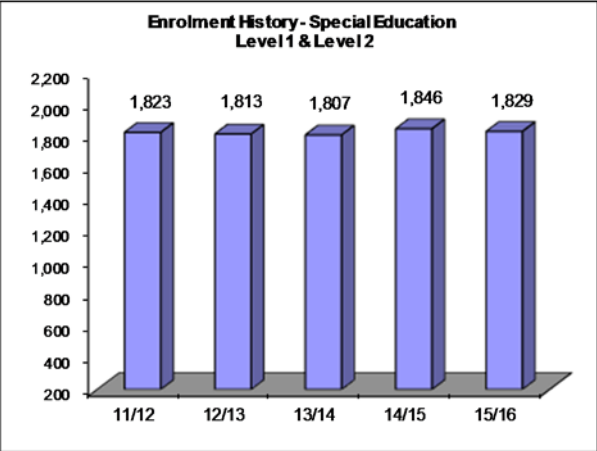
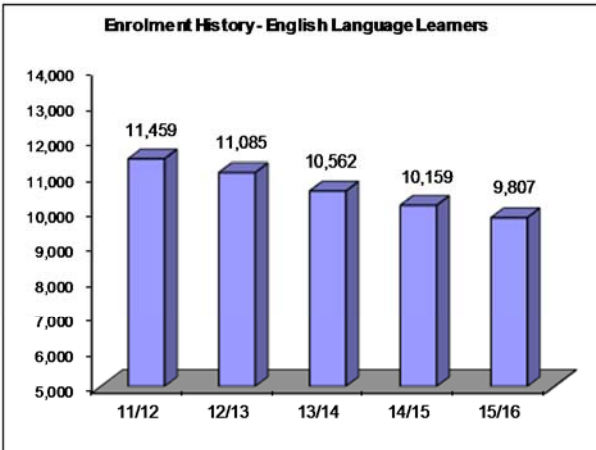
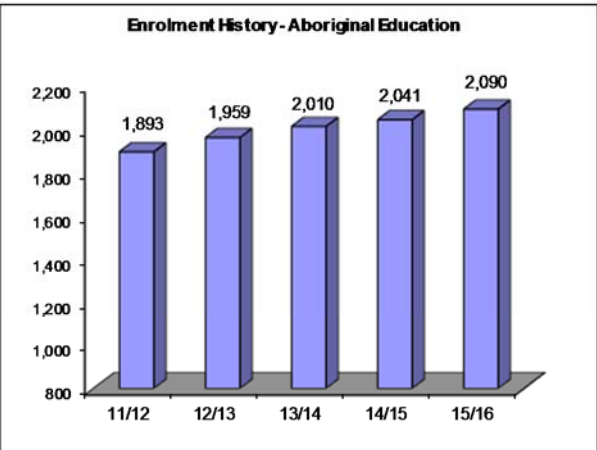
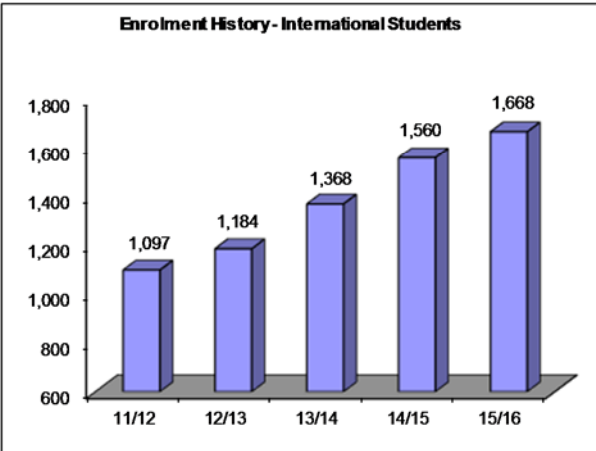
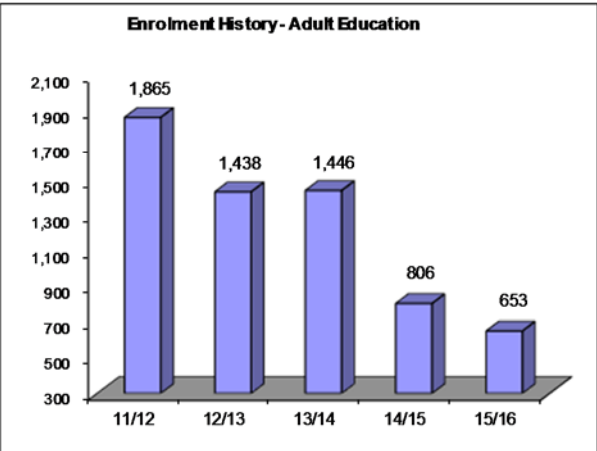
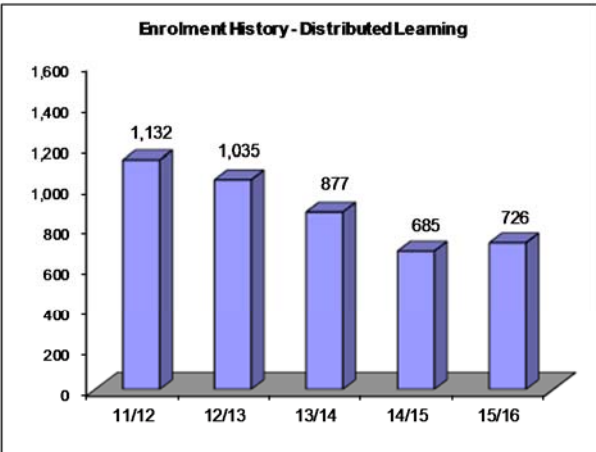
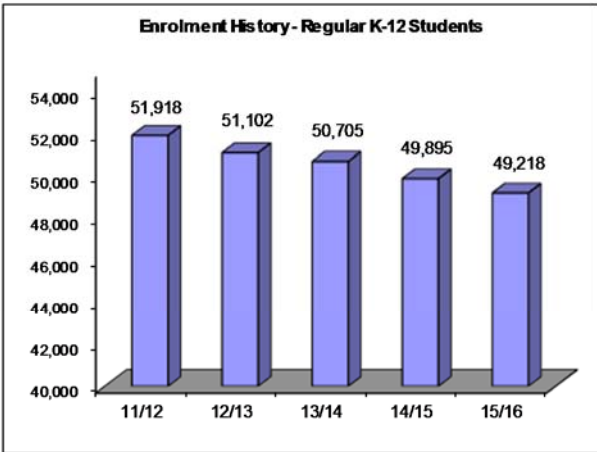
Funded student enrolment has been declining every year since 2011/2012 and has decreased by a cumulative total of 3,155 Full-Time Equivalent (FTE) students over this five-year period.



Source: 2011/2012 Ministry Full-Year Funding Allocation System, 2012/2013-2015/2016 Interim FAS updated for February enrolment

Enrolment for regular, adult, English Language Learners and Distributed Learning enrolment have been declining. At the same time, Level 1 and 2 Special Education enrolment has been increasing consistently for a number of years reaching a high of 1,846 FTE in 2014/2015 but has leveled off at 1,829 FTE for 2015/2016. Level 3 Special Education enrolment has declined over the same 5 year period from 632 FTE in 2011/2012 down to 539 FTE in 2015/2016.

International student enrolment has been increasing from 1,097 FTE in 2011/2012 to 1,668 FTE in 2015/2016.



Source: 2011/2012 Ministry Full-Year Funding Allocation System, 2012/2013-2015/16 Interim FAS updated for February enrolment

1.1.2 Revenue and Expenditure

From 2011/2012 to 2015/2016, budgeted revenues remained fairly steady with the exception of a large decrease in 2014/2015 due to a one-time strike savings claw back (\$17.80 million). 2015/2016 shows restored revenue levels with an increase over 2014/2015 due to higher provincial grants to fund negotiated labour settlement costs, offshore tuition fees and miscellaneous income. Annually, provincial grants account for over 92% of VBE revenues.

The following table details the categories of locally generated revenue. Offshore tuition fees represent over 58% of the VBE generated revenues.

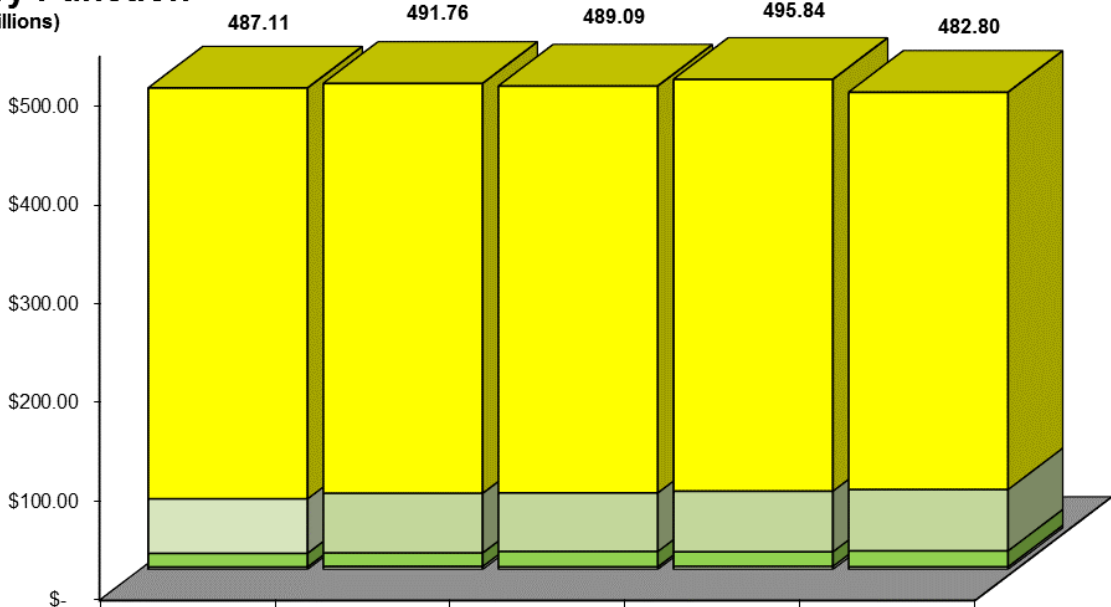
VBE Revenue by Source					
(\$ Millions)					
	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016
	Final	Final	Final	Final	Final
	Budget	Budget	Budget	Budget	Budget
Provincial and Other Grants	\$ 464.09	\$ 456.32	\$ 454.80	\$ 436.34	\$ 449.70
Fees, Rentals, and Other Revenue					
Francophone Education Authority	\$ -	\$ -	\$ -	\$ -	\$ -
Summer School Fees	0.61	0.70	0.71	-	1.03
Continuing Education	1.50	1.29	1.12	0.32	0.89
Offshore Tuition Fees	13.47	16.18	17.91	20.27	22.74
Miscellaneous Income	2.76	5.48	2.45	3.67	7.74
Instructional Cafeteria Revenue	1.45	1.39	1.40	1.25	1.35
Other Revenue	-	-	-	0.18	-
Transfers from Deferred Contribution - Other	-	-	-	0.03	-
Rentals and Leases	3.21	3.28	3.33	3.44	3.84
Investment Income	1.03	1.19	1.34	1.94	1.38
	\$ 24.03	\$ 29.51	\$ 28.26	\$ 31.12	\$ 38.97
Total Revenue	\$ 488.12	\$ 485.83	\$ 483.06	\$ 467.46	\$ 488.67

