



2011/12 Operating Budget

Public Budget Meeting
April 19, 2011



Agenda

- 2011/12 Budget Process
 - Working Group Reports
 - Funding from the Province
- Strategic Directions
 - 5 Themes
 - Enrolment Decline, Excess Capacity at Middle and Secondary and effect on budgets
- 2011/12 Budget Plan
 - Suggested Revenue and Expenditure Changes
 - Structural Shortfall
 - Restoration of Services Identified by Working groups
- Feedback
- Next Steps



Working Group Process

- EFFICIENCY, EFFECTIVENESS AND EVIDENCE
- Improve Understanding by many
- Answer the question-what does government funding buy in services?
- How are services supplemented from local revenues?
- Credible gap is developed – difference between spending and needs-able to answer the question of what services we cannot afford
- 61 staff and parents participated in the working groups

2011/12 Working Group Reports

- The technical working groups were established for the major program areas of the district as follows:
 - Regular Instruction, Library, Counselling, and Career Programs
 - Special Education, ESL, and Aboriginal Education
 - International Program
 - Distributed Learning Program
 - School and District Administration
 - Operations and Maintenance and Transportation
- The technical working groups reviewed expenditures for each program area and provided a written report

General Findings

- Overall the working groups found that funding was being spent effectively to prioritize meeting student needs
- Enrolment in special programs is increasing as a percentage of our enrolment and more students are assessed in the higher need categories.
- Students with severe mental health issues and behavioural challenges are on the rise and previous reductions to counselling, behaviour support, social worker, comprehensive school health, and student advocacy reduced the ability to meet student needs
- Reductions at the school and district level place greater pressure on school administrators who need to take care of those additional duties. It was noted that the workload for district special education leadership is not sustainable



General Findings

- Cost of replacement staffing may be a result of added stress and pressures to meet student needs-all groups would like to see a reduction in this cost.
- Distributed Learning is spending according to its funding levels for the provision of day to day services and utilizes past reserves to complete needed program development
- Distributed Learning pays for building and administration costs of \$1.2 million per year to offset district costs in these areas
- The current International student enrollment of just over 200 FTE is sustainable at current operational funding levels. This enrolment level generates a net profit for the school district with \$1 million



General Findings

- Community decisions are affecting the ability of young families to live in our district
- Reduced community services are leaving this support to the schools
- Increasing complexity such as class size regulations, health and safety, is putting pressure on our scarce resources
- Need to increase local revenues



General Findings

- Investigate shared services within our district and with our neighbouring districts
- School and District administration is effective and efficient
- Engage the broader community in support for public education



Findings of Group

- Possible Expenditure Reductions of \$1,057,000-all have implications
- Possible Revenue Generation Options of International students, attracting out of district students, partnerships
- Restore services for students that are unable to be funded of \$3.5 million

GAP-Unable to Provide with existing funding

Lower middle and secondary class size	10.0 FTE	\$936,400
Restore literacy support	1.0 FTE	\$ 93,640
Restore numeracy support	1.0 FTE	\$ 93,640
Restore Student Advocate/Comp Health	.5 FTE	\$ 46,820
Restore technology support	.5 FTE	\$ 46,820
Restore school plan funding	.5 FTE	\$ 146,569
Restore career staffing	.75 FTE and supplies	\$246,000
Restore literacy at secondary	.75 FTE	\$70,230
Personalized learning release time		\$100,000
Enhancement and Achievement Agreement		\$100,000
Carpenter positions funded from capital		\$138,136
Building material cost increases		\$100,000
Building technology renewal program		\$100,000

GAP-Unable to provide with existing funding

○ Replacement of aging vehicle fleet	\$270,000
○ Indoor air quality improvement	\$70,000
○ Reinstate ST dept to full time	\$30,000
○ School Administrator at SIDES	\$130,000
○ Central Call-In for TOCs	\$100,000
○ Reinstate learning assistance, <ul style="list-style-type: none">● Behaviour support, etc	\$394,407
○ Vice Principal at CDC	\$11,000
○ Instructional support for diversity	\$85,000
○ Mental Health Professional support	\$75,000
○ First Nations Support	\$30,000
○ Social Worker	\$75,000
○ Increase psychology time	\$17,000
○ Family Worker	\$40,000

