


2010/11 Operating Budget

School Communities Meeting
April 7, 2010
Amended After Public Board
Meeting Decisions

Outline of Presentation

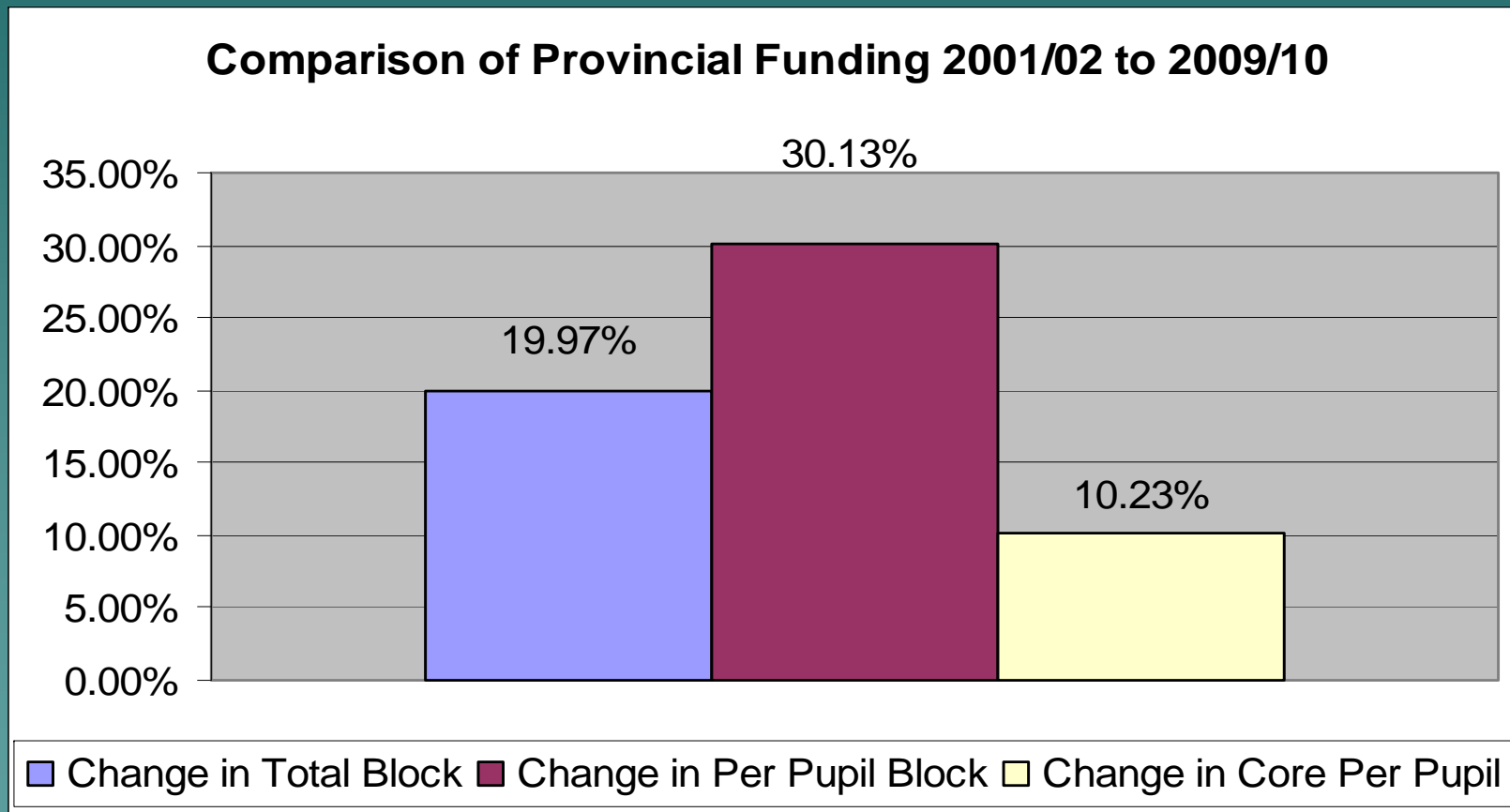
- ◆ Provincial Picture
 - ◆ Current Budget spending as a reflection of the Board Guiding Principles
 - ◆ Utilization of Reserves over Time
 - ◆ Why a structural shortfall?
 - ◆ Budget Reduction Options
 - ◆ Questions/Advice
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Provincial Budget for K-12 Education Over Time

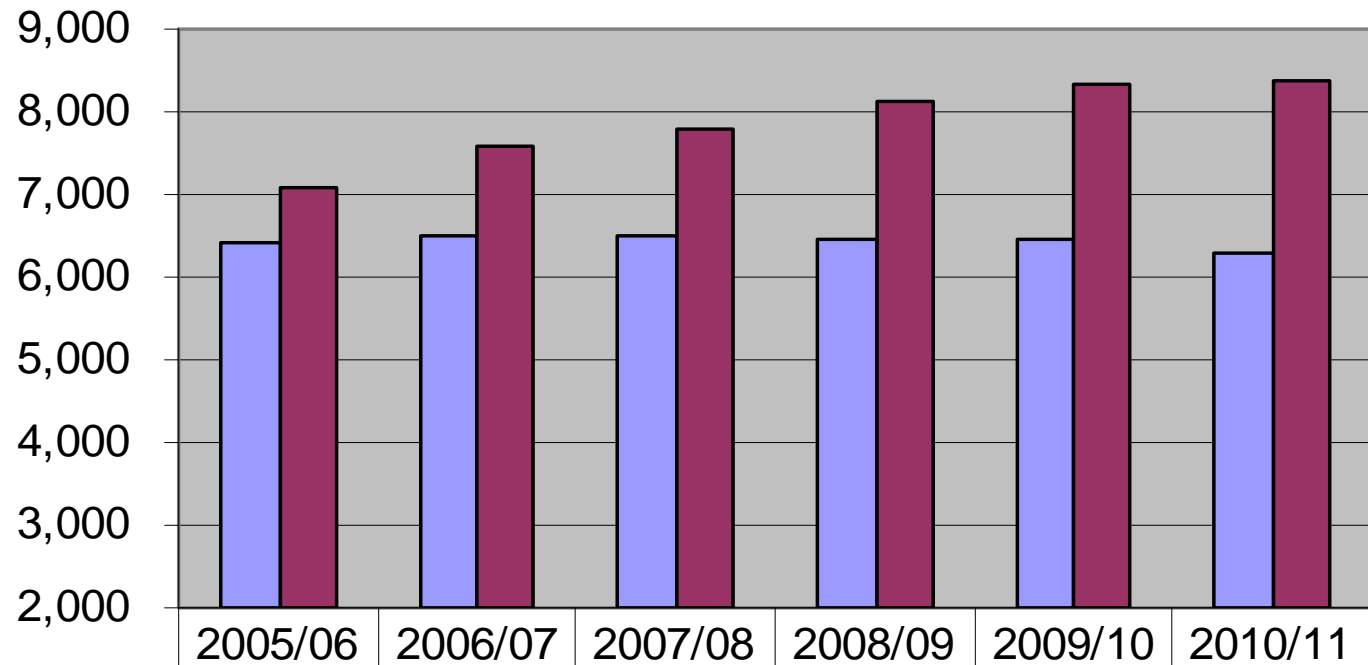
Ministry of Education as a Percentage of the Total Provincial Budget