Source: 2011/2012-2015/2016 Amended Annual Budget submissions

The budgeted expenses by function are shown in the following graphs below. In each year, approximately 83% of the total expenses were allocated to instruction, followed by operations and maintenance, district administration, transportation and housing, and the reduction of unfunded employee future benefits liability and interfund transfers.

Expense by Function

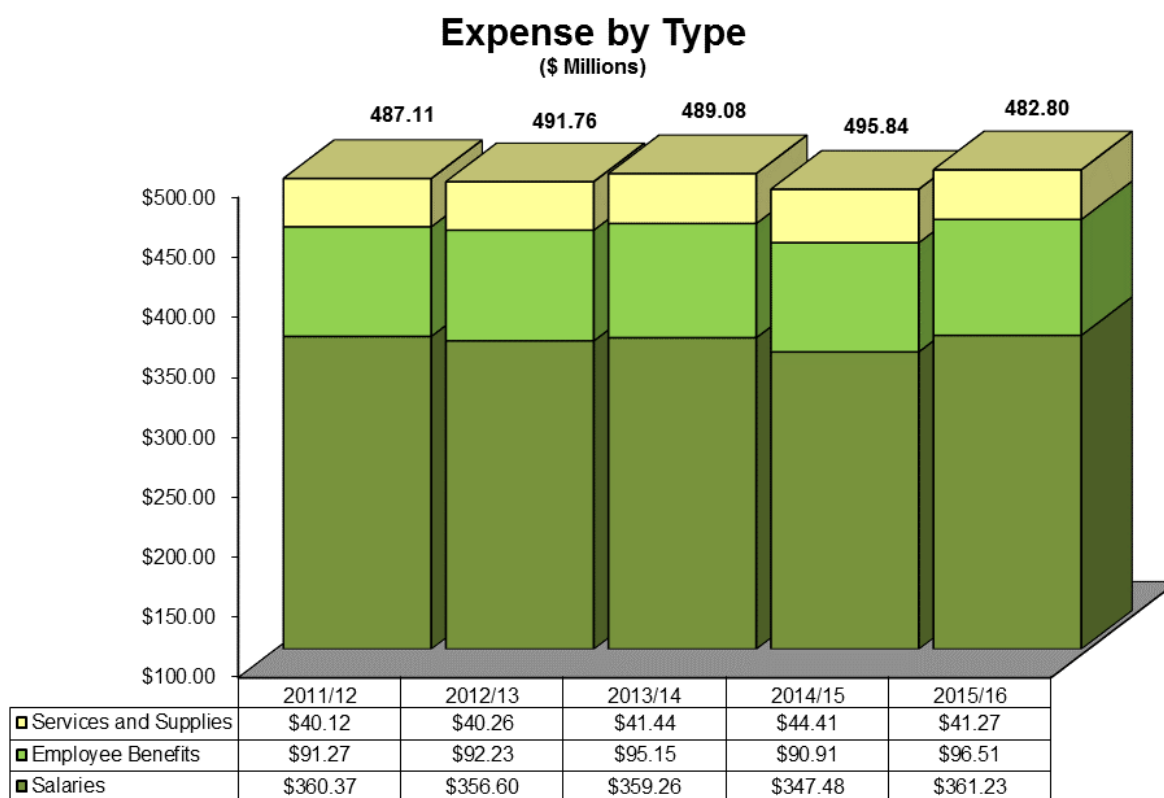
(\$ Millions)



	2011/12	2012/13	2013/14	2014/15	2015/16
■ Instruction	\$415.53	\$414.58	\$411.49	\$416.48	\$401.84
■ Operations and Maintenance	\$55.09	\$60.32	\$59.29	\$61.36	\$62.02
■ District Administration	\$13.83	\$13.72	\$15.55	\$14.75	\$16.11
■ Transportation and Housing	\$2.66	\$3.12	\$2.74	\$3.23	\$2.82
■ Debt Services	\$-	\$0.02	\$0.02	\$0.02	\$-

Source: 2011/2012 -2015/2016 Amended Annual Budget submissions

The budgeted expenses by object of expenditure are shown in the graph below. Every year, approximately 92% of VBE’s budget is allocated to salaries and fringe benefits, with the balance being allocated to supplies, services, utilities and other costs.



Source: 2011/2012-2015/2016 Amended Annual Budget submissions

1.1.3 Staffing

From 2011/2012 to 2015/2016, total VBE staffing has decreased by 193.43 FTE. Varying from this trend, educational assistants (for students with special needs) have shown increases over this time period. The number of teachers has decreased by 208.83 FTE from 3,161.16 FTE in 2011/2012 to 2,952.33 FTE for 2015/2016 primarily due to the enrolment decline of 3,155 FTE. The increase in trustees for 2014/2015 reflects the addition of an ongoing student trustee position.

Staffing by Type					
	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016
Teachers	3,161.16	3,080.98	3,053.39	3,039.80	2,952.33
Principals / VPs	194.30	196.94	199.39	196.52	193.63
Other Professionals	94.78	94.71	96.71	92.20	95.50
Education Assistants	849.53	868.96	869.11	884.94	877.74
Support Staff	1,258.83	1,268.39	1,263.85	1,253.59	1,244.38
Trustees	9.00	9.00	9.00	10.00	10.00
Total	5,567.61	5,518.98	5,491.45	5,477.05	5,373.58

Source: 2011/2012-2015/2016 staffing based on Form 1530 submission adjusted for enrolment and Board approved changes

* includes District Principals and Adult Education Centre administrators; does not include Night School administrators.

The following table provides a history of the students to staff ratio for each staffing category. Although not all staff vary directly with the number of students, it is a broad measure of the ability of staff to support the needs of students and the district.

Overall, enrolment has decreased while staffing has decreased by a lesser amount over this period. Accordingly the number of students supported by each staff member in the district has decreased from 10.06 students/staff in 2011/2012 to 9.66 students/staff in 2015/2016. The number of students supported by each teacher has decreased from 17.73 to 17.59. The students/staff ratio for other professionals decreased from 591.19 in 2011/2012 to 543.80 in 2015/2016 mainly due to required staff increases that followed the PeopleSoft system implementation. The largest percentage change in student/staffing ratios have been for Trustees (17%) and Educational Assistants (10%).

Students / Staff Ratios					
	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016
Teachers	17.73	17.78	17.70	17.32	17.59
Principals / VPs *	288.39	278.14	271.11	267.92	268.20
Other Professionals	591.19	578.39	558.96	571.05	543.80
Educational Assistants	65.96	63.04	62.20	59.50	59.17
Support Staff	44.51	43.19	42.77	42.00	41.73
Trustees	6,226.12	6,086.32	6,006.33	5,265.10	5,193.25
Total	10.06	9.93	9.84	9.61	9.66

Source: 2011/2012-2015/2016 staffing based on Form 1530 submission adjusted for enrolment and Board approved changes

2011/2012-2014/2015 Ministry Full-Year Funding Allocation System, 2015/2016 Interim FAS updated for February enrolment

* includes District Principals and Adult Education Centre administrators; does not include Night School administrators.

The following table provides a history of staffing by union group. CUPE 15 staffing has increased from 1,236.21 FTE in 2011/2012 to 1,253.22 in 2015/2016 principally due to the increase in special education assistants for students with special needs. CUPE 407 staffing has remained contractually consistent at 101.00 FTE while Trades saw slight increases over a three year period, leveling off back at 55.00 FTE in 2015/2016. Excluded staff has decreased from 101.28 FTE in 2011/2012 down to 98.70 FTE in 2014/2015 due to staff reductions. The increase in 2015/2016 to 102.00 FTE has been largely due to dedicated ongoing support required following the PeopleSoft system implementation.

Staffing History					
	2011/20112	2012/2013	2013/2014	2014/2015	2015/2016
CUPE 15	1,236.21	1,259.86	1,256.51	1,265.83	1,253.22
CUPE 407*	101.00	101.00	101.00	101.00	101.00
IUOE	716.15	716.49	717.45	715.70	713.90
Night School Administrators	0.91	0.91	0.91	-	-
Excluded Staff and District Principals	101.28	101.21	102.30	98.70	102.00
School Administrators - Admin Time	141.83	138.05	142.76	144.04	141.66
School Administrators - Teaching Time	45.06	51.48	50.13	45.99	44.47
Teachers / ALC	3,161.16	3,080.98	3,053.39	3,039.80	2,952.33
Trades	55.00	60.00	58.00	56.00	55.00
Trustees	9.00	9.00	9.00	10.00	10.00
	5,567.60	5,518.98	5,491.45	5,477.05	5,373.58

Source: 2011/2012-2015/2016 staffing based on Form 1530 submission adjusted for enrolment and Board approved changes

1.2 2016/2017 Base Budget

The base operating budget reflects the estimated costs for 2016/2017 to maintain the same level of service as provided in 2015/2016. The 2016/2017 base budget was developed beginning in March, 2016 based on the 2015/2016 Board approved Amended Annual Budget adjusted for projected enrolment changes, enrolment driven revenue and staffing changes, estimated salary and employee benefit increases, inflation and other factors anticipated for 2016/2017.