GAP-Unable to provide with existing funding

- **Total GAP** **\$3,545,662**
- All of these suggestions would need to be reviewed to ensure accurate costing



2011/12 Funding From the Province

- Province provided increased funding in two ways:
 - \$44 per pupil and other adjustments which totaled \$374,003
 - Funding Protection of \$1,551,690
 - This reduced the shortfall down to \$616,455
- This is good news for 2011/12 but we remain concerned because the Ministry has indicated that funding protection is not sustainable and enrolment decline continues



Strategic Directions 2011-2016

Guiding our decisions related to the
2011-12 budget and beyond



A process is underway...

- Involves all partner groups
- Will include the Board's values, beliefs, priorities and vision
- Will entail the consideration of 12 strategic elements
- Will include comments in relation to outstanding themes

Strategic elements in several domains:

- Student Achievement
- Programs and Services
- Personalized Learning
- First Nations Successes
- Parent/Community Connections
- Leadership
- Human Resources
- Financial Planning
- Facilities
- Technology
- Sustainability



The Strategic Plan format

- Today in Saanich....
- Looking to the Future....
- Our Commitments....
- Moving Toward the Vision....



5 themes are emerging...



Theme 1

A focus on the success of every learner

- All students
- First Nations
- Diverse interests and passions



Theme 2

Support

- For students with challenges and vulnerabilities



Theme 3

Innovation

- 21st Century Learning
- Facilities
- Technology
- Instruction



Theme 4

Sustainability

- Green practices
- Programs and services
- Leadership



Theme 5

Positive response to enrolment decline

- Budgets
- Revenue generation
- Programs



Today

- We consider these issues in our conversation.
- We reflect on all possibilities.
- We appreciate our supportive culture.
- We do the very best we can on behalf of all students in SD63



Enrolment Decline

Enrollment Decline

Reported & Projected enrolment over the next four years for regular schools in Saanich School District

Year	Initial Estimate	FTE estimate	Change
September 2006	7422	7,434.4	
September 2007	7202	7,050.8	-383.6
September 2008	7042	7,027.6	-23.2
September 2009	6943	6,933.9	-93.8
September 2010	6871.2	6,797.8	-136.1
September 2011 p		6,630.2	-167.6
September 2012 p		6,385.1	-245.1
September 2013 p		6,189.0	-196.1
September 2014 p		6,104.2	-84.8