Effect of Enrolment Decline on Per Pupil Block

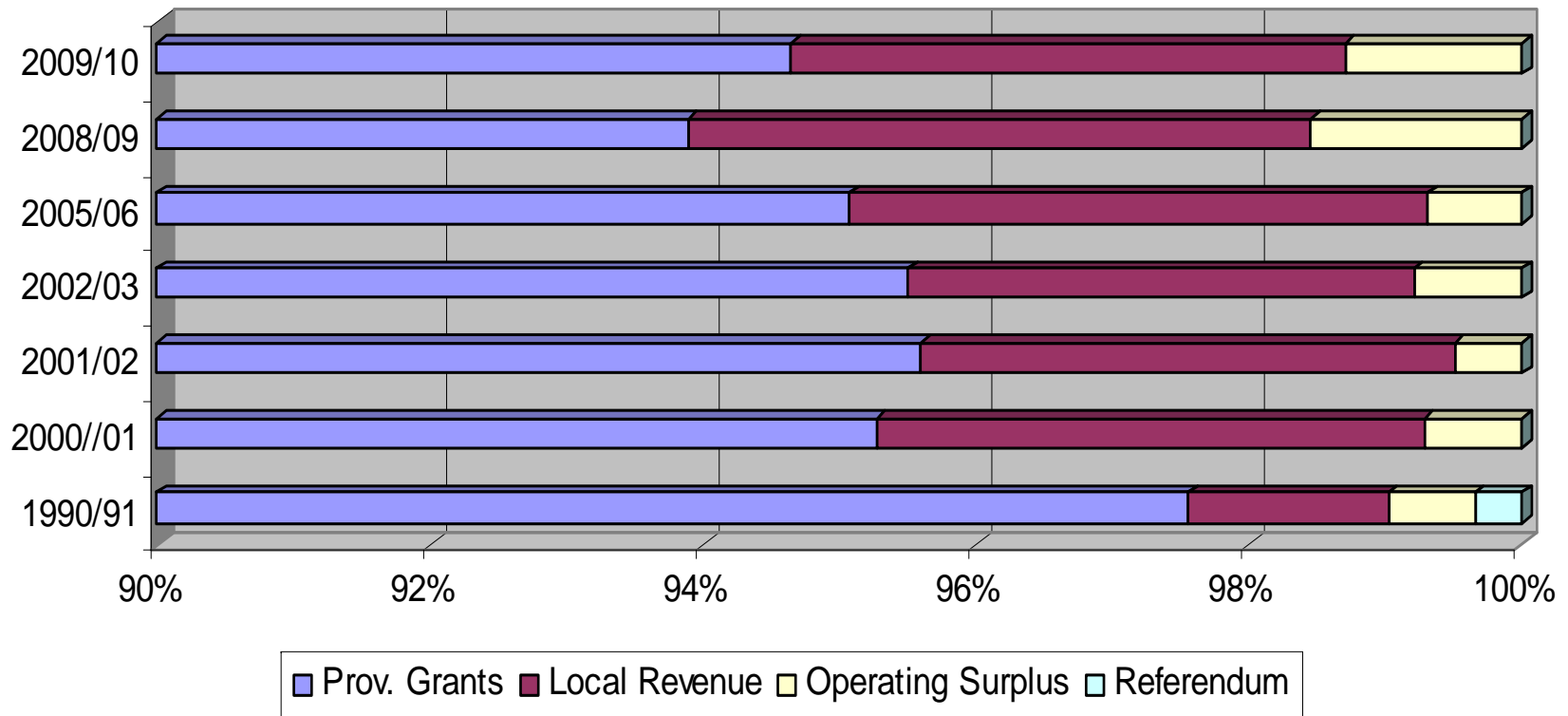


Comparison of Per Pupil funding

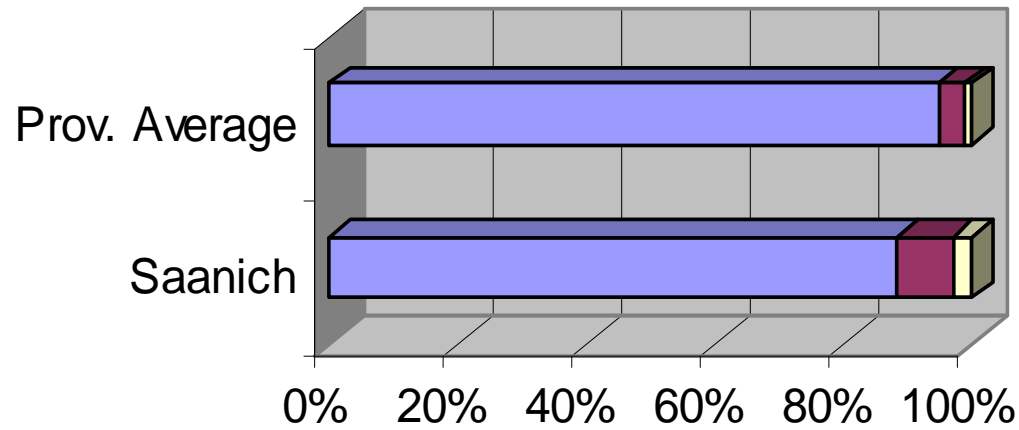


Adjusted for Cost Pressures	6,409	6,520	6,488	6,465	6,438	6,289
Block Per Pupil	7,097	7,584	7,811	8,118	8,318	8,381

All SD Budgeted Revenue Sources



Comparison of Funding Sources in 2009/10



	Saanich	Prov. Average
Reserves	3.20%	1.29%
Local Revenues	8.42%	4.06%
Provincial Grants	88.39%	94.65%

How Does Saanich Spend its Budget?

- ◆ In considering budget reductions, the Board will look first to budget areas that least impact the classroom and students.

	2009/10	2008/09	2007/08
1 INSTRUCTION			
Regular Instruction	35,689,352	37,318,462	35,818,740
Career Programs	669,513	857,429	843,562
Library Services	1,154,652	1,325,531	1,290,250
Counselling	744,732	769,045	736,489
Special Education	10,305,993	8,709,522	8,149,998
English as a Second Language	310,204	254,865	244,338
Aboriginal Education	735,965	551,752	536,596
School Administration	3,343,902	3,453,585	3,475,887
Off Shore Students	1,632,968	1,386,101	1,350,205
SIDES	6,413,080	5,886,849	5,939,167
Total Function 1	61,000,361	60,513,141	58,385,232
% of total budget	85.47%	85.70%	85.10%

Library and Counselling Programs

Comparison of Library Program Data Over Time

	2009/10	2008/09	2007/08	% Change
Funded Enrolment (Excluding Electronic Delivery)	7,067.75	7,167.63	7,218.00	-2.13%
Teacher Staffing	8.88	10.46	10.78	-21.40%
Support Staffing	7.74	7.89	7.67	0.89%
Budgeted Spending	\$1,154,652	\$1,323,363	\$1,290,250	-11.74%

Comparison of Counselling Program Data Over Time

Teacher Staffing	8.14	9.987	9.0135	-10.73%
Budgeted Spending	\$744,732	\$769,045	\$736,489	1.11%

Educator Staffing Over Time

	09/10	08/09	07/08
Operating Staffing (without SIDES)			
Administrators	34.00	34.00	35.00
Teachers	378.78	408.00	411.78
Total Educators	412.78	442.00	446.78
Student Educator Ratio	17.12	16.22	16.16
Student Teacher Ratio	18.66	17.57	17.53
District Staff Teachers	4.00	6.50	6.50
FTE Students - Ex Electronic Delivery	7,067.75	7,167.63	7,218.00