The following sections detail major base budget assumptions, budget constraints, budgeted revenue and expense and the projected funding shortfall for 2016/2017.

1.2.1 Major Assumptions

The base budget estimates for 2016/2017 are based on the following key assumptions:

- The projections for 2016/2017 are based on the enrolment projections provided to the Ministry of Education in February, 2016 which estimated declines of 249 FTE in regular student enrolment, 497 FTE in English Language Learners enrolment, 83 FTE in adult education and increases of 10 FTE in aboriginal education and 49 FTE in distributed learning.
- It is estimated that salary costs will rise by \$5.28 million due to collective agreement increases which will only be partially offset by funding from the Ministry. The net cost to the VBE for 2016/2017 for these increases is expected to be \$2.15 million.
- Staffing entitlements for teachers and educational assistants have been adjusted to reflect the projected enrolment levels for 2016/2017. It is estimated that the enrolment decline of 249 FTE in students would require net 13.91 FTE less teachers and 2.0 FTE less administrators.
- It is estimated that salary costs will increase by \$3.23 million due to salary increments for teachers, school administrators and exempt staff and other salary adjustments, offset by turnover savings due to an estimated 92 retirements in 2016/2017 (\$1.97 million).
- It is estimated that benefit costs will decrease by \$2.84 million overall due to estimated rate decreases of 1.8% for TPP and 3.3% for WCB; these savings will be offset by expected increases of 4.0% for MSP, 3.4% for MPP and overall higher costs for Extended Health and Dental Plans due to rate increases based on the average of actual claims paid across all policies.
- Ongoing NGN fees that were downloaded to school districts by the Ministry in 2015/2016 (\$1.29

million) will see a further cost adjustment of \$0.96 million in 2016/2017, bringing the ongoing annual expense to \$2.25 million.

- It is estimated that in 2016/2017 the cost of goods and services will increase on average by 1.9% due to inflation of \$0.47 million. The cost of utilities is estimated to increase by \$0.15 million mainly due to average rate increases with BC Hydro of 2.7% and the City of Vancouver for sewer and water of 9.9% and 4.2% respectively. An average expected inflation of 1.9% is expected across all other utilities.
- In balancing the budget for 2015/2016, a number of one-time cuts and savings were made which were not anticipated to recur, and so adjustments have been made for the following one time funding sources in 2015/2016:
 - Use of 2013/2014 unrestricted surplus - \$5.83 million
 - Surplus carried forward from 2014/2015 to 2015/2016 - \$7.70 million
 - Reversal of budgeted holdback allocation from 2015/2016 - \$0.87 million
 - 2015/2016 Sale and Leaseback of furniture and equipment - \$2.93 million
 - Budgeted deferral of furniture and equipment purchases - \$0.38 million
 - Budgeted deferral of maintenance services - \$0.50 million
 - Reversal of budgeted benefit surplus withdrawal savings - \$1.95 million
 - 2015/2016 HR Teacher staffing savings - \$1.47 million
 - Impact of Adult Education Program closure - \$0.56 million

1.2.2 2016/2017 Projected Operating Funding Shortfall

Based on projected cost increases and enrolment changes for 2016/2017, the operating budget funding shortfall for the VBE is projected to be \$27.26 million. The following table outlines the major components of the projected funding shortfall. Cost increases not funded by the Province and enrolment declines represent the largest contributing factor to the projected funding shortfall. Another significant factor relates to the one-time funding from the prior year surplus and cost saving measures approved to be in effect for only one year.

2016/2017 Projected Operating Budget Shortfall (\$ millions)			
	February 2016	Revised Projection	Change
Costs Not Funded by the Province			
Salary Increments ¹⁾	\$ (1.23)	\$ (2.12)	\$ (0.89)
Employee Benefits Increase ²⁾	3.15	2.84	(0.31)
Inflation ³⁾	(0.77)	(0.63)	0.14
	\$ 1.15	\$ 0.09	\$ (1.06)
Enrolment Change ⁴⁾	\$ (1.02)	\$ (1.03)	\$ (0.01)
Other Factors			
2015/2016 Projected Operating Surplus Carry forward to 2016/2017 ⁵⁾	\$ 1.23	\$ 1.23	\$ -
Prior Year One-Time Revenue and Expenses ⁶⁾	(21.13)	(19.59)	1.54
Prior Year Ongoing Revenue and Expenses ⁷⁾	(1.53)	(2.65)	(1.12)
Ministry of Education Operating Grant Changes ⁸⁾	(2.69)	(1.99)	0.70
Ministry Grant Announcement - March 2016 ⁹⁾	-	(3.11)	(3.11)
Use of 2014/2015 Unrestricted Surplus	0.73	0.73	-
2016/2017 Ministry Directed Administrative Savings	(2.31)	(2.31)	-
2014/2015 Ministry Attendance Support and Wellness Grant	(0.32)	(0.32)	-
International Education Tuition Increase ¹⁰⁾	1.61	1.67	0.06
Other	(0.11)	0.02	0.12
	\$ (24.51)	\$ (26.32)	\$ (1.81)
Total Projected Surplus / (Shortfall)	\$ (24.38)	\$ (27.26)	\$ (2.88)

- 1) Includes cost increases for salary increments (for teachers, administrators and exempt staff) and collective agreement increases, partially offset by teacher turnover savings.
- 2) Includes rate decreases of 1.8% to Teacher's Pension Plan (TPP) and 3.3% to Worksafe BC; these savings are offset by average increases to MSP and MPP of 3.6% and a higher cost of Extended Health and Dental premiums based on average of actual claims paid across all policies.
- 3) Based on 1.9% inflation per year for supplies and generally higher rates of increase for utilities and other items under contract.
- 4) Projected enrolment decline as of February 2016 of 249 FTE compared to the 2015/2016 and Laurier Annex non-operational due to zero enrolment.
- 5) Board approved carry forward of projected surplus from 2015/2016 Amended Annual Budget to 2016/2017.
- 6) One-time savings included in the 2015/2016 Amended Annual Budget that will not repeat for 2016/2017: 2014/2015 projected surplus carried forward (\$7.70 million), 2014/2015 April holdback release (\$0.87 million), equipment sale and leaseback (\$2.93 million), delay of furniture and equipment replacement (\$0.38 million), maintenance service reduction (\$0.50 million), and benefit surplus withdrawal (\$1.95 million), use of 13/14 unrestricted surplus (\$5.83 million); offset by impact of Adult Education program changes (\$0.56 million).
- 7) Ongoing 2016/2017 projected costs: Employee benefits (\$1.33 million), NGN costs downloaded from Ministry (\$1.29 million), administrators compensation increase (\$0.77 million), teacher average salaries (\$0.40 million), teacher sick replacement and paid leave (\$0.39 million), and others (\$0.07 million); offset by savings from ongoing enrolment impact (\$0.63 million), IT savings (\$0.51 million), cafeteria revenue (\$0.17 million), increase in international visitors (\$0.13 million), and special education enrolment audit staffing impact (\$0.11 million).
- 8) Decreased funding due to a projected decrease in Funding Protection of \$1.99 million.
- 9) Due to MOE not fully funding collective agreement increases (\$2.15 million) and increase in NGN costs (\$0.96 million).
- 10) Increase in tuition rates for International students from \$13,000 to \$14,000.

Schedule 1 – Salary Increment Changes

2016/2017 Base Budget Estimated Salary Changes	
(\$ millions)	
Salary Increments	
Teachers (1.170%)	\$ (2.86)
District Teachers (1.174%)	(0.20)
Administrators (0.453%)	(0.11)
Trustees (1.994%)	(0.00)
Exempt Staff (0.456%)	(0.04)
Total Salary Increments	\$ (3.23)
Estimated Teacher Turnover Savings	\$ 1.96
Administrator's Salary Increase (1.219%)	\$ (0.31)
Estimated Excluded Staff's Salary Increase*	\$ (0.55)
Total Salary Changes	\$ (2.12)

* Estimated compensation increase for excluded staff. This amount will be finalized in April 2016 and require BCPSEA and Board approval.

Schedule 2 – Employee Benefits Changes

2016/2017 Base Budget Estimated Benefit Cost Changes	
(\$ millions)	
Wage related benefit rate changes ¹⁾ (CPP, EI, WCB, MPP, TPP, Deferred Savings)	\$ 4.28
Non-wage related benefits rate changes ²⁾ (MSP, Dental, Extended Health, Group Life)	(1.44)
Vested & Non-Vested Benefits ³⁾	-
Other ⁴⁾	-
Total Estimated Benefit Cost Changes	\$ 2.84

Estimated changes and budget assumptions:

- 1) CPP rate estimated to remain at 4.95%, YMPE estimated to change from \$53,600 to \$54,900.
EI rate estimated to remain at 1.92%, YMPE estimated to change from \$49,500 to \$50,800.
WCB estimated to decrease by 3.3%, YMPE estimated to change from \$78,600 to \$80,600, plus small increase due to employee salary increments.
MPP employer contribution estimated to change from 10.10% to 10.44%, plus small increase due to employee salary increments.
TPP rate to decrease by an average of 1.82%. Employer rate of 14.63% to drop to 12.81% (below YMPE) and 16.13% to 14.31% (above YMPE), YMPE estimated to change from \$53,600 to \$54,900.
- 2) Medical Services Plan (MSP) to increase by 4% effective January 1, 2017 based on expected BC Budget announcement by the Province.
Dental Plan increase of 3.37% based on average of actual claims paid across all policies.
Extended Health increase of 6.02% based on average of actual claims paid across all policies.
Group Life increase of 4.78% based on average of actual claims paid across all policies, plus small increase due to employee salary increments.
- 3) No expected change in the estimate for vested and non-vested benefits.
- 4) No expected increase to Employee Assistance Plan costs, current contracted levels of service will continue into 2016/2017.
No expected increase in S&A Insurance based on 2016/2017 renewal rates.