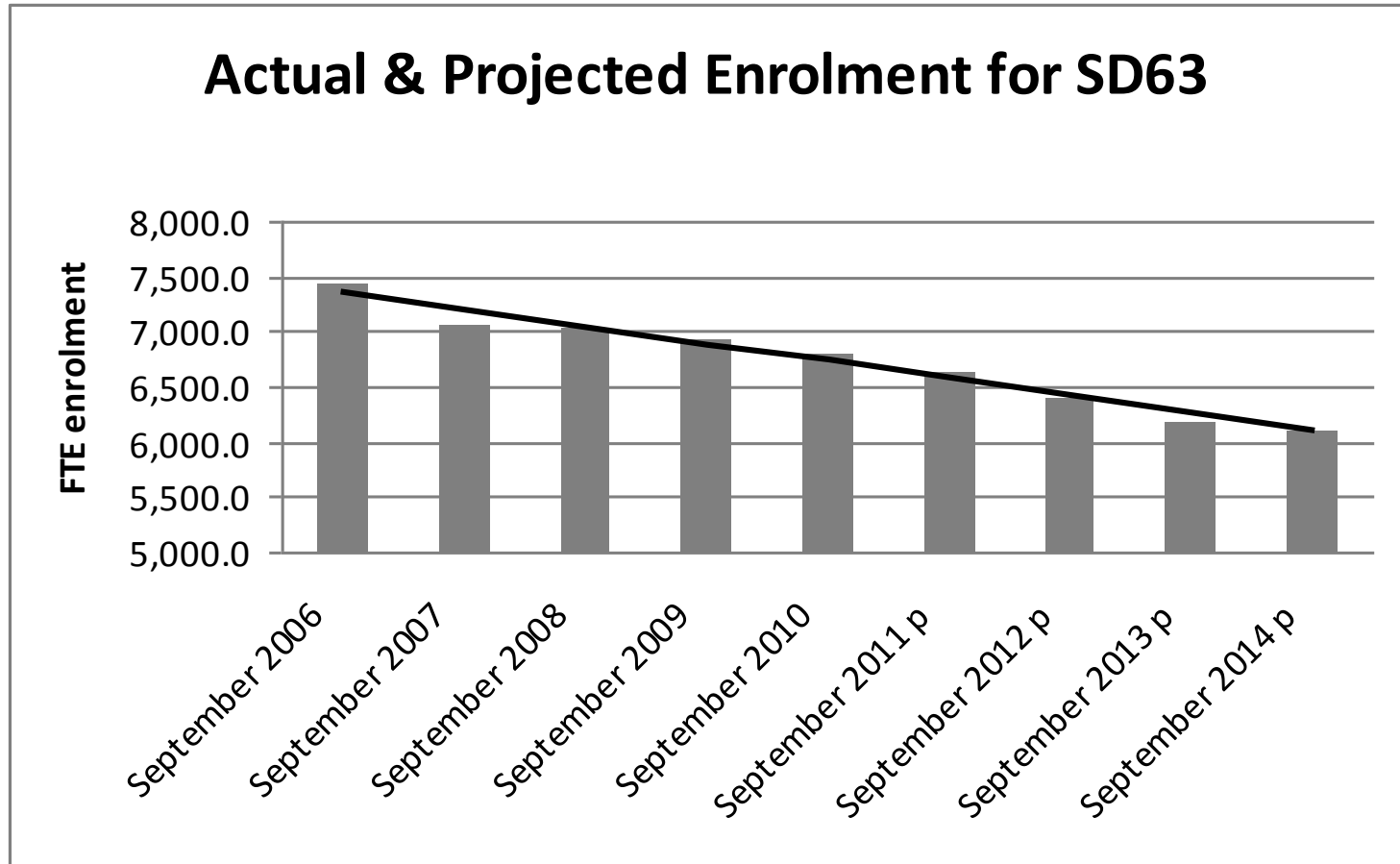
From 07/08 to 14/15 -1,330.2

From 02/03 to 06/07 -1026.97

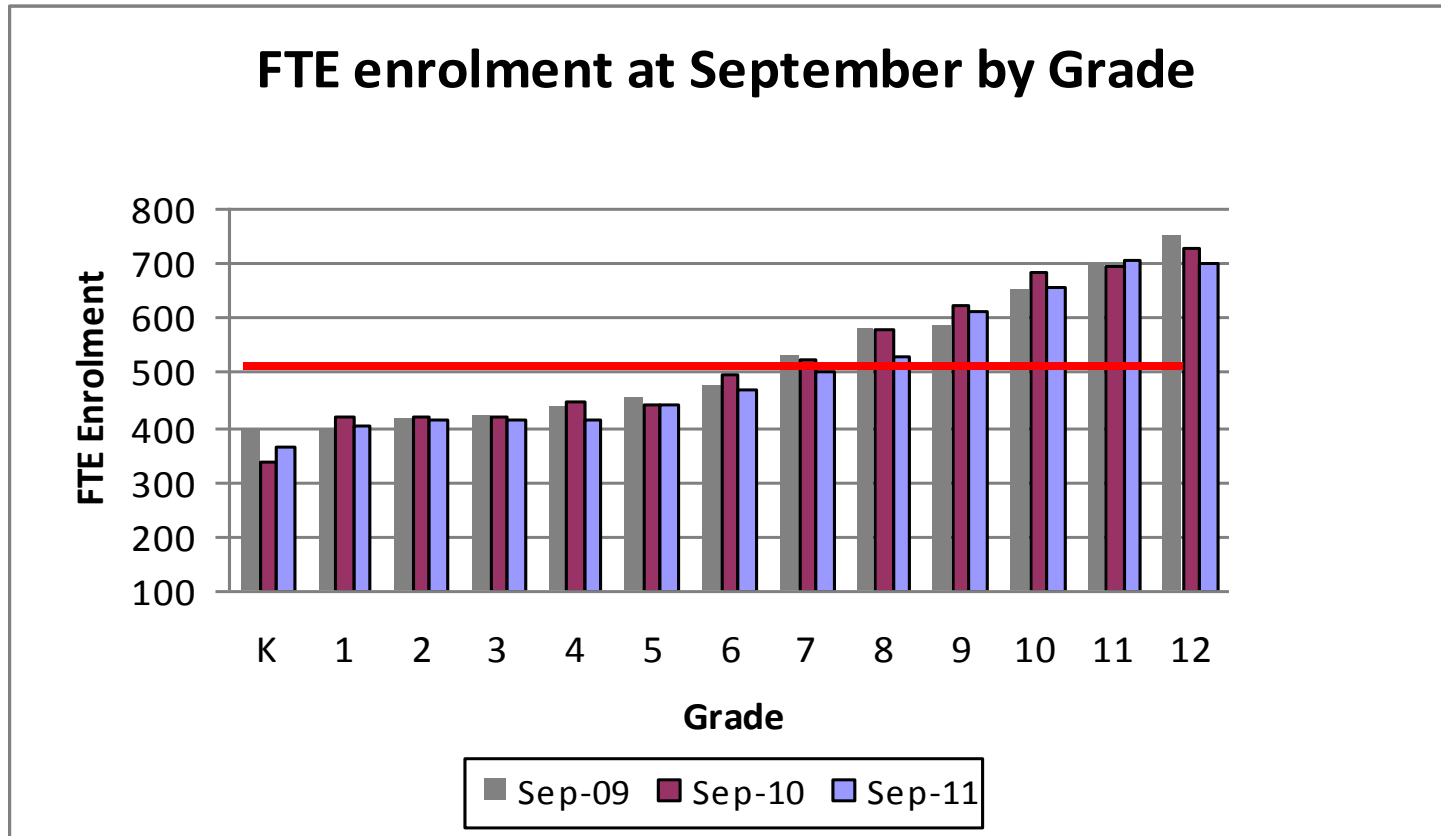
-2,357.2

-31.71%

Enrolment Decline



Enrolment Decline



2015 Headcount Enrolment Versus Capacity

	<u>Capacity</u>	<u>Headcount</u>
Claremont	1075	818
Parkland	750	522
Stelly's	1025	876
Subtotal Secondary	<u>2850</u>	<u>2216</u>
Bayside	800	549
North Saanich	550	313
Royal Oak	600	485
Subtotal Middle	<u>1950</u>	<u>1347</u>
Elementary	2701	2395



Enrolment decline

- All Groups commented on the reduction in funding as a result in student decline that is not directly related to regular instruction. This breakdown was determined based on the 2000/01 funding allocation formula which was the basis of the per pupil funding today

Loss of Funding for Enrolment Decline

- As discussed in the Working Group Reports:
- For each 100 student decline there is a reduction in funding in areas that may or may not be an associated reduction:
 - Special Education \$31,900
 - District Administration \$67,300
 - Operations and Maintenance \$90,200

Four Year Effect of further Enrolment Decline

	2011/12	2012/13	2013/14	2014/15	Four Year Total
Impact of Enrolment Changes					
Enrolment Decline	168	246	196	85	695
Loss Of Funding	1,551,690	1,232,454	1,500,364	955,594	5,240,102
Associated Reduction in Costs	(404,873)	(592,860)	(472,360)	(204,850)	(1,674,943)
Net Cost of Enrolment Decline	1,146,817	639,594	1,028,004	750,744	3,565,159