CUPE and Exempt Staff Over Time

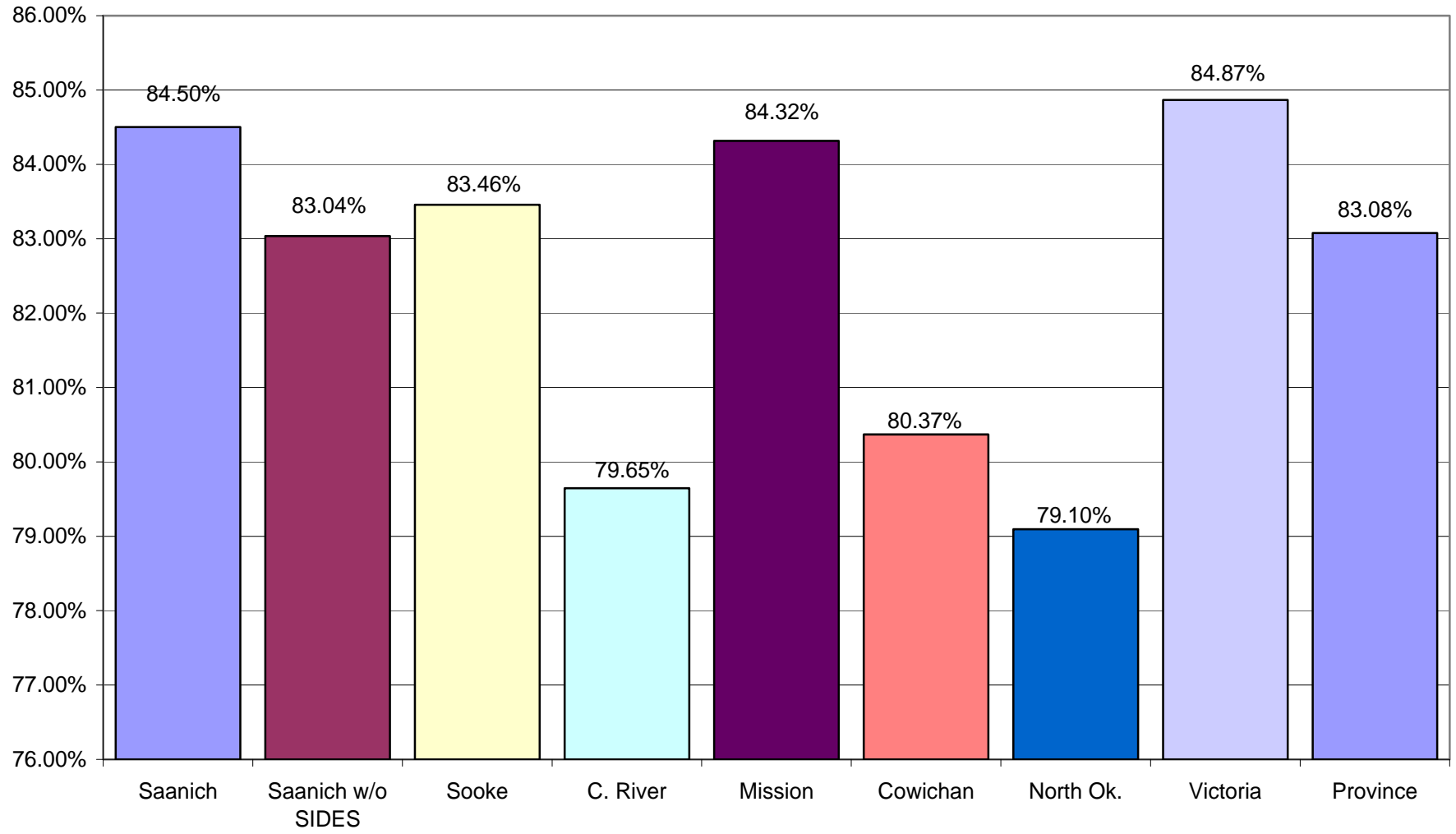
	09/10	08/09	07/08
CUPE:	283.53	282.74	279.59
Education Assistants	135.35	132.11	129.61
Clerical	58.47	60.66	59.77
Maintenance, Grounds, Custodial, Bus Drivers	89.71	89.97	90.21
Executive	4.00	4.00	4.00
Excluded and Executive	14.00	14.00	14.00
FTE Students - Ex Electronic Delivery	7067.75	7,167.63	7,218.00

Teacher Staffing Changes since 2004/05

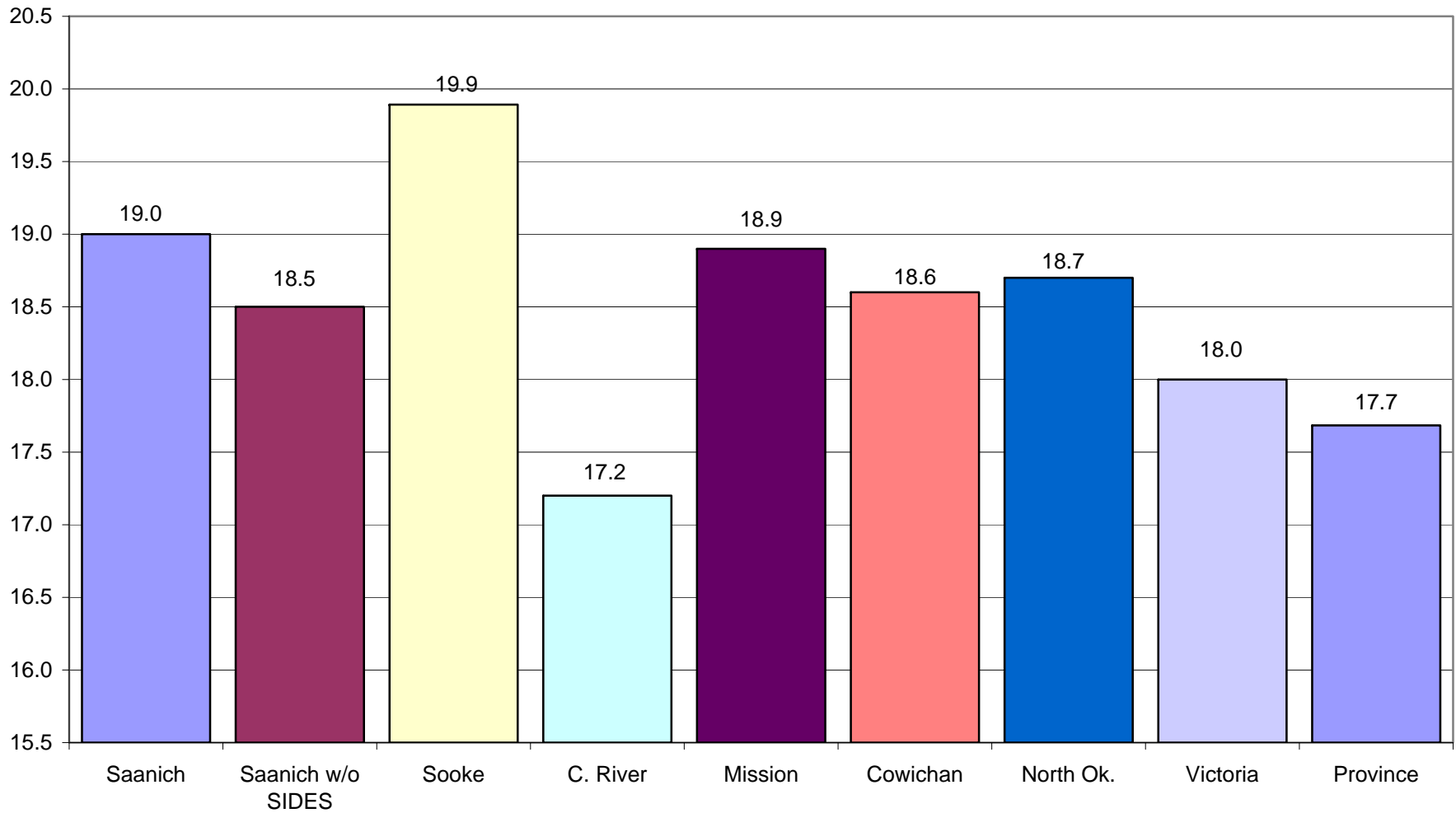
Summary

Enrolment Decline	(38.18)
School Closures	(1.90)
Class Size and Composition	7.00
Literacy, Numeracy, Arts	4.05
International	3.66
Instructional Support	2.20
Grad Portfolio	0.80
Structural Deficit Reductions	<u>(15.89)</u>
Total Change	<u>(38.26)</u>