Schedule 3 – Enrolment Changes

Enrolment Driven Changes (\$ Millions) vs 2015/2016 Final					
	Enrolment Changes (FTE)	Staffing Changes (FTE)	Salaries and Benefits	Revenue	Net Change
Regular School Age	(248.81)	(15.71)	\$ 1.14	\$ (1.78)	\$ (0.64)
Distributed Learning (school aged)	48.19	(1.96)	\$ 0.14	\$ 0.29	\$ 0.43
Course Challenge	-	-	\$ -	\$ -	\$ -
Homeschoolers	-	-	\$ -	\$ -	\$ -
English Language Learning	(487.00)	-	\$ -	\$ (0.68)	\$ (0.68)
Newcomer Refugees	10.00	-	\$ -	\$ 0.04	\$ 0.04
Special Education					
Level 1	(9.00)	(15.00)	\$ 0.75	\$ (0.34)	\$ 0.41
Level 2	(38.00)	(13.00)	\$ 0.65	\$ (0.70)	\$ (0.05)
Level 3	(35.00)	-	\$ -	\$ (0.33)	\$ (0.33)
Adult (include Distributed Learning)	(114.34)	(7.48)	\$ 1.26	\$ (0.10)	\$ 1.15
Estimated Adult Ed Severance	-	-	\$ 0.80	\$ -	\$ 0.80
Aboriginal Education	10.00	-	\$ -	\$ 0.01	\$ 0.01
Graduated Adult	(31.00)	-	\$ -	\$ (0.13)	\$ (0.13)
International	(60.50)	-	\$ -	\$ (0.85)	\$ (0.85)
Summer School Funding	-	-	\$ -	\$ 0.37	\$ 0.37
Enrolment Decline Supplement	-	-	\$ -	\$ (0.45)	\$ (0.45)
Transportation	-	-	\$ -	\$ (0.09)	\$ (0.09)
Salary Differential	-	-	\$ -	\$ (0.06)	\$ (0.06)
Laurier Annex Non-Operational		(6.50)	\$ 0.46	\$ -	\$ 0.46
Enrolment Driven VP Reduction		(0.20)	\$ 0.04	\$ -	\$ 0.04
One-time Staffing Efficiency		20.69	\$ (1.47)	\$ -	\$ (1.47)
Total		(39.16)	\$ 3.78	\$ (4.81)	\$ (1.03)

Schedule 4 - 2016/2017 One-Time Revenue, Savings and Expenses

2016/2017 One-Time Revenue, Savings and Expenses (\$ millions)					
	Revenue	Prior Year Surplus	Expenses	Capital Purchases	Total
2014/2015 Projected Surplus Carried Forward	\$ -	\$ (7.70)	\$ -	\$ -	\$ (7.70)
Estimated MOE Holdback Allocation	(0.87)	-	-	-	(0.87)
15/16 Sale & Leaseback	(4.34)	-	1.42	-	(2.93)
Furniture & Equipment	-	-	(0.38)	-	(0.38)
Maintenance Service Reductions	-	-	(0.50)	-	(0.50)
Benefit Surplus Withdrawal	-	-	(1.95)	-	(1.95)
13/14 Unrestricted Surplus	-	(5.83)	-	-	(5.83)
Impact of Adult Education Program Changes	-	-	0.56	-	0.56
Total	\$ (5.21)	\$ (13.53)	\$ (0.85)	\$ -	\$ (19.59)

Schedule 5 - 2016/2017 Ongoing Revenue, Savings and Expenses

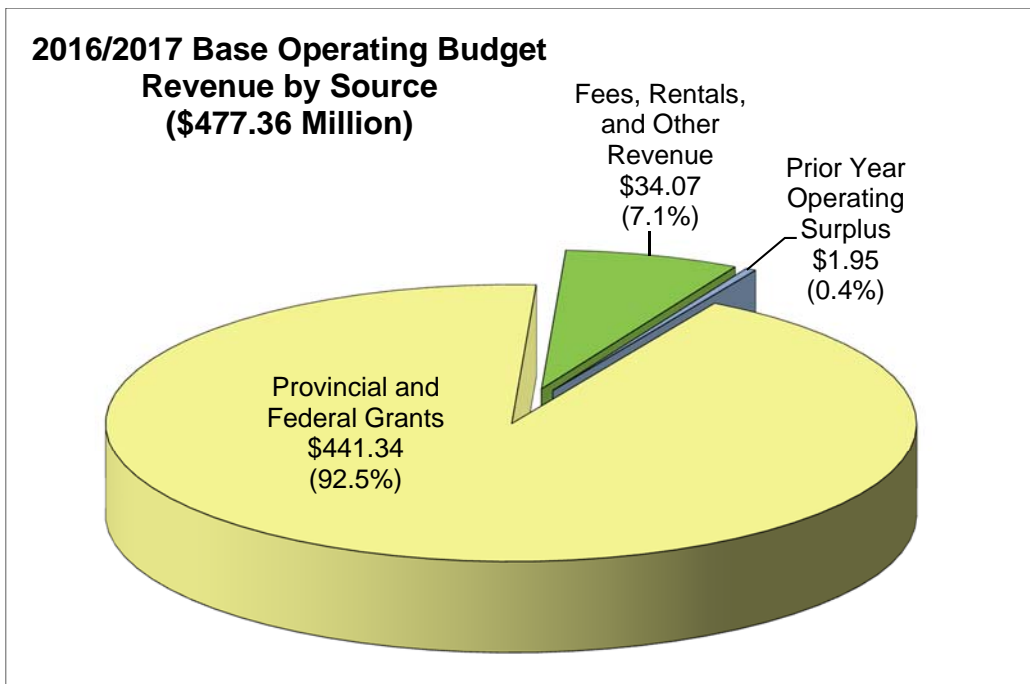
2016/2017 Ongoing Revenue, Savings and Expenses					
(\$ millions)					
	Revenue	Prior Year Surplus	Expenses	Capital Purchases	Total
Employee Benefits costs	\$ -	\$ -	\$ (1.33)	\$ -	\$ (1.33)
NGN Costs Downloaded from Ministry	-	-	(1.29)	-	(1.29)
Administrator's Compensation Increase	-	-	(0.77)	-	(0.77)
Teacher's Average Salaries	-	-	(0.40)	-	(0.40)
Teacher's Paid Leaves	-	-	(0.39)	-	(0.39)
Ongoing Enrolment Impact	(1.53)	-	2.16	-	0.63
IT Savings	-	-	(0.03)	0.54	0.51
Cafeteria Revenue	(0.07)	-	0.24	-	0.17
International Visitor	0.13	-	(0.00)	-	0.13
Special Education Enrolment Audit Staffing Impact	-	-	0.11	-	0.11
Other	0.20	-	(0.27)	0.04	(0.03)
Total	\$ (1.27)	\$ -	\$ (1.96)	\$ 0.58	\$ (2.65)

Schedule 6 – Collective Agreement Cost Increases Funded by the Province

Employee Group	Percentage Increase	Salaries Plus Wage Related Benefits
Teachers	1.45%	3,780,504
Adult Education Instructors	1.45%	48,937
Summer School Teachers	1.45%	36,234
CUPE 15	1.15%	742,943
Cafeteria Workers	1.15%	21,114
Custodian, Building Enginee	1.13%	274,916
Supervision Aides	1.15%	36,748
Trades	1.12%	64,677
CUPE 407	1.12%	66,009
Teacher on call	1.45%	206,043
Total		5,278,125

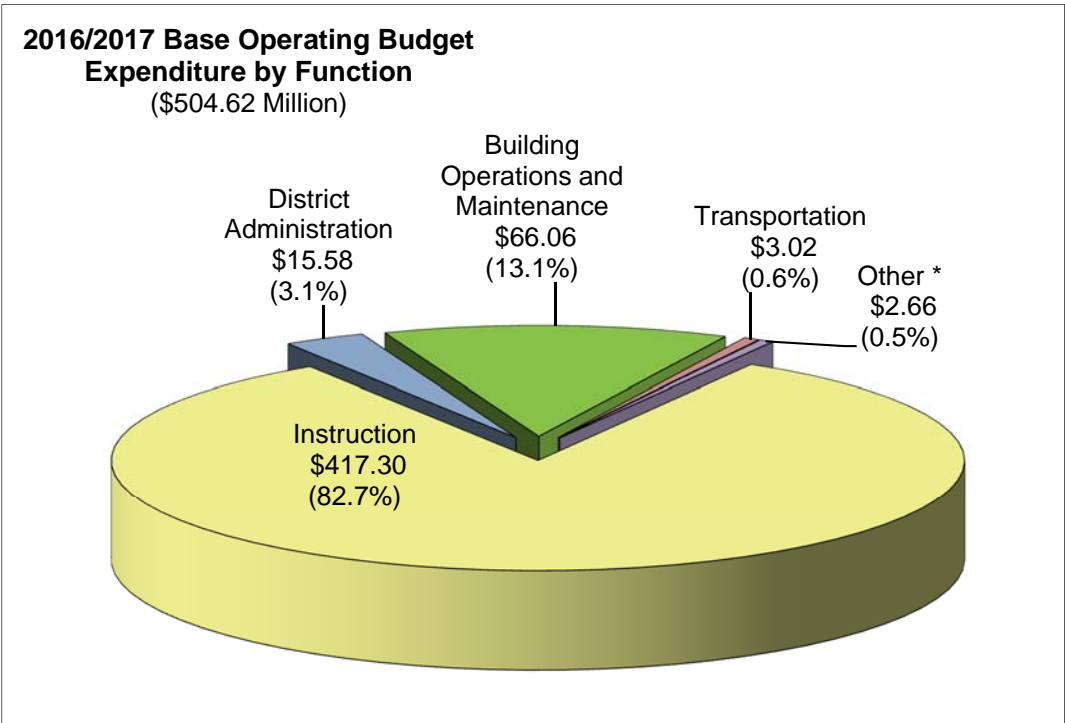
1.2.3 Base Budget 2016/2017 Revenue

The majority of revenues (92.5%) are derived from provincial grants. The level of provincial funding, therefore, has a very significant impact on the educational services and programs that can be provided. The operating grant received from the Ministry of Education is calculated based on enrolment therefore changes in enrolment can significantly impact the grants available to the Board. Projected revenues and other funding sources for 2016/2017 total \$477.36 million. VBE generated revenues represent 7.1% of total operating revenues and are primarily derived from international education student fees, rentals, leases and investment income.