Working Group, Budget Advisory and Staff work to prepare a 2011/12 Budget Plan

Expenditure Changes

Enrolment Decline				
8.00 FTE Teacher Grade 1-12 & Supplies				(752,372)
3.50 FTE Teacher for Full D K & Supplies				297,500
Custodial and Utilities New Classrooms				50,000
				(404,872)

Expenditure Changes

One Time				
Differences between Amended 2010/11 and Prelim 2011/12				
EA			(83,457)	
Class Size			(2,496)	
Vehicle			(30,000)	
Communication Plan			(10,000)	
BCESIS			(50,000)	
K-4 reading			(10,000)	
Total			<u>(185,953)</u>	

Expenditure Changes

New Cost Pressures

Municipal Pension Plan Increase	144,207
Special Education	27,450
Continuing Education	91,584
Medical Services Plan	44,871
Estimated Other benefit Plan increases	11,964
School Protection Plan Increase	38,092
Office of the Secretary-Treasurer to 100%	42,550
Bc Hydro rate Increase	23,934
Premium Holiday for Teachers	(86,022)
	<hr/>
	338,630
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Summary Maintenance Budget

○ Enrolment Decline	(404,872)
○ One Time Costs	(185,953)
○ Expenditure Changes	<u>338,630</u>
○ Net Change in Expenditure Budget	(252,195)

Summary 2011/12 Challenge

- Net Reduction in Expenditure (252,195)
- Loss of Reserve Funding \$868,650
- **Net 2011/12 Challenge \$616,455**

Revenue Changes and Options

- Ministry Revenue up by \$134,540 due to Continuing Education Enrolment Feb and May Counts
- Increase International Students to 250 and add revenue of \$510,300
- Increase community use fees by \$20,000
- Seek support from Municipalities of \$16,826 for playground maintenance and inspection and crossing guards
- Sell our services to others to increase revenues by \$100,000
- Total Increase \$781,666

2011/12 Shortfall

○ Summary	(616,455)
○ Increased Revenues	781,666
○ Less Increased Expenditures to Earn revenues:	
International	(405,000)
Continuing Education	<u>(86,061)</u>
Net Shortfall	(325,850)

Reduction Options

Reduction Options:			
5% school supplies+ learning resources		(150,000)	
Portables		(44,000)	
Calendar Change (Replacements, Utilities, Employees Choosing Personal Leaves)		(90,000)	
Professional Services at District Level		(10,000)	
District Supplies		(13,000)	
0.10 Occupational Therapist Time		(10,000)	
School Technology Support		(25,000)	
School Administration Reductions		(85,000)	
Part Time Teaching Assignments Managed to reduce Benefit Costs		(30,000)	(457,000)

Summary

- Shortfall after new revenues (325,850)
- Reduction Options 457,000

- Net Amount to Apply to New Costs:
\$131,150

Summary

○ Enrolment Decline	(404,873)
○ Cost Pressures	338,630
○ One-Time Removed	(185,953)
○ Increased Revenues	(781,666)
○ Loss of Reserves	868,650
○ Expenditures to Increase Revenues	
491,062	
○ Reduction Options	<u>(457,000)</u>
○ Unexpended Balance	(\$131,150)



Resulting Budget Plan

Expenditures by Function and Program		2010/11	2011/12
1 INSTRUCTION			
Regular Instruction		35,762,895	35,094,734
Career Programs		689,086	689,086
Library Services		1,070,200	1,070,200
Counselling		467,864	467,864
Special Education		10,232,770	10,260,220
English as a Second Language		360,415	360,415
Aboriginal Education		804,484	804,484
School Administration		3,347,850	3,347,850
Off Shore Students		1,656,056	2,061,056
SIDES		6,444,176	6,444,176
Total Function 1		60,835,796	60,600,085
% of total budget		85.21%	85.14%
4 DISTRICT ADMINISTRATION			
Educational Administration		670,147	657,147
School District Governance		158,228	148,228
Business Administration		1,487,068	1,519,618
Total Function 4		2,315,443	2,324,993
% of total budget		3.24%	3.27%
5 Operations and Maintenance			
Operations and Maintenance Administration		466,912	505,004
Maintenance Operations		4,561,570	4,537,570
Maintenance of Grounds		609,053	609,053
Utilities		1,324,133	1,318,067
Total Function 5		6,961,668	6,969,694
% of total budget		9.75%	9.79%
7 Transportation and Housing Administration		135,276	135,276
Student Transportation		1,146,689	1,146,689
Total Function 7		1,281,965	1,281,965
% of total budget		1.80%	1.80%
		71,394,872	71,176,737