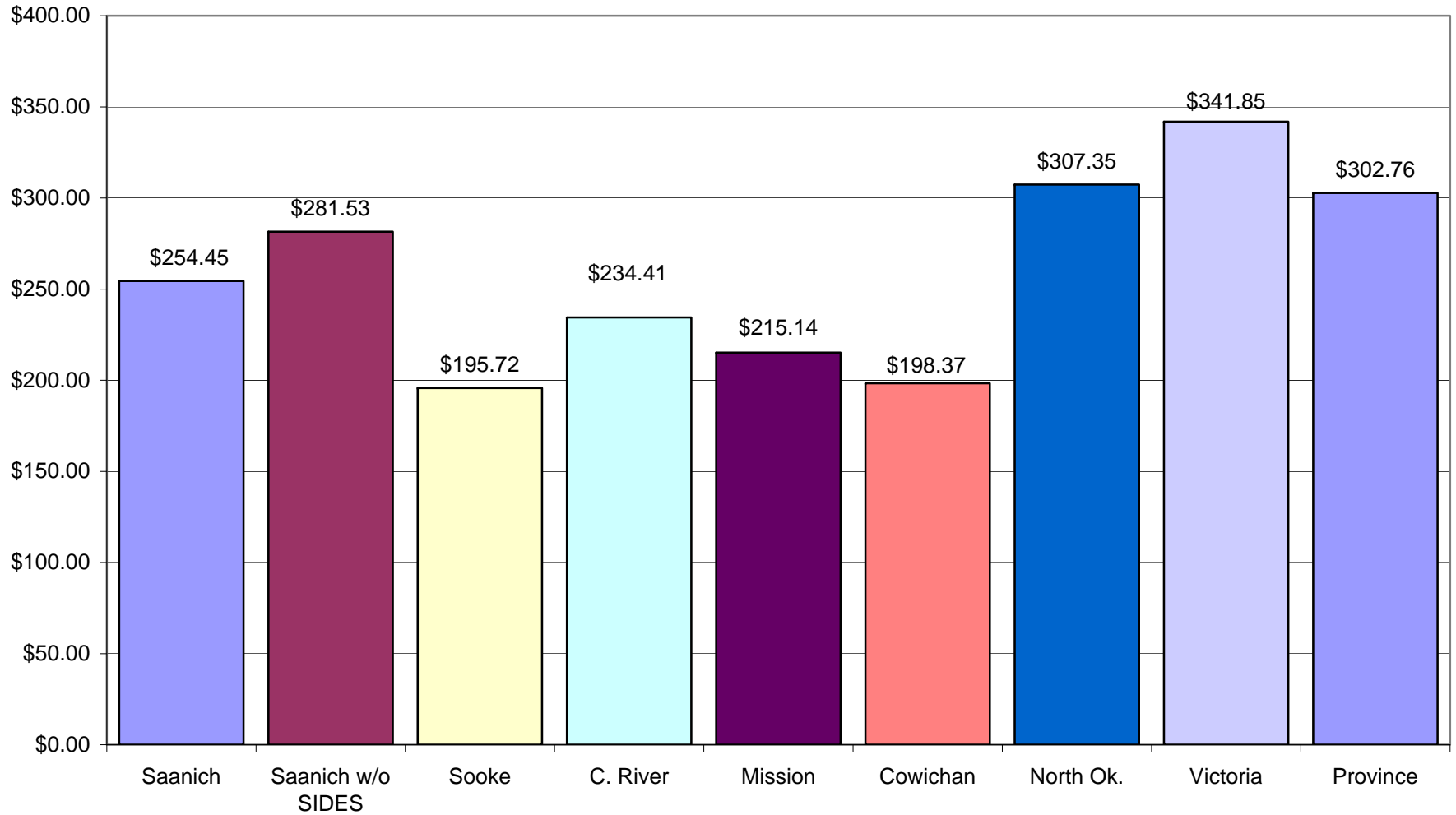
Function 1 Costs as a Percentage of the 2009/2010 Total Operating Budget



2009/2010 Student Educator Ratio



2009/2010 Classroom Supplies Per Student



How Does Saanich Spend its Budget?

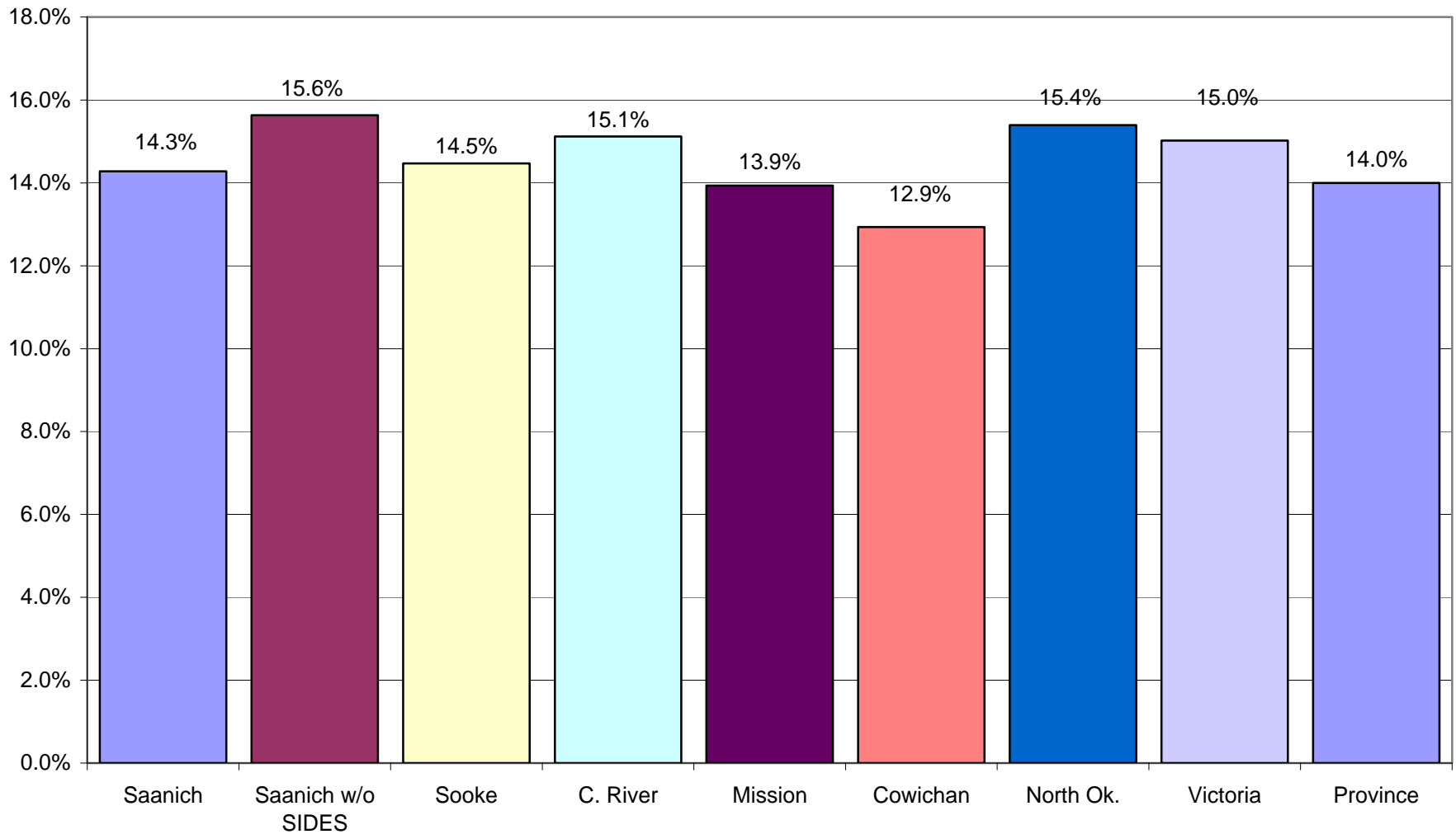
- ◆ Services for students with special needs will be supported in the most cost effective and cost efficient manner