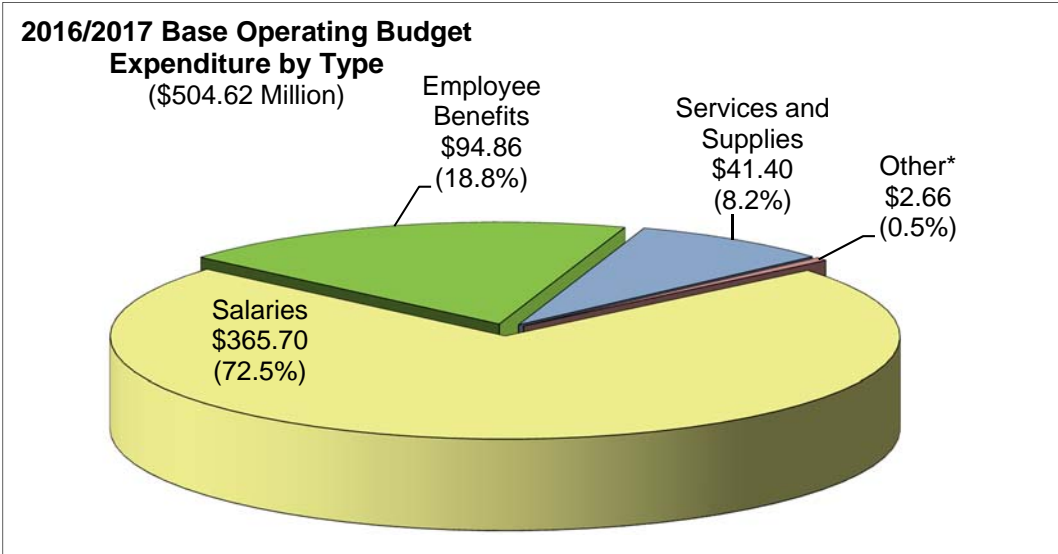
1.2.4 Base Budget 2016/2017 Expenses

Projected expenditures for the 2016/2017 base budget total \$504.62 million (\$27.26 million higher than projected revenues). Approximately 82.7% of the operating budget is expected to be spent on instruction related costs. This includes teachers, educational assistants, school administrators and support staff and school based supplies and services. Facilities operations and maintenance accounts for 13.1% of expenditures, district administration for 3.1% and student transportation for 0.6%. Provisions for the reduction in the unfunded liability for employee future benefits and interfund transfers for such things as furniture and equipment capital purchases represent 0.5% of expenditures. The following graph outlines the operating expenditures by function for 2016/2017.



* Reduction of Unfunded Liability and Interfund Transfers

Approximately 91.3% of the \$504.62 million operating budget is expected to be spent on salaries and employee benefits (\$460.56 million). Services, supplies, utilities, and other minor expenditures account for approximately 8.2% of the budget. The following graph outlines the operating expenditures by type for 2016/2017.



* Reduction of Unfunded Liability and Interfund Transfers

1.2.5 Base Budget Staffing

The base budget adjustments will result in a net decrease of 35.41 FTE. The following table provides a summary of the staff adjustments by employee group.

2016/2017 Base Budget Projection - Staffing (FTE) by Type			
	2015/2016 Final	Adjustments	2016/2017 Base
CUPE 15	1,253.22	(32.25) ¹⁾	1,220.97
CUPE 407	101.00	-	101.00
IUOE	713.90	(2.50) ²⁾	711.40
PASA / Excluded / District Principals / Trustees	112.00	-	112.00
School Administrators - Admin Time	141.66	0.11 ³⁾	141.77
School Administrators - Teaching Time	44.47	(2.11) ³⁾	42.36
Teachers	2,914.48	3.82 ⁴⁾	2,918.30
Adult Learning Centre Instructors	37.85	(7.48) ⁵⁾	30.37
Trades	55.00	5.00 ⁶⁾	60.00
	5,373.58	(35.41)	5,338.17

Source: 2015/2016 Form 1530 submission adjusted for enrolment and Board approvals, 2016/2017 per projected changes

- 1) Change primarily due to enrolment related reduction in Special Education Assistants entitlement (30.25 FTE), enrolment decline to 8J9J Alternative Program (2.00 FTE), Laurier Annex non-operational due to zero enrolment (1.00 FTE), offset by reinstating Capital Accountant position (1.00 FTE).
- 2) Change due to Laurier Annex non-operational (1.0 FTE head custodians and 1.5 FTE supervision aides).
- 3) Change due to Laurier Annex non-operational (1.0 FTE) and enrolment driven VP reduction (1.0 FTE).
- 4) Change primarily due to impact of projected 2016/2017 K-12 enrolment (14.67 FTE), Laurier Annex non-operational (2.80 FTE), and decline in 8J9J Alternative Program (1.00 FTE); offset by reversal of prior year K-12 teacher allocation savings (20.69 FTE) and adding back teaching time from VP reductions (1.60 FTE).
- 5) Change due to reduction of Adult Education instructors due to enrolment decline.
- 6) Change due to reversal of 15/16 Board decision of one-time Trades reduction.

1.3 Local Capital Reserve

The Local Capital Reserve (LCR) is comprised of proceeds from the sale and lease of Board owned property and previous years' operating surpluses transferred to the Reserve. Funds in the Reserve can be used to assist in funding the operating budget, with approval by the Board of Trustees. The Reserve has also been used to assist in funding capital initiatives not funded by the Province (e.g. SIS implementation, International Village completion). As shown in the table below, the LCR is in a deficit position.

The projected balance available in the Local Capital Reserve at the end of 2015/2016 is \$(1.42 million). Net revenues of approximately \$1.28 million are also expected to accrue to the Local Capital Reserve during 2016/2017 which will help fund proposed projects totalling \$0.33 million. This is expected to bring the estimated available balance at the end of 2016/2017 to \$(0.62 million).

Based on the above, the following table outlines the projected financial position of the Local Capital Reserve from 2015/2016 to 2018/2019.

Projected Local Capital Reserve Fund Balance				
(\$ Millions)				
	<u>2015/2016</u>	<u>2016/2017</u>	<u>2017/2018</u>	<u>2018/2019</u>
Opening Balance as at July 1	\$ 1.58	\$ (1.42)	\$ (0.62)	\$ 0.51
Revenue	1.28	1.28	1.28	1.28
Expenditure	(0.16)	(0.16)	(0.16)	(0.16)
Board Approved Interfund Transfers and Work In Progress				
Records Management	(0.20)			
SIS Implementation	(1.12)	(0.33)		
Funding for International Village	(2.80)			
	<u>(4.12)</u>	<u>(0.33)</u>	<u>-</u>	<u>-</u>
Closing Balance as at June 30	\$ (1.42)	\$ (0.62)	\$ 0.51	\$ 1.63

1.4 2017/2018 Preliminary Operating Budget Projection

The following table presents a preliminary operating budget projection for the VBE for 2017/2018. A projected funding shortfall of \$4.55 million is estimated for 2017/2018. It should be noted that this is a preliminary high-level estimate based on assumptions as to the major budget change factors. Accordingly, this projection should be considered as a range estimate rather than a discrete number. It should also be noted that the projection for 2017/2018 may be impacted due to the approval of any budget proposals for 2016/2017.

The estimates for 2016/2017 and 2017/2018 are based on the following key assumptions:

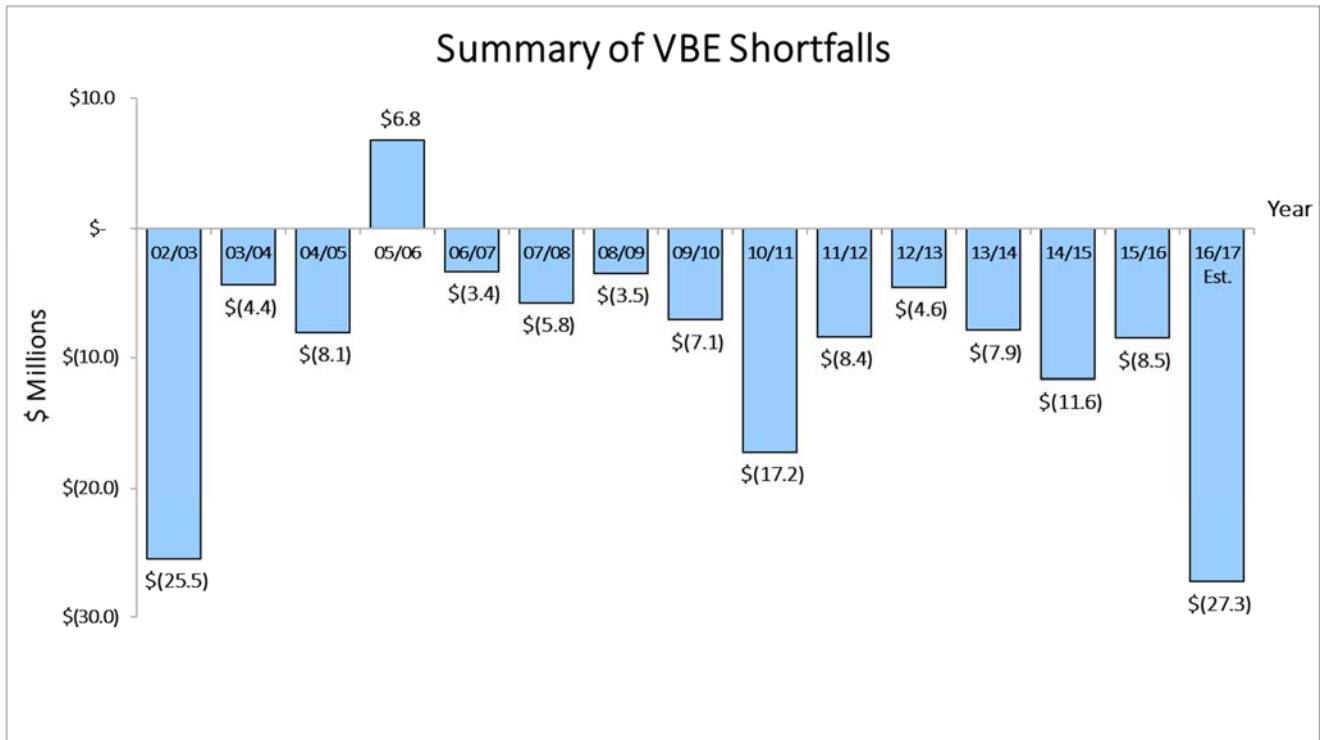
- estimated changes in general student enrolment based on a decline of 196 FTE for 2017/2018;
- there will be continued inflationary increases for employee benefit costs and utilities;