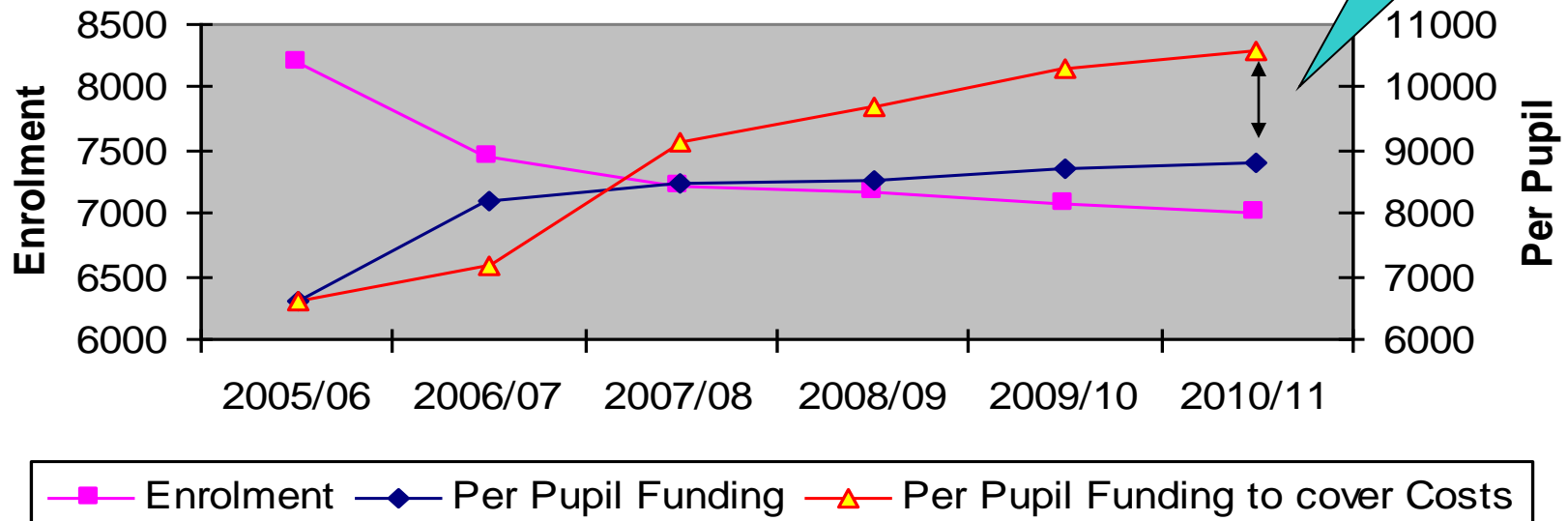
Expenditures by Object	% of		Net	% of
	Budget	2010/11	2011/12	Budget
SALARIES:				
Principals/Vice-Principals	5.03%	3,590,018	3,520,912	4.95%
Teachers	43.32%	30,925,244	30,907,069	43.42%
CUPE:				
Physical Plant	5.11%	3,644,986	3,645,474	5.12%
Education Assistants	5.91%	4,221,146	4,153,258	5.84%
Clerical	4.52%	3,228,136	3,198,136	4.49%
Excluded and Executive Staff	1.85%	1,323,996	1,358,589	1.91%
Trustees	0.11%	75,200	75,200	0.11%
Professional Staff	1.01%	723,651	723,651	1.02%
Teachers on Call	2.78%	1,987,343	1,932,343	2.71%
Temporary CUPE	0.54%	387,480	372,480	0.52%
TOTAL SALARIES	70.18%	50,107,200	49,887,113	70.09%
EMPLOYEE BENEFITS	17.94%	12,805,429	12,858,455	18.07%
Total Supplies and Services	11.88%	8,482,243	8,431,169	11.84%
Total Operating Expense	100.00%	71,394,872	71,176,737	100.00%

