



School District No. 63 (Saanich)

**2010/11 Budget Backgrounder - After Board Decisions**

On May 12, 2010, the Board of Education approved budget reductions of \$3.416 million to submit a balanced budget pursuant to the School Act. The reductions are a balance of \$2.014 million in overhead and administration and \$1.402 million in programs and services in schools for student programs. These reductions are especially significant as they follow 2009/10 reductions of \$3.6 million.

The Board previously asked the Minister of Education for \$1.6 million to avoid the reductions that affect students but that request was denied. The Board also approved to submit a needs budget that reflects a deficit of \$1,402,075 due to the Board’s commitment to sustaining services closest to the classroom.

**1. SUMMARY OF 2010/11 REDUCTIONS IN PROGRAMS AND SERVICES**

**A. Administration and Overhead Reductions**

**The Board approved Administration and Overhead Reductions of \$2,013,574:**

	<b>Dollars</b>	<b>Subtotal</b>
<b>Administration Reductions:</b>		
District Office Re-organization (4.55% of the District Office Admin. Budget)	122,338	
Professional Services in Secretary-Treasurer's Office	25,000	
Administration of Employee Benefits	75,000	
		222,338
<b>Employee Benefit Costs - minor changes to benefits</b>	<b>500,000</b>	<b>500,000</b>
<b>Physical Plant and Information Technology:</b>		
Facilities Department-Move two trades to Non-Structural Seismic Information Systems Department-Charge Technical Staff to Tech Plan	138,136	
Portable Moves	116,927	
	28,000	
		283,063
<b>Other</b>		
Reserves-Reduce NSMS equipment and Director fees	400,000	
Reserves-Reduce BCeSIS	200,000	
Increase International Student Numbers and District share of revenue	408,173	
		1,008,173
<b>Subtotal Overhead and Administrative Reductions</b>		<b>2,013,574</b>

**B. Programs and Services**

In addition, the Board approved reductions to programs and services of \$1,402,075:

	<b>Dollars</b>
Outreach & Homebound Teacher (from 0.70 to 40 FTE)	\$ 26,293
Elementary Counselling (from 1.30 to 0.80 FTE)	43,822
Education Assistant Time (from 105.43 to 103.43 FTE or 3,690 to 3,620 hours per week)	52,880
Learning Assistance .10 per school (from 15.30 to 14.60 FTE)	61,350
Optional Field Trip and Musical Instrument Support (User Pay)	100,000
10% Supplies and Services - schools	203,806
10% Supplies and Services - district office	35,176
10% Supplies and Services - International	41,050
School Clerical Time Reduce balance of increase in 2007/08 (from 25.06 to 23.08 FTE)	63,558
Reduce Career Program Supplies by 32%	61,354
School Administration Time 3% Reduction (from 25.33 to 24.63 FTE)	87,237
Middle and Secondary Non-Enrolling Teachers (from 45.518 to 41.018 FTE)	394,407
Secondary Enrolling - reduce by 2.152 FTE	188,614
District Support Teachers for Literacy and Numeracy (from 1.70 to 0.80 FTE)	78,879
Contingency	(36,350)
<b>Subtotal Reductions to Schools and Programs for Students</b>	<b>1,402,075</b>

**C. Reductions to Staffing**

The Summary of Reductions to Staffing as a result of this budget is:

<b>Teachers:</b>			
School Administration	0.700		
Student Services	0.800		
District Support Services	0.900		
Learning Assistance	0.700		
Secondary Enrolling	2.152		
Middle and Secondary Non-Enrolling	4.500		
<b>Total</b>	<b>9.752</b>	<b>2.37%</b>	<b>of Teaching Staff</b>
<b>CUPE Staff</b>			
Clerical at District Office	0.170		
Education Assistant Time	2.000		
Career Programs	0.714		
School Clerical	1.980		
	<b>4.864</b>	<b>1.62%</b>	<b>of CUPE Staff</b>
<b>Other Staff</b>	<u>1.400</u>	<b>4.32%</b>	<b>of Other Staff</b>
<b>Total Staff Reductions</b>	<u><u>16.016</u></u>		