Comparison of Special Education Budget Data Over Time

	2009/10	2008/09	2007/08
Funded Enrolment (Excluding Electronic Delivery)	7,067.75	7,167.63	7,218.00
Special Education Enrolment (Excluding Electronic Delivery)	877.00	829.00	843.00
Special Education Teacher Assistants Hours	3,715.00	3,479.82	3,296.56
Special Education Teaching Staff	44.08	46.30	47.86
Excluded Special Program Support Staff	6.80	6.80	6.80

	2009/10	2008/09	2007/08	2009/10	2008/09	2007/08
Special Education	10,305,993	8,709,522	8,149,998	14.44%	12.34%	11.88%
English as a Second Language	310,204	254,865	244,338	0.43%	0.36%	0.36%

2009/2010 Special Education as a Percentage of the Total Operating Budget



How Does Saanich spend its Budget?

- ◆ Services for First Nations students will be supported in the most cost effective, culturally appropriate and cost efficient manner.

Comparison of Aboriginal Education Data Over Time			
	2009/10	2008/09	2007/08
Students in Aboriginal Education	470.00	438.00	396.00
First Nations Assistant Staff	4.62	5.48	4.83
Specialist Teaching Staff	5.75	5.57	3.97
Targeted Funding	\$460,356	\$444,132	\$401,544

	2009/10	2008/09	2007/08	2009/10	2008/09	2007/08
Aboriginal Education	735,965	551,752	536,596	1.03%	0.78%	0.78%

How Does Saanich Spend its Budget?

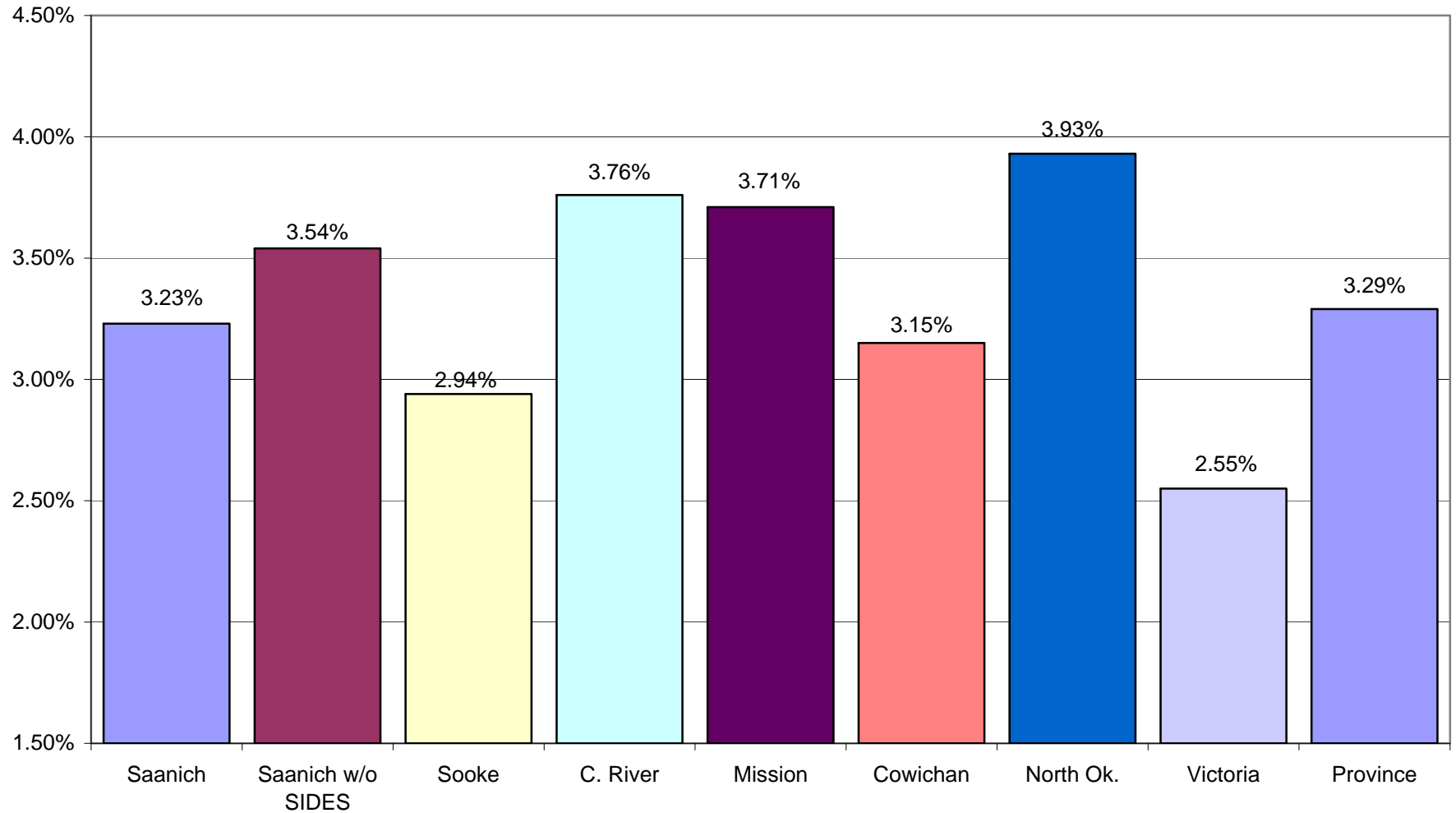
- ◆ Administrative Overhead Areas will be reviewed for possible reductions.

	2009/10	2008/09	2007/08	2009/10	2008/09	2007/08
School Administration	3,343,902	3,453,585	3,475,887	4.69%	4.89%	5.07%

