



# Memorandum

vancouver school board



Date: April 26, 2017

ITEM IV

To: Board of Education

FROM: Senior Management Team

**RE: 2017/2018 Revised Preliminary Operating Budget Proposals**

## INTRODUCTION:

On April 6, 2017, the Board of Education received the 2017/2018 Preliminary Budget Proposals prepared by the Senior Management Team. As required, the proposals provided \$2.13 million in budget reductions to arrive at a balanced budget for 2017/2018.

The Board received input from parents/guardians, stakeholders, students and the community over the month of April. Stakeholder and public consultation took place on April 4, 6, 10, 11, 19 and 24. As well, an on-line survey was undertaken, with 778 respondents.

## RECOMMENDATION:

IT IS RECOMMENDED THAT the Board of Education of School District No. 39 (Vancouver) approve the 2017/2018 revised budget proposals, as presented in Attachment A, and that the 2017/2018 revised budget proposals form part of the VSB 2017/2018 Preliminary Operating Budget.

## **Attachment A**

# **2017/2018 Revised Preliminary Budget Proposals**

## Attachment B: 2017/2018 Revised Preliminary Budget Proposals

An operating budget shortfall of \$2.13 million is projected for 2017/2018. The following table provides a summary of the preliminary proposals to achieve a balanced budget for 2017/2018.

Budget Proposals By Level, Type and Nature					
Level -->					
\$ Millions	1	2	3	4	Total
One-Time	0.15	0.30	-	N/A	\$ 0.45
Ongoing	0.29	0.10	-	N/A	0.39
<b>Administrative</b>	<b>0.44</b>	<b>0.40</b>	-	<b>N/A</b>	<b>0.84</b>
One-Time	-	-	N/A	N/A	-
Ongoing	-	0.62	N/A	N/A	0.62
<b>Facilities</b>	-	<b>0.62</b>	<b>N/A</b>	<b>N/A</b>	<b>0.62</b>
One-Time	-	-	-	-	-
Ongoing	-	-	0.66	-	0.66
<b>Educational</b>	-	-	<b>0.66</b>	-	<b>0.66</b>
One-Time Total	0.15	0.30	-	-	0.45
Ongoing Total	0.29	0.72	0.66	-	1.67
<b>Total</b>	<b>0.44</b>	<b>1.02</b>	<b>0.66</b>	-	<b>2.13</b>
<b>Estimated Shortfall</b>					<b>\$ (2.13)</b>
<b>Deficit Remaining</b>					<b>\$ -</b>

The following proposals are presented in order to achieve a balanced operating budget for 2017/2018. Detailed descriptions of these proposals are provided, starting on the next page.

	Type	Original		Revised	
		FTE	Est \$M	FTE	Est \$M
<b>Administrative Proposals</b>					
LIT Hardware and Software Budget	Ongoing	-	\$ 0.20	-	\$ 0.20
Finance Admin Support	Ongoing	1.00	0.07	1.00	0.07
Purchasing Reorganization	Ongoing	1.00	0.03	1.00	0.03
Increase Rentals Revenue	Ongoing	-	0.09	-	0.09
BCSTA	Ongoing	-	(0.09)	-	(0.09)
Payroll Timesheet Reduction	Ongoing	0.75	0.05	0.75	0.05
Payroll Timesheet Reduction	One-Time	-	0.15	-	0.15
Printing Job Posting	Ongoing	-	0.05	-	0.05
Repayment of School Balances	One-Time	-	-	-	0.30
<b>Total Administrative Proposals</b>		<b>2.75</b>	<b>0.54</b>	<b>2.75</b>	<b>0.84</b>
<b>Facilities</b>					
Maintenance Reductions	Ongoing	5.00	0.50	5.00	0.50
Assistant Manager of Operations	Ongoing	1.00	0.12	1.00	0.12
<b>Total Facilities Proposals</b>		<b>6.00</b>	<b>0.62</b>	<b>6.00</b>	<b>0.62</b>
<b>Educational</b>					
Adult Education	Ongoing	6.23	0.55	5.73	0.39
Removing Additional Staffing Entitlements	Ongoing	1.00	0.10	1.00	0.10
Aboriginal Education Budget	Ongoing	-	0.15	-	-
Career Information Advisors	Ongoing	2.80	0.17	2.80	0.17
<b>Total Educational Proposals</b>		<b>10.03</b>	<b>0.96</b>	<b>9.53</b>	<b>0.66</b>
<b>Total Proposals</b>		<b>18.78</b>	<b>\$ 2.13</b>	<b>18.28</b>	<b>\$ 2.13</b>
<b>Surplus/(Deficit)</b>			<b>\$ -</b>		<b>\$ -</b>

## A1 – Reduce LIT Hardware and Software Support Budget

### Background & Analysis

The LIT department supports all technology hardware and software infrastructure, computers, tablets, mobile devices, and software applications. Centralized software and hardware components require periodic updates, replacement, expansion, and new versions. The LIT department periodically needs to rapidly address emergent issues due to component failures or increased demand for resources and to improve processes for deploying, maintaining, securing, and supporting technology. This work involves acquiring new hardware, new software management systems, and external technical assistance.