3. **BOARD BUDGET GUIDELINES**

In keeping with its guidelines, the approved 2010/11 annual operating budget will retain the percentage of the budget for instruction and reduce the percentage of the budget spent on district administration:

<b>Expenditures</b>	<b>2010/11 Budget With approved Reductions</b>	<b>% of Budget</b>	<b>2009/10 Amended Budget</b>	<b>% of Budget</b>
<b>Instruction</b>	59,835,174	85.54%	61,013,856	85.49%
<b>District Administration</b>	2,127,840	3.04%	2,284,418	3.20%
<b>Operations and Maintenance</b>	6,743,311	9.64%	6,827,395	9.57%
<b>Transportation</b>	<u>1,243,061</u>	<u>1.78%</u>	1,241,443	1.74%
<b>Total Expenditures</b>	<b>69,949,386</b>	<b>100.00%</b>	<b>71,367,112</b>	<b>100.00%</b>

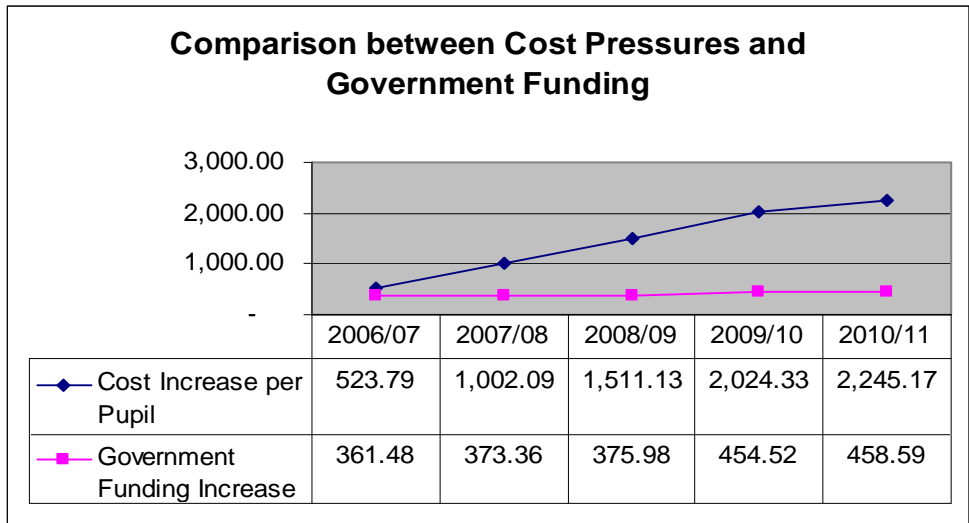
**4. HISTORICAL BACKGROUND ON THE BUDGET POSITION IN SAANICH:**

The Board of Education has asked why Saanich has a structural shortfall after 13 years of around \$1 million reductions per year and \$3.6 million in 2009/10. District staff have reviewed the budget position since 2000/01 and compared the changes in funding and costs between 2000/01 and 2010/11:

- The cost of delivering public education in Saanich increased \$33.76 million or 64.72%  
Government Grant Funding to Saanich increased \$13.20 million or 27.03%  
Reduced costs from Enrolment Decline by (\$6.89 million) or 13.20%%
- Leaving a shortfall that the school district needed to manage of \$13.67 million
- The School District:
 