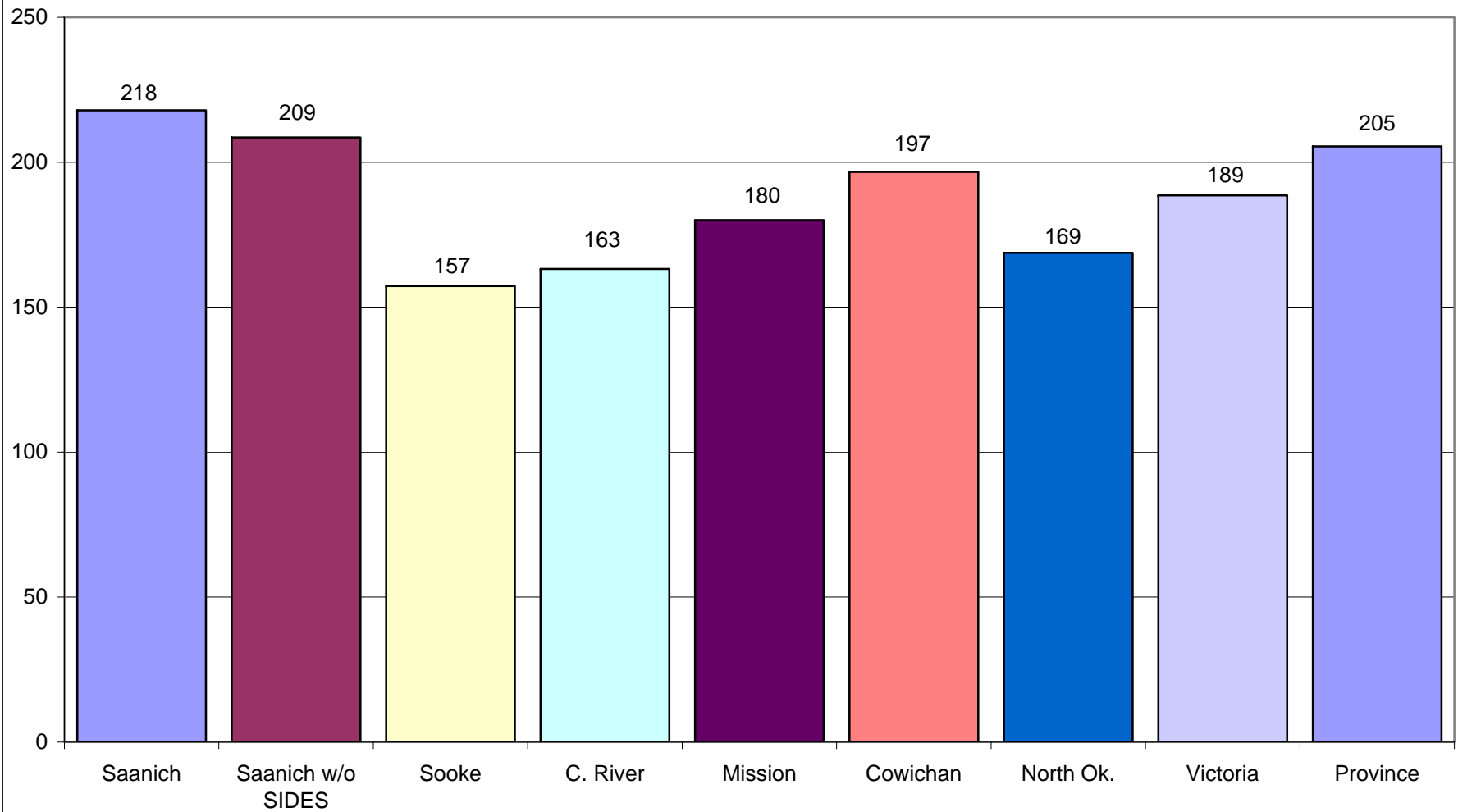
4 DISTRICT ADMINISTRATION	2009/10	2008/09	2007/08	2009/10	2008/09	2007/08
Educational Administration	671,619	638,167	631,664	0.94%	0.90%	0.92%
School District Governance	166,161	169,014	168,683	0.23%	0.24%	0.25%
Business Administration	1,443,647	1,421,624	1,447,818	2.02%	2.01%	2.11%
Total Function 4	2,281,427	2,228,805	2,248,165			

% of total budget	3.20%	3.16%	3.28%
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Board Office/ Central Administration Total Costs As Percentage of the 2009/2010 Total Operating Budget



2009/2010 Students Per Principal and Vice Principal FTE

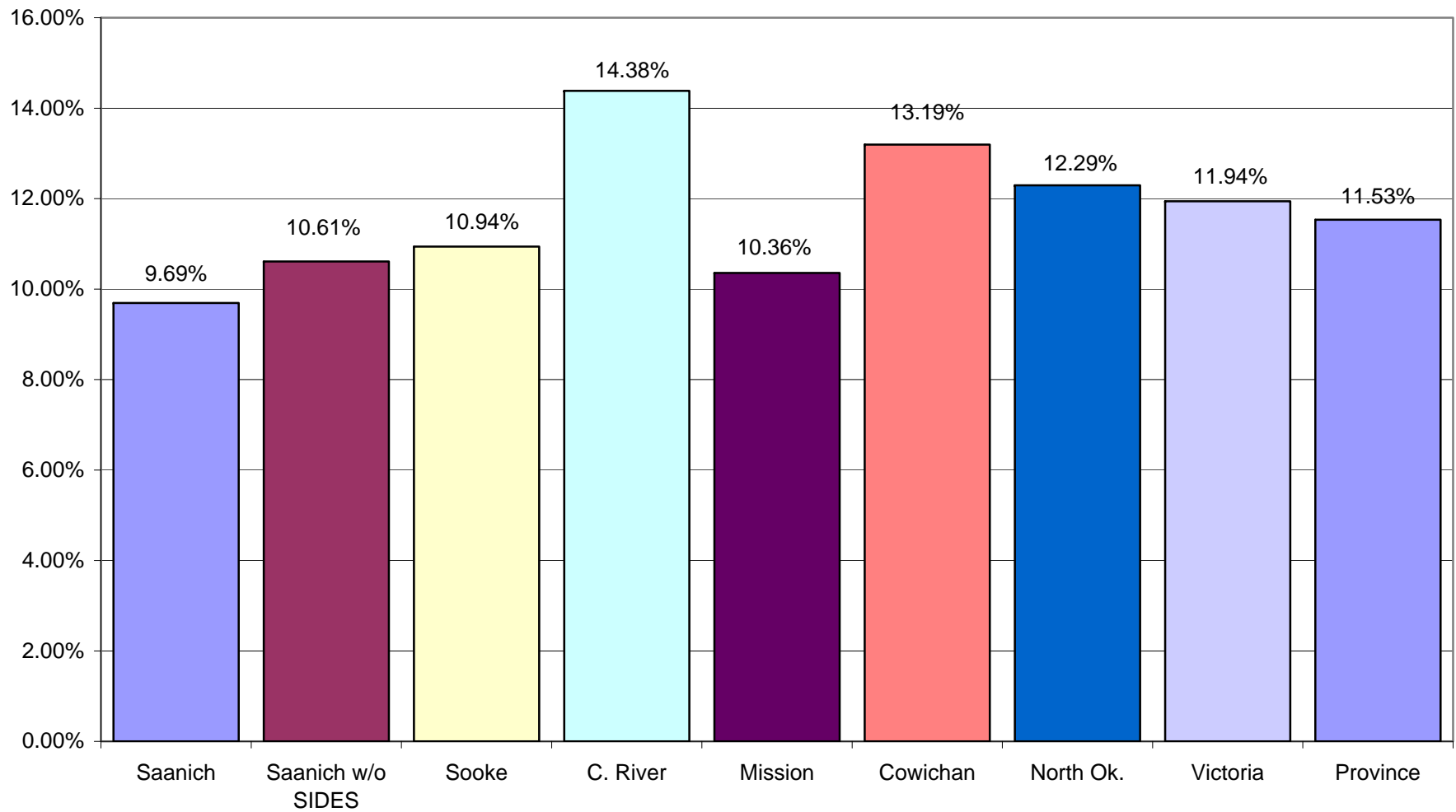


How Does Saanich spend its Budget?