Current budgets for hardware and software support have funding built-in to address these needs.

VSB 2021 Linkage:

Goal 4 - Objective e – Activity 5 – Investigate options to implement an Enterprise Risk Management strategy across the district. *This proposal introduces increased risk to the District by limiting the LIT department’s resources available to effectively manage District IT assets, manage resource demands, and respond to emergency situations.*

### Recommendations

It is recommended that \$75,000 be reduced from the LIT hardware budget and \$125,000 from the software budget.

### Budget Implications

Staffing Impact (FTE)		
Base	Reduction	Employee Group

Budget Impact (\$)			
Salaries & Benefits	Supplies	Revenue	Total
	200,000		200,000

## A2 - Finance Admin Support

### Background & Analysis

The district receives donations in the range of \$3 million annually. The current procedure of collecting donations and remitting tax-deductible receipts at the district is a manual process, and is outdated, time consuming and cumbersome.

The district currently has software for fee collection, which also has functionality to collect donations online and automatically remit donation receipts electronically. A number of schools have indicated that online donation is something they would like to offer. Offering this functionality online would provide better service to parents and the public, as well as offering an additional way to donate (by credit card), which is common in other organizations.

In implementing this module of the software, the administrative position responsible in the finance department for this function would not be needed. Given its manual and cumbersome nature, this work accounts for the majority of the workload for this particular position, which would no longer be required.

### Recommendations

That one administrative Office Support D position be eliminated in the district finance department.

### Budget Implications

Staffing Impact (FTE)			Budget Impact (\$)			
Base	Reduction	Employee Group	Salaries & Benefits	Supplies	Revenue	Total
18.0	1.0	CUPE 15	\$69,070			<b>\$69,070</b>

## A3 – Purchasing Reorganization

### Background & Analysis

Based on the data analysis provided from both the Price Waterhouse report and the Ernst Young report, areas of cost savings were identified that will enhance the Purchasing departments capacity to reduce the overall spend and create additional efficiencies.

The change in the current structure would allow for an increased level of technically skilled support and service to the organization as well as the support we provide for SETBC, CAYA, ATBC and ERAC.

By reorganizing, these changes would focus on providing stronger technical skills that will allow for efficiencies focusing on the value added efforts required to leverage the current systems. The need for administrative support has significantly diminished due to streamlining of current systems. The changes will also provide the additional technical skills to reduce costs and focus on more complex contractual negotiations and arrangements.

By enhancing the knowledge and skill level within the Purchasing department there will be an increased ability to provide more support to our clients and help guide them to understand the legislative and legal requirements outlined by the provincial government, Trade Agreements as well as our VSB policies.

### Recommendation

It is recommended that a total of three (3.0) OSB -Clerks be reduced and a total of two (2.0) TRC – Buyers be added.

### Budget Implications

Staffing Impact (FTE)			Budget Impact (\$)			
Base	Reduction	Employee Group	Salaries & Benefits	Supplies	Revenue	Total
10	1.0	CUPE 15	31,140			<b>31,140</b>

## A4 – Increase Rentals Revenue

### Background & Analysis

Facility rentals have generated modest but steady increases in revenue for the past few years. VSB facilities are expected to continue to be desirable locations for filming, resulting in an increase in revenue.

### Recommendations

It is recommended that rental revenues be increased by \$90,000.

### Budget Implications

Staffing Impact (FTE)			Budget Impact (\$)			
Base	Reduction	Employee Group	Salaries & Benefits	Supplies	Revenue	Total
					90,000	<b>90,000</b>

## A5 – BCSTA

### Background & Analysis

The British Columbia School Trustees Association (BCSTA) serves and supports its members, BC’s Boards of Education, in their key work of improving student achievement. At the local level BCSTA provides professional development, legal counsel and communications. Provincially, its non-profit Association acts as Boards’ strong, unified voice in advocating to government, other education partners, and the public on matters affecting public education.

BCSTA members set the directions for advocacy and all other aspects of BCSTA’s work on their behalf. Members do this via resolutions at our annual general meeting in the spring, and at smaller Provincial Council governance meetings over the year.