Structural Shortfall-Government Not Funding the Cost of Doing Business

Summary of Change in Funding and Costs between 2006/07 and 2010/11:			
Increased Grants from Government-increase only in 2006/07			-3,229,918
Other Local Revenues (International, Leases, Interest)			-1,651,450
Total Change in Revenues			-4,881,368
Reductions from Enrolment Decline (includes 38.18 FTE teachers)			-2,635,210
Savings from School Closures (4 Years)			-1,886,000
Increased Costs of Doing Business			
Salary and Benefits		12,246,113	
New Program Mandates		1,057,702	
Class Size and Composition Requirements		784,418	
Special Needs		1,129,372	
Carbon Tax, H1N1, HST, Utilities, BCeSIS		416,921	
Supplies and Equipment		456,231	
School Clerical, HR and Info tech staffing		539,166	
International Program Costs		286,113	
Total Cost Increases			16,916,036
NET STRUCTURAL SHORTFALL 2006/07 to 2010/11			7,513,458
Reductions made in 2008/09			(301,165)
Reductions made in 2009/10:			
Teaching Staff		(1,306,917)	
Administration		(314,593)	
Supplies, Services, DRC, etc.		(1,077,238)	
			(2,999,913)
Reductions in Preliminary Budget 2010/11			
Reserves		(600,000)	
Teaching Staff		(757,014)	
Support Staff		(116,438)	
Supplies and Services		(368,252)	
Overhead		(1,092,638)	
Revenue		(408,173)	(3,342,515)
Reserves Utilized in 2010/11 Final Budget			(1,171,030)
Balanced Budget			0

Costs and Funding Per Pupil

Comparison of Per Provincial Pupil Funding, Enrolment and Per Pupil Funding Needed to cover Cost Increases in Saanich



What is needed to fully meet student needs?

2011/12 Structural Shortfall and Shortfall to Meet Student Needs			
Structural:			
Utilization of Reserves		902,380	
Funding Protection		1,551,690	
2011/12 Reductions to Programs		616,455	
Structural Shortfall			3,070,525
Working Group advice on Restoration of Services For Students			3,545,662
Total Under Funded Shortfall			6,616,187

What is Victoria's Picture?

- Enrolment increasing in 2011/12 so not in funding protection or disadvantaged by the funding formula and revenue up from the province by \$1.89 million
- Using \$8.567 million in reserves to balance budget so in structural shortfall
- Made up reserve by reductions/savings in 2010/11 of \$6.5 million and receiving \$88 per pupil in final allocations of \$1.7 million which Saanich did not receive
- Structural Shortfall in Victoria is 5% of their budget and in Saanich it is 4.2% of our budget



What is the Sooke Picture?

- Enrolment Increase of 207 FTE students resulting in increased funding of \$2.076 million
- Needed for classroom support of about \$645,000
- Received \$88 per pupil in 2010/11 to be applied to 2011/12 of \$766,782
- No reductions needed

Summary of the Saanich Position

- District has undergone an extensive review of all current expenditures and found limited ability to reduce and that current spending is efficient and effective
- Enrolment Decline continues to be a challenge
- Need to meet student needs without adequate resources-need to restore services
- Structural Shortfall will need to be managed
- Greater reliance on local revenues and depletion of saving reserves
- Future directions are exciting but need to be resourced



Feedback to the Board of Education

Next steps

- Survey on School District Web Site www.sd63.bc.ca to provide feedback until April 26, 2011
 - Advice on balanced budget plan
 - Advice on addressing structural shortfall
 - Advice on addressing the restoration of services
- Budget Advisory Committee meets April 21, 2011
- Board debates the resulting budget plan on April 27, 2011 and determines any changes and approves a budget for submission to the Ministry
- Continuous tracking and reporting to the Board of the implementation of the budget plan.