- ◆ The Board will retain safe and healthy learning environments

Operations and Maintenance	2009/10	2008/09	2007/08	2009/10	2008/09	2007/08
Operations and Maintenance Admin	560,738	512,939	534,722	0.79%	0.73%	0.78%
Maintenance Operations	4,549,224	4,465,432	4,548,492	6.37%	6.32%	6.63%
Maintenance of Grounds	580,279	584,851	584,234	0.81%	0.83%	0.85%
Utilities	1,153,639	1,080,579	1,070,579	1.62%	1.53%	1.56%
Total Function 5	6,843,880	6,643,801	6,738,027			
% of total budget	9.59%	9.41%	9.82%			

Operations and Maintenance Percentage of the 2009/2010 Total Operating Budget

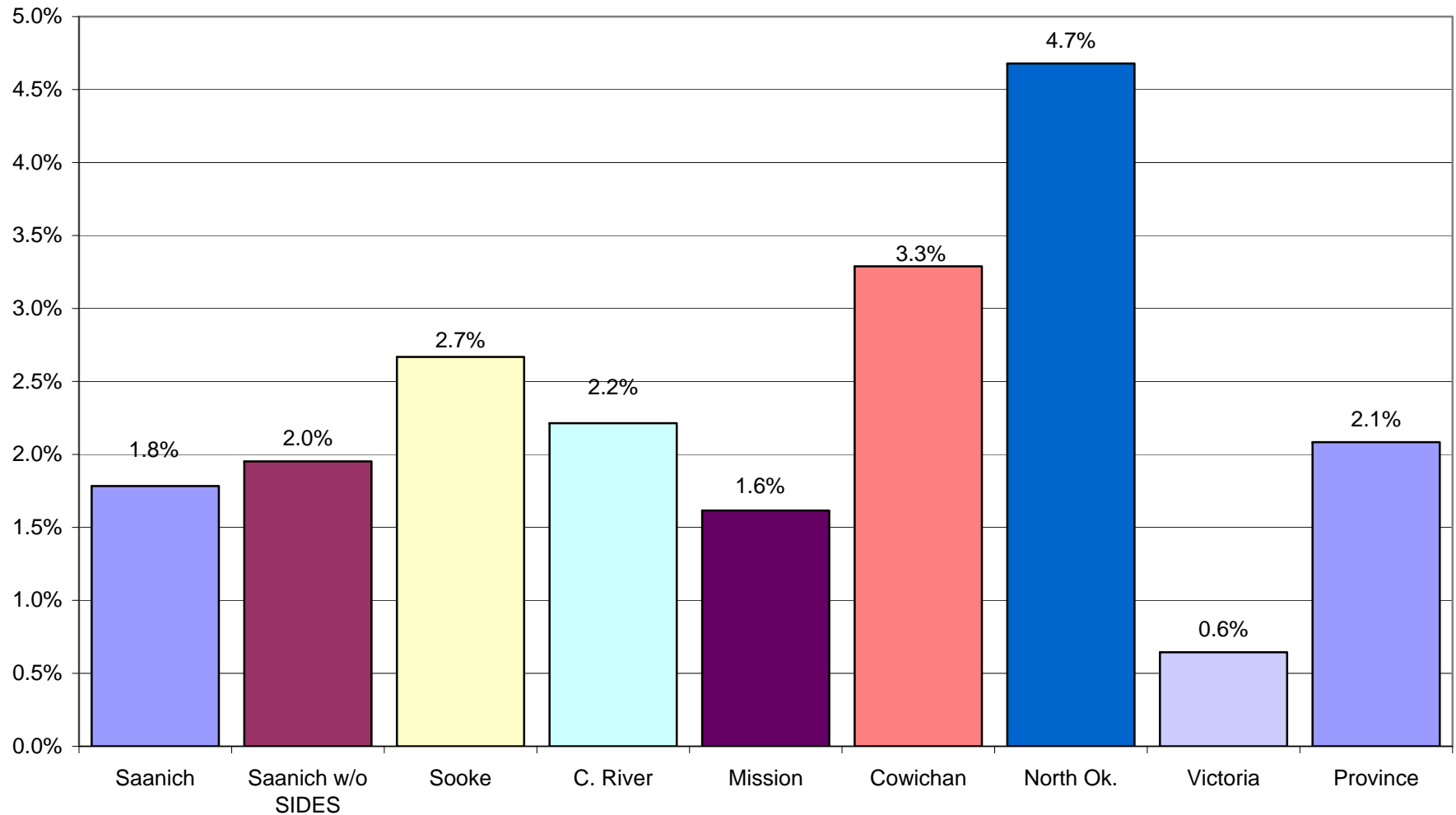


How Does Saanich spend its budget?

◆ Transportation

	2009/10	2008/09	2007/08	2009/10	2008/09	2007/08
Transportation and Housing Admini	104,057	95,973	92,149	0.15%	0.14%	0.13%
Student Transportation	1,137,386	1,124,988	1,143,479	1.59%	1.59%	1.67%
Total Function 7	1,241,443	1,220,961	1,235,628	1.74%	1.73%	1.80%
% of total budget	1.74%	1.73%	1.80%			

Transportation Costs as a Percentage of the 2009/2010 Total Operating Budget



Balance of Board Guiding Principles

- ◆ Early learning, community literacy, comprehensive school health and other new requirements will be provided to the degree that dedicated government grants and reserves are available (Reserves are available)
- ◆ Reserves, restricted or otherwise will be considered for possible budget offsets (available reserves are on reduction options list)
- ◆ The Board will respect the legislative commitment to free public education, paid for from general revenues, and will avoid imposing fees for learning experiences on parents or guardians (Current fee budget includes :
 - Special Education Life Skills \$ 24,219
 - Optional field trips \$ 75,000
 - Secondary course fee replacement \$118,820
 - Musical Instrument and value added \$ 25,935)

Balance of Board Guiding Principles

- ◆ Services will be reviewed to ensure support for sustainable, green operations including opportunities for cost recovery (Technology Plan and Energy Management Program funded by BC Hydro)
- ◆ The Board will continue to comply with collective agreement provisions but review to ensure administrative and cost efficiency (Change in Benefit Carriers)
- ◆ The Board will review the number, locations and use of facilities and the school calendar (Superintendent's report on alternative calendars and report on ILC locations and services)
- ◆ The Board will consider the impact of its budget decisions on the social and financial health of the community (Currently 600 staff live and work on the Peninsula and in 2008/09, the district spent \$18 million locally)
- ◆ The Board will review the implementation and implications of budget decisions.

Saanich has a structural shortfall?

- ◆ A structural shortfall is defined as
 - “A structural shortfall occurs when available revenue lags persistently and chronically behind that which is required to pay for the delivery of publically –mandated programs and services”
- ◆ The school district has utilized reserves to balance our budget since 2003/04 so we have a structural shortfall. We have not been able to maintain current services with currently available revenues without utilizing reserves that are quickly depleting.

How Did the District Build Up Reserves?

- ◆ Savings from School Closures \$462,000 per year for 05/06 and 06/07 ◆ \$ 924,000
- ◆ Unspent 2005/06 funding for 05/06 and 06/07 ◆ \$1,742,086
- ◆ Investment and Building Lease Revenue ◆ \$ 386,863
- ◆ International Program Revenue ◆ \$ 332,837
- ◆ Planned Reserve by 2006/07 to be Utilized in 2008/09 ◆ \$3,385,786

Operating Reserve History (without dedicated grants)

◆ 2003/04	\$1,766,396
◆ 2004/05	\$2,142,874
◆ 2005/06	\$4,552,258
◆ 2006/07	\$6,822,416
◆ 2007/08	\$6,314,778
◆ 2008/09	\$3,488,327
◆ 2009/10	\$1,002,313

2009/10 Reserve Balance

◆ Schools	\$341,345
◆ COPACS	4,279
◆ Capital/Equipment	410,403
◆ BCeSIS/IT	246,286
◆ Total Reserved	\$1,002,313

Reserves Utilized in 2009/10

- ◆ Decision to use Reserves rather than mid-year reductions. Reserves available due to savings in replacement staff, utilities and benefits in 2008/09.
- ◆ One time reserves used to pay for on-going operating costs result in reductions needed in 2010/11 for:

– Medical Services Premiums	\$ 83,492
– Enrolment Costs	530,545
– Equipment	350,000
– Carbon Tool and Energy	86,560
– Class Size	100,000
– Planned use of Reserves	<u>414,566</u>
– TOTAL	\$1,565,163