A cost benefit analysis of membership with the BCSTA would be of benefit. The BCSTA is regarded as the official voice of Boards of Education in relation with the Ministry of Education, serving a key advocacy function for Public Education in BC. Shifting a good portion of advocacy to the Provincial level will assist the Board in focusing its efforts on educational outcomes at the local level.

### Recommendations

That the Board of Education rejoin the BCSTA with effect July 1, 2017.

### Budget Implications

Staffing Impact (FTE)			Budget Impact (\$)			
Base	Reduction	Employee Group	Salaries & Benefits	Supplies	Revenue	Total
				85,000		85,000



## A6 - Payroll Timesheet Reduction

### Background & Analysis

Approximately 600 casual (on call) CUPE 15 and IUOE 963 employees are dispatched by Smart Find Express (SFE) to replace absent permanent employees or fill vacancies each week. SFE produces an electronic file with all the necessary information to “pay” these on call employees who currently complete a paper timesheet. Principals, Vice Principals and exempt supervisors are required to sign the paper timesheets prior to scanning them to payroll. Every week payroll prints off the scanned timesheets and then manually data enters into PeopleSoft, which is a duplication of effort and paper. VBE has successfully used this electronic file to pay Teachers Teaching on Call for years.

In addition, there are approximately 450 employees who are not dispatched or registered on SFE who must complete paper timesheets in order to be paid. The non-SFE group is made up of 101 CUPE 407, approximately 175 Trades and 175 community school employees and on-call exempt staff.

### Recommendations

We recommend that we configure the interface to include the SFE pay information for all casual (on call) support employees so that they can be paid without the requirement of completing a paper timesheet. This will reduce the manual data entry and save approximately 1200 sheets of paper per week.

We recommend that we configure PeopleSoft Self Service to allow 175 Community Schools staff and casual exempt employees to report their hours worked directly in PeopleSoft's electronic timesheet. Their supervisors will be trained to approve the reported time electronically through PeopleSoft Manager self-service application.

Alternatives for the 101 CUPE 407 and approximately 175 Trades employees will be explored in a future project.

This recommendation aligns with the Strategic Plan's Goal 4: “Provide effective leadership, governance and stewardship. By effectively using school district resources and supporting the school district to be the greenest school district in North America by reducing its paper consumption.

There had been \$150,000 set aside in the 2016/2017 Amended Budget to fund this project. This was outside of our means so we approached the Ministry of Education and PSAC to ask for their support. This was granted so we no longer need to use the money for this purpose and it was put aside. We will need this in the future for ongoing PeopleSoft costs. Consequently, as a one-time offering we can utilize this amount to offset the overall district deficits for 2017-18.

**Budget Implications**

Staffing Impact (FTE)		
Base	Reduction	Employee Group
	0.75	CUPE 15

Budget Impact (\$)			
Salaries & Benefits	Supplies	Revenue	Total
41,250	5,000	150,000 (one-time)	<b>196,250</b>

## A7 – Printing Job Postings

### Background & Analysis

Past practice in the District requires that we provide print copies of all postings and communications for all schools and stakeholders in the District for several of our partner groups and employees. In order to apply for these positions employees are required to do so online. It would appear to be an unnecessary task to post printed copies as a contemporary practice to continue with given our technological capabilities.

### Recommendations

We currently spend approximately \$50,000/ year on printing costs. We are recommending that all postings and future communications be provided online and through PDF. The choice to print these to paper would be that of the employee. This change in practice would be in line with our strategic plan under sustainability - to be the greenest District in North America.

### Budget Implications

Staffing Impact (FTE)		
Base	Reduction	Employee Group

Budget Impact (\$)			
Salaries & Benefits	Supplies	Revenue	Total
	50,000		50,000

## A8 – Repayment of School Balances - New

### Background & Analysis

In last year’s 2016/2017 budget cycle, Proposal A6 – Borrow from School Balances was adopted. That proposal borrowed against the \$2.06 million in unspent flexible budget allocations in schools.

In the proposed 2017/2018 budget tabled on April 6, 2017, full repayment had been provided for, starting July 1, 2017. Subsequent revisions to the 2017/2018 budget has meant that the repayment may need to be made over two years.

The proposal is that the borrowed funds be repaid over 2 years.

### Recommendations

That the borrowed amount be repaid in two payments, \$1.76 million to be repaid in the 2017/2018 fiscal year, and the remaining \$0.30 million be repaid the following year, in 2018/2019.