2017/2018 Preliminary Operating Budget Projection			
(\$ millions)			
	2016/2017		2017/2018
Costs Not Funded by the Province			
Salary Increments ¹⁾	\$ (2.12)	\$	(1.26)
Employee Benefits Increase ²⁾	2.84		(0.42)
Inflation ³⁾	(0.63)		(0.19)
	<u>\$ 0.09</u>	\$	<u>(1.87)</u>
Enrolment Change ⁴⁾	\$ (1.03)	\$	(1.51)
Other Factors			
2015/2016 Projected Operating Surplus Carry forward to 2016/2017 ⁵⁾	\$ 1.23	\$	(1.23)
Prior Year One-Time Revenue and Expenses ⁶⁾	(19.59)		1.61
Prior Year Ongoing Revenue and Expenses ⁷⁾	(2.65)		
Ministry of Education Operating Grant Changes ⁸⁾	(1.99)		
Ministry Grant Announcement - March 2016 ⁹⁾	(3.11)		
Use of 2014/2015 Unrestricted Surplus	0.73		(0.73)
2016/2017 Ministry Directed Administrative Savings	(2.31)		
2014/2015 Ministry Attendance Support and Wellness Grant	(0.32)		
International Education Tuition Increase ¹⁰⁾	1.67		
Other ¹¹⁾	0.02		(0.81)
	<u>\$ (26.32)</u>	\$	<u>(1.17)</u>
Total Projected Surplus / (Shortfall)	<u><u>\$ (27.26)</u></u>	<u><u>\$</u></u>	<u><u>(4.55)</u></u>

- 1) Includes cost increases for salary increments (for teachers, administrators and exempt staff), collective agreements increases, partially offset by teacher turnover savings.
- 2) Includes a 1.0% inflationary increase across wage-related and premium based benefit plans.
- 3) Includes a 2.33% average rate increase for BC Hydro based on the multi-year rate increase plan and a general average 2.0% inflationary increase expected for all other main utilities and contracts.
- 4) Projected enrolment decline as of February 2016 of 248 FTE compared to 2015/2016 and a further projected decrease of 196 FTE for 2017/2018.
- 5) Board approved carry forward of projected surplus from 2015/2016 Amended Annual Budget to 2016/2017.
- 6) One-time savings included in the 2015/2016 Amended Annual Budget that will not repeat for 2016/2017: 2014/2015 projected surplus carried forward (\$7.70 million), 2014/2015 April holdback release (\$0.87 million), equipment sales and lease back (\$2.93 million), delay of furniture and equipment replacement (\$0.38 million), maintenance service reduction (\$0.50 million), and benefit surplus withdrawal (\$1.95 million), use of 13/14 unrestricted surplus (\$5.83 million); offset by impact of Adult Education program changes (\$0.56 million). 2016/2017 reverse one-time severance cost of Adult Education program changes.
- 7) Ongoing 2016/2017 projected costs: Employee benefits (\$1.33 million), NGN costs downloaded from Ministry (\$1.29 million), administrators compensation increase (\$0.77 million), teacher average salaries (\$0.40 million), teacher sick replacement and paid leave (\$0.39 million), and others (\$0.07 million); offset by savings from ongoing enrolment impact (\$0.63 million), IT savings (\$0.51 million), cafeteria revenue (\$0.17 million), increase in international visitors (\$0.13 million), and special education enrolment audit staffing impact (\$0.11 million).
- 8) Decreased funding due to lower Funding Protection of \$1.99 million.
- 9) Due to MOE not fully funding collective agreement increases (\$2.15 million) and increase in NGN costs (\$0.96 million).
- 10) Increase in tuition rates for International students from \$13,000 to \$14,000.
- 11) 2017/2018 impact due to reversal of local school calendar savings (\$0.63 million) and sale and leaseback (\$0.18 million).

1.5 Long Term Financial Sustainability

The VBE has faced annual funding shortfalls every year, except for one, since 2002, as indicated in the following chart.



The reasons for the annual funding shortfalls include the following:

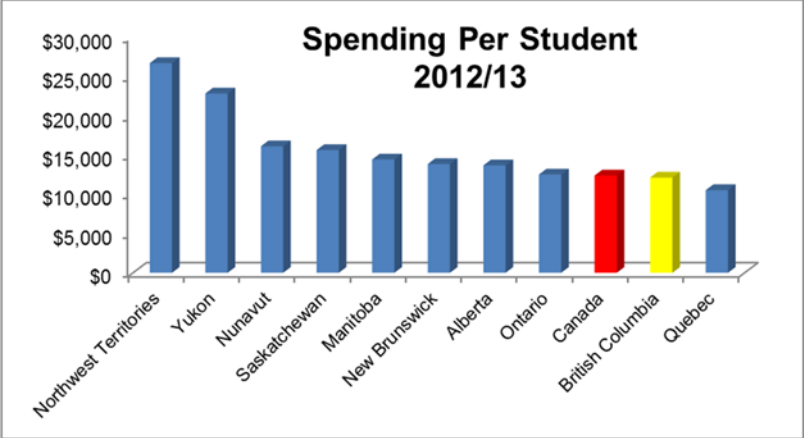
- Cost increases not funded by the Province (e.g. salary increments, employee benefit cost increases and inflation on goods and services),
- Decline in enrolment, and
- Prior year's one-time funding initiatives (that do not result in on-going budget savings). For example, use of the Local Capital Reserve, benefits surpluses or annual budget surpluses.

Every year the Board has to approve budget proposals which will offset the funding shortfall and result in a balanced budget. The budget proposals are comprised of on-going reductions to the base budget (either as a result of reductions in staff and supplies or revenue increases) or one-time adjustments (e.g. withdrawals from the Local Capital Reserves, benefits surpluses, school calendar changes or annual budget surpluses). It is becoming more and more challenging to achieve a balanced budget. The increased reliance on one-time funding sources increases funding shortfalls in the future and therefore the risk of achieving balanced budgets. In order to be financial sustainable, the VBE needs to identify more permanent long-term solutions.

1.5.1 Additional Provincial Funding

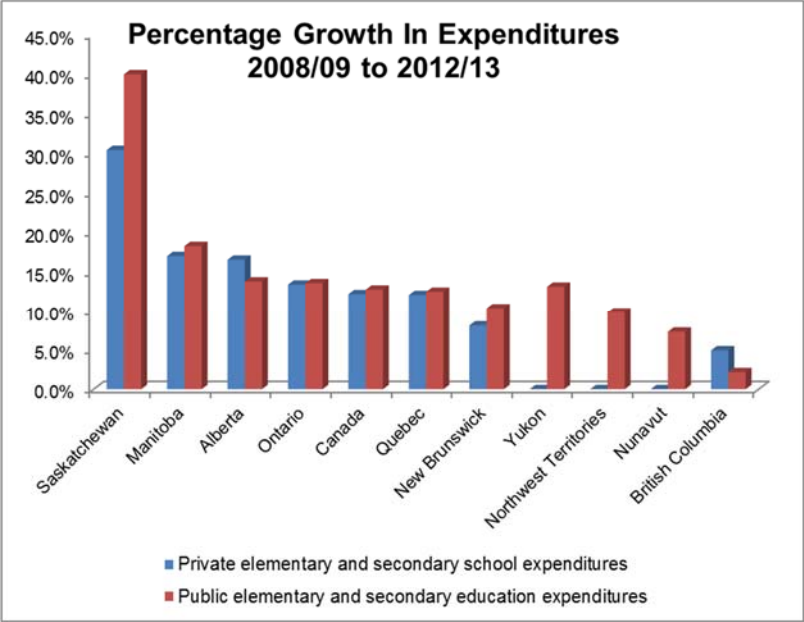
Part of a long-term solution would be for the Province to provide additional funding for K-12 public education. As outlined in the September, 2015 submission by the VBE to the Select Standing Committee on Finance and Government Services, British Columbia is falling behind the rest of Canada in terms of spending per student, growth in education expenditures since 2008/2009 and student-educator ratios, as exhibited in the following graphs.

Spending per student lags the Canadian average.



The average expenditure per student nationally for 2012/2013 (the most recent Statistics Canada figures) was \$12,377. BC remains at \$12,113.