2010/11 Cost Pressures

◆ Cost Pressures caused by decisions outside of the control of the Board:

– Medical Services Premiums	\$55,662
– Teacher Salary Increases	609,113
– Teacher Pension Rates	311,464
– CUPE Trades Premium	65,520
– HST	102,289
– WCB Rate Increase	28,551
– Carbon Offset tax	83,644
– BC Hydro rate increases	26,348
– BCeSIS licensing	80,000
– Total Pressures	\$1,362,590

March 2nd Provincial Budget: Expected Revenue Changes

- ◆ Increased Funding for Per Pupil Increase-Teacher Salary Cost \$707,556
- ◆ Offset loss of Enrolment Decline grant for FDK \$316,031
- ◆ Estimated Loss of Funding for Allocation System Changes (\$300,000)
- ◆ Net Change \$723,887

Change in Funding to Saanich from the Province with Allocations

- ◆ Expecting between \$723,000 and \$1.023 million
- ◆ Formula Changes negated the funding expected for full day K and teacher salary increases
- ◆ Net Zero funding Change between 2009/10 and 2010/11

Funding Change between 2009/10 and 2010/11

◆ Grants from the Province:	
◆ Enrolment Decline	(\$825,162)
◆ Teacher Salary	707,556
◆ Full Day Kindergarten	702,120
◆ Formula Change	(767,924)
◆ Funding Protection	<u>183,410</u>
◆ Net Change	0

Funding Change between 2009/10 and 2010/11

- ◆ Change in Prov. Grant 0
- ◆ Shortfall-Enroll Decline (\$ 30,586)
- ◆ Loss of Director fees (50,000)
- ◆ Loss of Interest Revenue (250,000)
- ◆ HST on Bus Fees (26,785)

- ◆ Net reduction in Revenue (\$357,371)

Final Summary of Shortfall

◆ Revenue Decline	\$357,371
◆ Cost Pressures	1,362,590
◆ Enrolment Pressures	57,391
◆ Loss of Reserves	<u>1,565,163</u>
◆ Total Structural Shortfall	\$3,342,515

Summary of Structural Shortfall

Summary of Change in Funding and Costs between 2006/07 and 2010/11:

Saanich has faced the following cost pressures between 2006/07 and 2010/11 as a result of contractual agreements negotiated provincially, new program mandates, legislated class size, increasing student population with needs of:

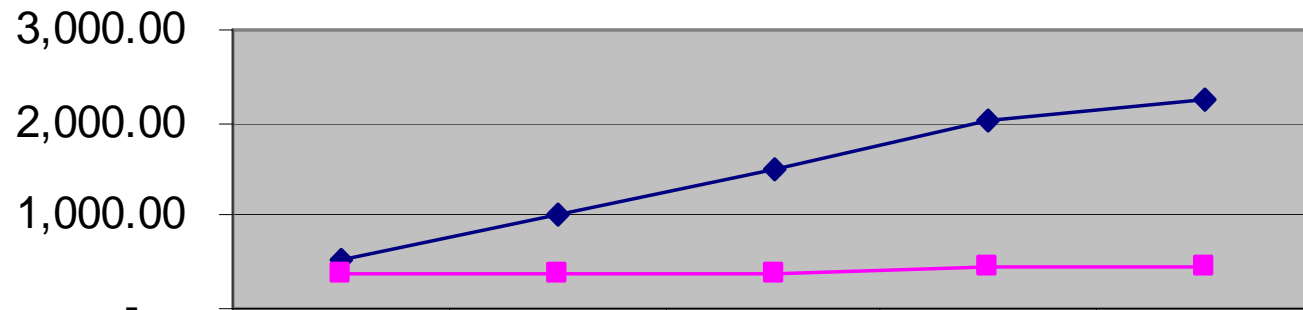
Contractual Salary and Benefits	11,920,381	
New Program Mandates	1,057,702	
Class Size and Composition Requirements	631,922	
Special Needs	805,915	
Carbon Tax, H1N1, HST, Utilities, BCeSIS	336,552	
Supplies and Equipment	339,373	
School Clerical, HR and Info tech staffing	349,545	
International Program Costs	286,113	
Total Increased costs		15,727,503
Government grant increases net of enrolment decline		(3,212,415)
Board made reductions for enrolment decline (30.69 FTE teachers)		(2,635,210)
NET Shortfall after Government funding and Enrolment Decline		9,879,878

Summary of Structural Shortfall

NET Shortfall after Government funding and Enrolment Decline		9,879,878
Board of Education Decisions to address the Shortfall:		
School Closure savings (4 years)		(1,886,000)
New local revenues of international, facility leases, bus fees		(1,651,450)
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)
Net Structural Shortfall for 2010/11		3,342,515

Comparison of Provincial Funding and Costs over Time

Comparison between Cost Pressures and Government Funding



	2006/07	2007/08	2008/09	2009/10	2010/11
◆ Cost Increase per Pupil	523.79	1,002.09	1,511.13	2,024.33	2,245.17
■ Government Funding Increase	361.48	373.36	375.98	454.52	458.59

2010/11 Reduction Options

◆ Administration Reductions:

- | | |
|---------------------------------|------------------|
| – District Office (4.55%) | \$130,000 |
| – Professional services | 25,000 |
| – Admin. Of Benefits | <u>75,000</u> |
| – Total | \$230,000 |
| – Or 6.11% of Reduction Options | |

◆ **Employee Benefits** **\$500,000**

- Or 13.28% of Reduction Options

2010/11 Reduction Options

◆ Physical Plant/Information Technology

– Trades staff to Seismic	\$104,416
– Technology staff to Local capital	\$ 92,789
– Portables Moves	<u>\$ 28,000</u>
– Total	\$225,205
– Of 5.98% of Reduction Options	

2010/11 Reduction Options

◆ Student Services

– Occupational Therapist	\$27,000
– Speech and Language Path.	\$35,000
– Vision	\$ 8,500
– Hearing	\$ 8,500
– Outreach and Homebound	\$25,500
– Elementary Counselling	\$42,500
– Education Assistant Time	\$126,938
– Learning Assistance	<u>\$119,000</u>

– **Total** **\$392,938**

– Or 10.43% of the reduction options

2010/11 Reduction Options

◆ Schools:

– Optional Field Trip and Musical Instru.	\$100,000
– Supplies and Services	253,808
– School Clerical	62,085
– Target Reading	85,000
– Library	161,500
– Career Program Supplies	30,000
– School Admin.	59,500
– Middle & Secondary Non-Enrolling Teachers	382,500
– Secondary Enrolling Teachers	<u>182,920</u>
– Total Schools and All Students	\$1,317,313
– Or 34.97% of the Reduction Options	

2010/11 Reduction Options

◆ Other

– Reserves	\$600,000
– International Students	\$345,000
– District Support Teachers	\$ 76,500
– School Calendar	<u>\$ 79,500</u>
– Total Other	\$1,101,000
– Or 29.23% of the Reduction Options	

◆ **Total Reduction Options \$3,766,456**

Staffing Summary

- ◆ Teachers 13.05 FTE or 3.17%
- ◆ Support 8.15 FTE or 2.72%
- ◆ Other 2.10 FTE or 6.48%

2010/11 Budget

- ◆ Estimated Shortfall \$3.4 million
- ◆ Reduction Options \$3.77 million

Questions/Considerations

- ◆ 1. What has not been considered in terms of options or impacts to the system?
- ◆ 2. What options “layer” or relate to each other and cause greater impact in combination?
- ◆ 3. Further advice to the Board-e-mail to budget@sd63.bc.ca or attend the public budget meeting on April 21st at 7:00 p.m. at Bayside Middle School