### Budget Implications

Staffing Impact (FTE)		
Base	Reduction	Employee Group

Budget Impact (\$)			
Salaries & Benefits	Supplies	Revenue	Total
	300,000		<b>300,000</b>

## F1 – Maintenance Reductions

### Background & Analysis

In last year’s budget, the following proposal was introduced and adopted. The \$500,000 was proposed as a one-time reduction, and is currently in place the 16/17 fiscal year.

The 2016/17 Operating Budget included a “one-time” cut of \$500,000 to the Trades staffing, which increased pressures to maintaining acceptable support level to schools.

It is being proposed that the 16/17 one-time cut become continuing with effect in 17/18. The planned reductions will further challenge maintenance’s ability to maintain schools at reasonable levels, and impacting negatively on the \$700,000,000 deferred maintenance. Facility maintenance staffing expenditures are not constrained by legislative or collective agreement requirements. Accordingly, there is some flexibility to vary the level of maintenance work performed each year.

As a means of assisting the VSB in achieving the district wide required operating budget reductions, it is proposed to reduce maintenance support to VSB schools through reductions to maintenance trades staff and 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.

It is recommended to reduce the trades workforce by 2 painters, 2 sheet metal and 1 machinist for a total \$500,000 reduction for 2017/18. 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.

### Recommendations

It is recommended that the one-time budget reduction currently in place in the current year 2016/2017, be continued as an ongoing permanent reduction.

### Budget Implications

Staffing Impact (FTE)			Budget Impact (\$)			
Base	Reduction	Employee Group	Salaries & Benefits	Supplies	Revenue	Total
57 FTE	5 FTE	Trades	432,183	67,817		<b>500,000</b>

## F2 – Assistant Manager of Operations

### Background & Analysis

The Assistant Manager of Operations is responsible for planning and managing the engineer-custodial services for all district facilities. Through three excluded supervisors the position is responsible for the delivery of, cleaning, heating and ventilation, site security, regular testing and inspection of life-safety systems, and minor repairs of facilities and equipment.

The position manages site staffing allotments, relief staffing requirements and the associated budgets. Through the excluded supervisors, this position manages contracts and budgets for elevator maintenance, intruder alarm and fire alarm monitoring, security services, fire suppression systems, custodial supplies, carpet cleaning, waste removal, and recycling.

The Operations Department has a workforce of 400+ FTE's working day/afternoon/evening shifts and the reduction of this position may place a greater load on the three excluded supervisors. The increased workload may impact the ability of the supervisors to provide consistent, timely response to school concerns.

### Recommendations

It is recommended that the position of Assistant Manager of Operations be eliminated.

### Budget Implications

Staffing Impact (FTE)			Budget Impact (\$)			
Base	Reduction	Employee Group	Salaries & Benefits	Supplies	Revenue	Total
1.0	1.0	PASA	120,863			<b>120,863</b>

## E1 – Adult Education – Revised

### Background & Analysis

Adult Education provides courses towards the graduation program (grades 10, 11 and 12) as well as 26 Literacy Foundations course in English, Math, Science, Social Studies and Information and Communications Technology. Courses are offered as self-paced, structured or in one of the two youth programs. Adult Education has seen a decline in enrollment in most categories: MOE funded school aged students, MOE funded adults who have not graduated, MOE funded Graduated Adults, fee paying International students, and students enrolled in youth programs. There has a slight increase in the number of Graduated Adult fee paying students.

In this past year, the two centres offering structured courses are operating at about 55% capacity; with the physical classroom space that can offer 80 courses per quarter term, only about 47 are currently running. Adult Education operated at a loss in the 2015-16 school year and further losses are projected for the 2016-17 school year.

### Recommendations

It is recommended that effective June 2017:

- the Gathering Place Centre Adult Self-Paced Program be decreased from 32 to 25 hours per week, and that the administration and clerical support for Gathering Place be provided by South Hill staff
- the Gathering Place Youth Program be closed and that the youth currently enrolled in the program be provided support in transitioning to other educational options such as Adult Ed, Alternative Ed, Kiwassa, VLN or other school programs
- the Main Street Education Centre be closed.

### Budget Implications

Staffing Impact (FTE)			Budget Impact (\$)			
Base	Reduction	Employee Group	Salaries & Benefits	Supplies	Revenue	Total
		Instructional Assistants	95,150*			
3.00	1.00	VEPVPA	150,593			
8.52	3.00	CUPE 15	180,481			
4.30	1.50	PASA	177,337			
	0.23	IUOE	14,000			
		One-Time Transition				<b>620,279</b>
		Net		2,718		<b>(230,000)</b>
						<b>390,279</b>

\*Realization of 2015 layoff language.