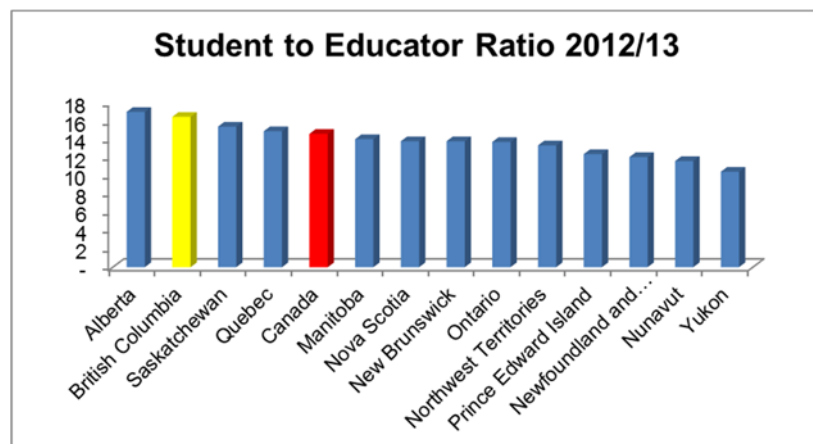
Growth in education expenditures since 2008/2009 is far below the Canadian average.



Operating expenditures in public elementary and secondary schools in Canada grew by 12.8% between 2008/2009 and 2012/2013.

Operating expenditures for public K-12 education in BC over this time period grew by only 1.2% while private education grew by 4.9%.

The number of BC students vying for educator support is the second highest in Canada.



The average educator in Canada supports 14.6 students. In BC, that figure is 16.5.

1.5.2 Base Budget Reductions

Although an argument can be made for increased provincial funding for K-12 public education in British Columbia, the VBE cannot rely on the Provincial Government to provide increased funding. As the Ministry of Education funds all school districts based on the same funding formula, the VBE cannot expect to receive additional funding for Vancouver only. Accordingly, the VBE will need to rely on ongoing base budget reductions in order to continue to balance budgets in the future. The challenge is deciding which budgets and staffing should be impacted.

In order to assist the Board in this difficult task, an analysis of key staffing ratios compared to a subset of comparable school districts in the Province was undertaken. The source of information was based on staffing and enrolment data submitted by each school district to the Ministry of Education, supplemented by more detail obtained from the comparable school districts included in the subset. The following table provides a summary of the student to staffing ratios for Vancouver compared to the subset of comparable school districts, and the increase or decrease in staff if Vancouver was to staff at the subset level.

Staffing Ratios:

Student / Staff Ratios – District - 2015			
	Vancouver	Subset Districts	FTE Under / (Over) Subset*
Teachers	16.9	17.6	(112.0)
Educational Assistants	56.5	55.1	23.0
Principals / Vice Principals	256.7	262.2	(4.0)
Excluded and Support Staff	42.6	262.2	(236.0)
Total District Staffing	9.6	10.3	(329.0)

*Staffing impact if Vancouver was to staff at the subset staffing ratios.

It should be noted that there are differences in programming and staffing structures in each district, so these staffing ratios should be considered a broad means of comparison.

The two areas of significant difference compared to the subset districts are in teachers and excluded and support staffing. Higher teacher staffing could be related to the number of smaller elementary schools in Vancouver and to the larger number of alternative and special programs at the secondary level. The higher staffing for excluded and support staff is primarily related to the Facilities area.

The following table provides a summary of the facilities area using space and non-space related measures as a ratio of staff, compared to the subset districts. The summaries look at the increase or decrease in staff if Vancouver was to staff at the subset level.

Facilities Staffing Ratios:

Space / Staff Ratios – Facilities - 2015			
	Vancouver	Subset Districts	FTE Under / (Over) Subset*
Building Operations**	19,144.3	22,057.6	(85.0)
Building Maintenance**	69,935.2	72,932.8	(26.0)
Grounds***	3.5	6.2	(7.0)
Total			(118.0)
Non-Space / Staff Ratios – Facilities - 2015			
	Vancouver	Subset Districts	FTE Under / (Over) Subset*
Building Operations**	120.3	181.9	(55.0)
Building Maintenance**	439.5	601.3	(5.0)
Grounds***	741.2	1,628.6	(29.0)
Total	83.8	128.6	(89.0)
Grand Total – Facilities Space & Non-Space Ratios			(207.0)

*Staffing impact if Vancouver was to staff at the subset staffing ratios.

**Staffing ratios are based on building square footage for Operations and Maintenance staff.

***Staffing ratios are based on hectares of land for Grounds staff.

The reason for the higher staffing ratios in the Facilities area in Vancouver is primarily due to two factors; the greater amount of space per student and staffing per square foot ratios included in collective agreements. Space per student is 159 square feet in Vancouver, compared to 121 square feet per student in the subset districts (31% greater). The additional square footage accounts for approximately 85 FTE of the additional 140 FTE in building operations. The remaining 55 additional FTE in building operations is as a result of the staffing ratios per square foot included in the collective agreements. The additional staffing for building maintenance is primarily due to the amount of additional space to maintain, while the additional staff in grounds is related to the number of schools and the minimum staffing levels included in the collective agreement.

In summary, the following factors are the major reasons why the VBE may find it more challenging to be financially sustainable than other school districts in the Province:

- Excess facility space which results in higher facility operations and maintenance costs,
- Staffing ratios and minimum staffing levels for building operations and grounds included in collective agreements, and
- Higher teacher staffing.

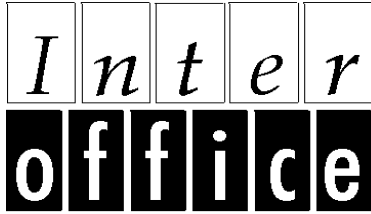
The excess facility space will be one of the issues addressed in the Long Range Strategic Facilities Plan to be completed by June 30, 2016. The two major reasons for the excess space are likely the higher number of older schools (which generally tend to be larger) and the reduction in enrolment over the last number of years. Significant operating expenditures may be able to be achieved with a reduction in facility space. However, it should be acknowledged that this would require support by the Board and community and a number of years to achieve.

Staff ratios and minimum staff levels for building operations and grounds are embedded in collective agreements and will be challenging to address.

Higher teacher staffing could be partly adjusted in the short-term, however in the long-run, adjustments may be required in the number of schools and programs which have low student/teacher ratios.

In addition to the above, given the annual funding shortfalls faced by the Board, it is important to focus available resources on core K-12 instructional services. The three large non-core programs previously provided by the Board include Continuing Education (non-credit programs), Adult Education and International Education. Continuing Education and Adult Education have operated at a deficit. The Board eliminated the Continuing Education program in 2014/2015 based on an agreement with Langara College to integrate with their programs. The Adult Education program was reviewed and subsequently consolidated through site closures in 2015/2016 and now operates on a revenue neutral basis. International Education provides over \$11 million in net revenue to support K-12 services.

Future budgets will have to address the above fiscal challenges for the Vancouver School Board in order to achieve financial sustainability.



Memorandum

vancouver school board



Item 3

March 31, 2016

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

FROM: Russell Horswill, Secretary Treasurer
Lisa Landry, Director of Finance

RE: **Restoration Budget**

At the February 24, 2016 Committee V, Trustees requested staff to update the restoration budget prepared last year.

Purpose

The Vancouver Board of Education (VBE), like other school boards in the Province, has faced significant funding shortfalls over the past decade. As school districts receive more than 90% of their funding from the Province, these funding shortfalls are attributable to cost increases which have not been funded by the Province and other factors. As a result of these funding shortfalls, school districts have had to make reductions to the level of services they provide in order to achieve balanced budgets, as required by the *School Act*.

The purpose of the restoration budget is to identify the additional funding that would be required by the VBE in order to restore the same level of service that was in place over a decade ago. For the purpose of this analysis, we have chosen the 2002/2003 base budget (i.e. before the budget cuts in that year) as the service level in which to restore. The 2002/2003 funding shortfall (\$25 million) resulted in significant budget and service level reductions. The VBE has faced funding shortfalls in every year since, with the exception of 2005/2006.

In 2016/2017, VBE is facing another significant shortfall of \$27 million, which will result in further reductions in service levels.

Methodology

The VBE base operating budget for 2002/2003 was \$415.9 million. The intent of this analysis is to project what the VBE operating budget would be for 2016/2017 if the 2002/2003 service levels were maintained. In order to perform this analysis, the 2002/2003 base budget was adjusted to reflect the following factors over the last 14 years:

- Salary increments for teachers, administrators and excluded staff;
- Collective agreement increases;
- Changes to employee benefits;
- Inflation on goods and services; and
- Changes in enrolment.

Based on the above-noted adjustments, it is projected that the 2016/2017 operating budget would have to be in the order of \$559.4 million to be able to deliver the same level of service that was in place before the 2002/2003 budget cuts. VBE's actual base budget for 2016/2017 is \$477.4 million. Accordingly, the VBE would need approximately \$82.0 million in additional annual funding in order to provide the same level of service as was delivered prior to the 2002/2003 budget cuts.

Attachment A presents a graphic presentation of the results of this analysis. Attachment B provides a summary of the major factors which cause the 2002/2003 base budget to increase to a projected \$559.4 million by 2016/2017. Attachment C outlines the major areas that are currently underfunded compared to 2002/2003. Attachment D provides a sample of some of the service cuts that the VBE has had to make over the last decade. Attachment E provides a summary of the major provincial cost increases downloaded to school districts without a related increase in funding.

Update from Prior Year's Restoration Budget

For the 2016/2017 year, the restoration budget was projected at \$553.7 million. The update for 2016/2017 adds another \$5.7 million in costs, totalling \$559.4 million.