## E2 – Removing Additional Staffing Entitlements

### Background & Analysis

King George Secondary School has historically been allocated an additional staffing entitlement from the Learning Services Department due to its smaller size (443 students) in relation to other secondary schools in the district. This allocation was intended to help with timetabling challenges. During the 2016-2017 budget process, the allocation was decreased by 4 blocks from 1.5714 to 1.00 FTE.

There are other small secondary schools (Britannia: 517 students and University Hill: 566 students) in the district who do not receive this additional entitlement and yet are able to timetable the appropriate course offerings for their students.

### Recommendations

It is recommended that the “small school entitlement” previously allocated to King George Secondary be eliminated as of June 2017.

### Budget Implications

Staffing Impact (FTE)			Budget Impact (\$)			
Base	Reduction	Employee Group	Salaries & Benefits	Supplies	Revenue	Total
1.00	1.00	VTF	\$99,791			<b>\$99,791</b>



**E3 – Aboriginal Education Budget – *Proposal Removed***

## E4 – Career Information Advisors - *Revised*

### Background & Analysis

Prior to this year, there were 10.0 FTE Career Information Advisors (CIAs) who worked in each of the district’s secondary schools and 0.8 FTE assigned to an Alternate Education program. As a result of the anticipated 2016-2017 budget shortfall, the 10.0 FTE school-based positions were eliminated and 3.0 FTE district-based CIA positions were created. The functions of the district-based positions were to maintain a district electronic information sharing platform, promote ACE IT and other VSB Trades, Technology and Career programs, act as the main contact for all post-secondary updates, and assist with district events that promote student career exploration and educational decision-making.

2.80 FTE of the remaining positions are paid for through the district’s operating funds and 1.0 FTE is funded through the Learning Improvement Fund (LIF).

With the implementation of the new Career Education courses (Awareness and Exploration: K-Gr. 5, Exploration and Experience: Gr. 6-9, Experience and Transition: Gr. 10-12), many of the supports that CIAs currently offer to students will now be covered in the coursework itself, such as:

- essential career skills
- career research
- workplace etiquette
- employability skills
- post-graduation opportunities

In addition, the Career Administrator and teachers teaching the new Career Ed courses at the grade 8-12 level will work with students and staff to plan career events and activities, such as Career Fairs, guest speakers, field trips, etc.

### Recommendations

It is recommended that 2.80 FTE (operating) and 1.0 FTE (LIF) be eliminated as of June 2017.

### Budget Implications

Staffing Impact (FTE)		
Base	Reduction	Employee Group
2.80	2.80	CUPE 15

Budget Impact (\$)			
Salaries & Benefits	Supplies	Revenue	Total
\$166,042			<b>\$166,042</b>

## **Attachment B**

### **Stakeholder and Public Consultation**

## Attachment B: Stakeholder and Public Consultation

The following Board approved 2017/2018 Budget Process/Timeline shows the schedule of budget meetings. Please refer to this schedule for the budget meeting dates and deadlines for submissions.

Thursday, April 6, 2017 Education Centre 5:00 p.m.	<b>Plenary Education &amp; Student Services/Finance &amp; Legal (Committee III/V)</b> <b>Public Presentation</b> of Five Year Business Plan and Preliminary Budget Proposals
April 6 - 18	<b>Public Survey</b> available online at:  <a href="http://govsb.ca/budgetsurvey">http://govsb.ca/budgetsurvey</a>
Monday, April 10, 2017 Education Centre 5:00 p.m.	<b>Plenary Education &amp; Student Services/Finance &amp; Legal (Committee III/V)</b> <b>Stakeholder Consultation</b> on 2017/2018 Preliminary Budget Proposals
Tuesday, April 11, 2017 Education Centre 5:00 p.m.	<b>Committee-of-the-Whole</b> <b>Public Input</b> on 2017/2018 Preliminary Budget Proposals
Monday, April 19, 2017 Education Centre 5:30 p.m	<b>Plenary Education &amp; Student Services/Finance &amp; Legal (Committee III/V)</b> <b>Public Presentation</b> of 2017/2018 Revised Preliminary Budget Proposals
Monday, April 24, 2017 Education Centre 7:00 p.m.	<b>Board Meeting / Committee-of-the-Whole</b> <b>Presentation</b> of Report on the Public Survey <b>Stakeholder and Public Input</b> on 2017/2018 Budget Proposals
Wednesday, April 26, 2017 Education Centre 7:00 p.m.	<b>Special Board Meeting</b> <b>Final Deliberations and Adoption</b> of the 2017/2018 Preliminary Budget