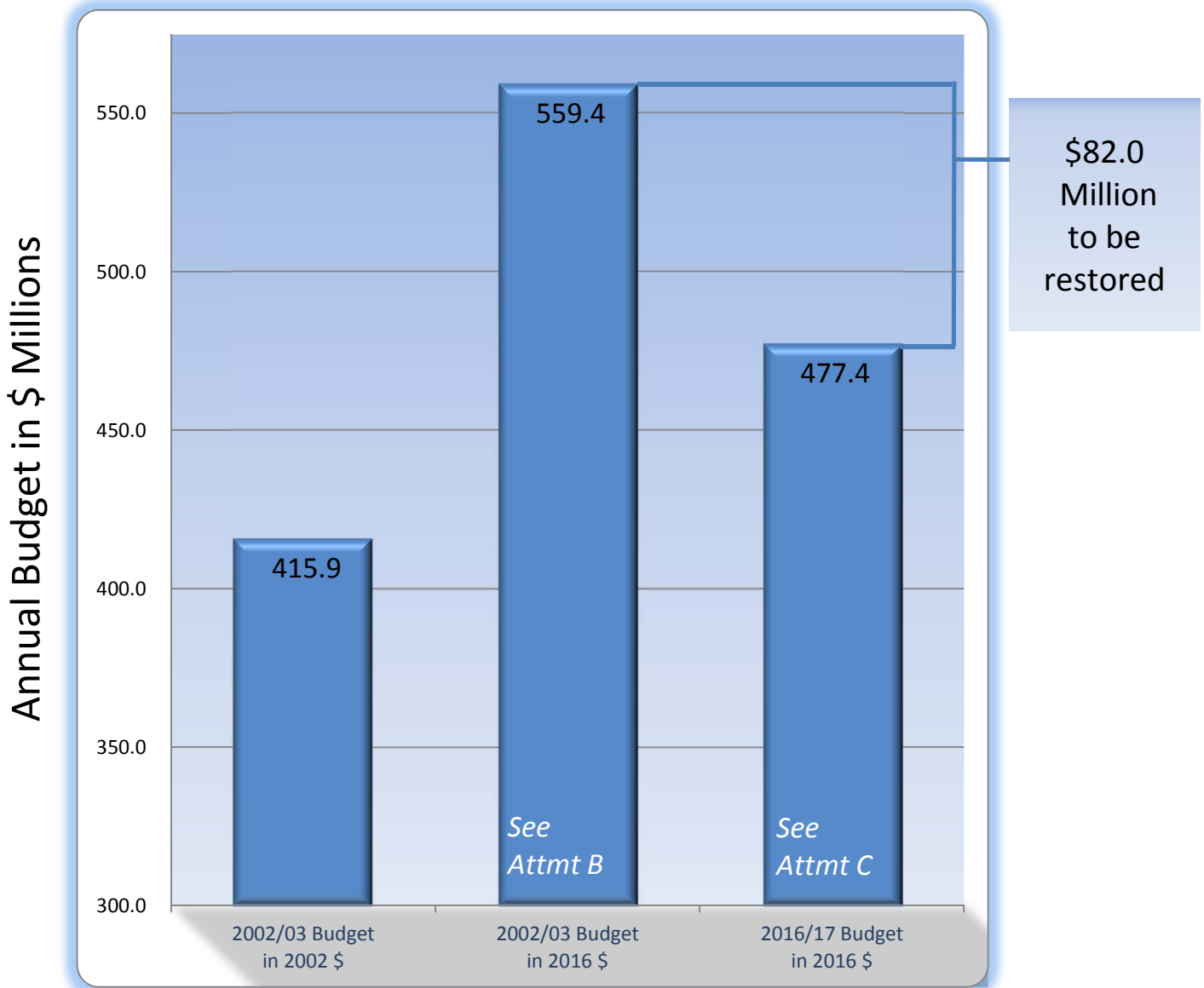
2002/03 Budget Restated (\$millions)	2015/2016 Restoration	Update	2016/2017 Restoration
2002/03 Base Budget	415.9		415.9
Cost Increases Since 2002			
Collective Agreements Increases	72.5	5.7	78.2
Salary Increments	40.1	2.7	42.8
Employee Benefits Cost Increases	38.1	(0.7)	37.4
Inflation on Goods and Services	11.7	0.9	12.6
Expenditure Impact of Enrolment Changes	(9.9)	(1.7)	(11.6)
Employee Turnover Salary Savings	(14.7)	(1.2)	(15.9)
Subtotal of cost increases	137.8	5.7	143.5
Total	553.7		559.4

The above summarizes the impact on expenditures (\$5.7 million). It is also important to note that revenues have decreased a net of \$16.8 million dollars. Thus, the total increase in the restoration budget for 2016/2017 is \$22.5 million (\$5.7 million additional expenditures plus \$16.8 million less revenue). The revenue decrease is mainly due reduction of prior year's surplus (\$11.9 million), declining K-12 enrolment (\$7.9 million), the second year of MOE directed administration cuts (\$2.3 million), loss of funding protection (\$1.1 million), offset by change in per student funding (\$3.1 million), and increase in international education revenue (\$2.3 million), and sale and leaseback revenue (\$1.0 million).

It should be noted that this is a high-level analysis meant to identify the order of magnitude of additional funding that would be required to restore the same level of service as was in place prior to the 2002/2003 budget cuts. The projection is dependent on the methodology employed and assumptions made.

This report is provided for information.

Projected Restoration Budget for 2016/17



Attachment B

2002/03 Budget Restated to Current 2015 Dollars	(\$million)	(\$million)
2002/03 Base Budget	415.9	
Cost Increases Since 2002		Change from Prior Year
Collective Agreements Increases	78.2	5.7
Salary Increments	42.7	2.7
Employee Benefits Cost Increases	37.4	(0.7)
Inflation on Goods and Services	12.6	0.9
Expenditure Impact of Enrolment Changes	(11.6)	(1.7)
Employee Turnover Salary Savings	(15.9)	(1.2)
Subtotal of cost increases	143.4	5.7
Total	559.4	

Table A: The 2002/2003 base budget is notionally adjusted to reflect the change in the purchasing power of money from 2002 to 2016.

This takes into account changes in the following factors over the intervening period:

- × Collective agreements provides for the salary increases negotiated in collective agreements
- × Salary increments within pay bands for teachers, school administrators and exempt staff.
- × Inflation on goods and supplies at rates that reflect general inflation

These increases in costs are offset by:

- × Reduction in enrolment in the period. 2016 enrolment is lower than 2002 enrolment, and this has been accounted for as a reduction
- × Turnover savings, due to retiring teachers at the top end of salary scales being replaced by new teachers

Attachment C

Areas Reduced during 2002/03 to 2016/17	(\$million)
Teachers	(60.9)
Education Assistants	3.3
Other Staff	(10.6)
Services & Supplies	(13.9)
Total	(82.0)

Sample of Budget Cuts	Year	FTE	Net Amount
K-12 Teaching Allocation	2015/2016	10.73	(1,055,632)
Adult Education Program Change	2015/2016	(16.71)	(526,212)
Maintenance Service Reduction (one-time)	2015/2016	(5.00)	(504,628)
Band and Strings Reduction	2015/2016	(3.00)	(340,950)
Furniture and Equipment Reduction (one-time)	2015/2016	-	(375,000)
District Administration	2014/2015	(4.40)	(509,500)
Continuing Education	2014/2015	(9.21)	(514,400)
Suspend selected maintenance for one year	2014/2015	(4.00)	(399,600)
Alternative Programs	2014/2015	(2.89)	(224,836)
Literacy Mentor and Consultant	2014/2015	(1.40)	(133,494)
Reduction of Enrolling Teachers	2013/2014	(4.00)	(285,040)
Reduction of Youth and Family Workers	2013/2014	(2.00)	(116,000)
Suspend selected maintenance for one year	2013/2014	(2.00)	(177,500)
Adult Education Program: Self-Paced Program	2012/2013	(4.50)	(402,120)
District Management Reorganization	2011/2012	(8.00)	(301,851)
Vice Principal Reduction	2011/2012	(3.00)	(171,336)
Reduction in Cafeteria Subsidies	2011/2012	(3.00)	(200,000)
Reduction of Summer School Teachers and Supplies	2011/2012	(3.20)	(237,500)
Adult Education - Teacher Assistants and Instructors	2011/2012	(4.75)	(464,610)
Non-enrolling teachers	2010/2011	(20.10)	(1,360,971)
Suspend interior painting for one year	2010/2011	(12.00)	(1,146,000)
Teaching Staff reduction	2009/2010	(13.15)	(853,521)
Reduction of Vice Principal	2007/2008	(1.46)	(153,329)
Reduction of Teachers	2007/2008	(40.00)	(2,480,000)
Non-enrolling Teachers	2006/2007	(37.60)	(2,266,000)
Elementary VPs	2004/2005	(3.00)	(252,000)
Finance & Administration	2004/2005	(4.00)	(338,450)
Learning & Information Technology	2004/2005	(2.50)	(176,375)
Operations & Maintenance	2004/2005	(6.70)	(600,000)
Supervision Aides	2004/2005	(16.00)	(154,304)
Community Facilities/Swimming	2004/2005	-	(102,281)
Associate Superintendent	2003/2004	(1.00)	(160,000)
Closure of Shannon Park Annex	2003/2004	(4.20)	(400,000)
Learning and Information Technology Reorganization	2003/2004	(8.00)	(549,500)
Principals	2003/2004	(3.30)	(377,000)
Human Resources Reorganization	2003/2004	(7.00)	(503,510)
Finance and Administration Reorganization	2003/2004	(4.00)	(186,000)
Teaching Staff reduction	2002/2003	(200.00)	(12,095,735)
Instructional Supplies & Expenses	2002/2003	-	(2,463,942)
Superintendent's Short Term Assignments	2002/2003		(128,000)
Elementary Extra Clerical	2002/2003	(10.00)	(400,000)
Multicultural Home School Workers	2002/2003	(9.50)	(392,118)
Elementary & Secondary Vice Principals	2002/2003	(9.30)	(502,000)
District Administration	2002/2003	(9.20)	(630,031)
Operations & Maintenance	2002/2003	(35.40)	(2,509,239)
Multicultural Home School Workers	2002/2003	(9.50)	(392,118)

Selected Provincially Downloaded Costs	Year	Amount
NGN Cost Increase	2016/2017	958,825
Collective Agreement Increases	2016/2017	2,151,099
NGN Cost	2015/2016	1,293,664
Teacher's Pension Plan	2013/2014	3,517,802
MSP	2009/2010 to Present	1,294,246
Carbon Offsets	2009/2010 to Present	2,408,461
School Protection Plan Deductible increase	2009/2010	The deductible for insurance increased from \$3,000 to \$10,000