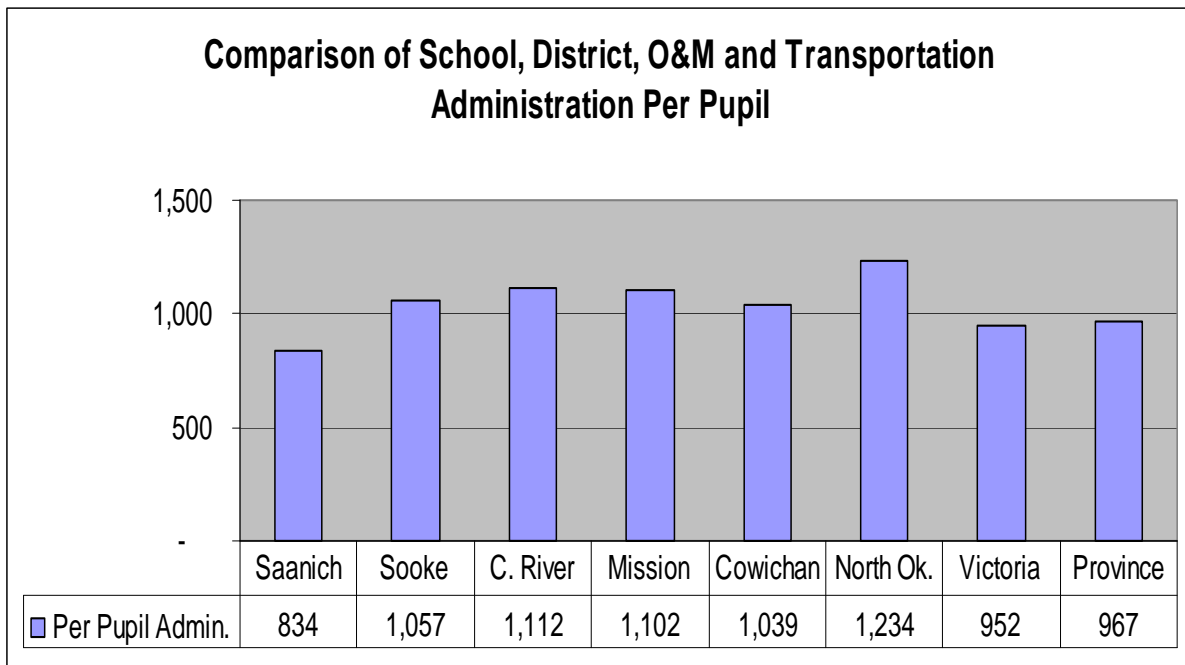
Increased local revenues by	(\$2.654 million)
School Closure savings of	(\$1.886 million)
Reduced Programs and Services by	(\$7.352 million)
2009/10 Reserves no longer available	<u>\$1.565 million</u>
- Leaving a shortfall in 2010/11 of \$3.343 million

When looking at the net structural shortfall for 2010/11 on a per pupil basis between 2006/07 and 2010/11, the need to adjust programs and services to pay for the cost pressures is clear.



**5. ADMINISTRATION REDUCTIONS**

Within the reduced programs and services, district administration staffing has been reduced by 21% since 2000//01 with an enrolment decline 21.49%. The budget for district administration, school administration, operation and maintenance of buildings and transportation administration is 9.19% of our budget which is less than the provincial average of 10.8% and compares favourably on a per pupil basis at \$834 versus a provincial average of \$967.



**Shared Services**

Saanich School District has been involved in shared services for many years. The district belongs to a joint purchasing group with the other lower island school districts, municipalities and post secondary institutions. Consequently, we do not have a purchasing department or purchasing staff. When we need this expertise, we use Victoria school district. As well, we have recently signed a contract with Kelowna school district to manage our Workers Compensation program and as such have reduced our Occupational Health and Safety staff. Our financial and payroll systems are provided by a company that also services over half the school districts in the province and therefore we share in the cost of system improvements. Our distance education school belongs to a consortium with eight other school districts to share in the cost of program development and systems. The lower island school districts along with Camosun College are in partnership to manage apprenticeship programs. The lower island school districts also share in the cost of the Reading Recovery program in our elementary schools.

With our local municipalities we share in all the facilities and grounds for community use.

**6. 2010/11 STRUCTURAL BUDGET SHORTFALL:**

**A. 2010/11 Declining Revenues:**

Government has increased public education funding by \$112 million in the recent provincial budget to fund the cost of the provincially negotiated July 1, 2010 teacher salary increase and the cost of full day kindergarten. Government also implemented changes to the funding allocation formula which offset all of the increases and netted a provincial grant increase of zero dollars. This was a significant disappointment to Saanich. The result is a net estimated decrease in revenues of \$175,019 as follows:

Funding for Salary Increase	\$ 707,556
Funding for Full Day Kindergarten	702,120
Loss from Formula Changes	(767,924)
Enrolment Decline	(825,162)
Funding Protection	183,410
Loss of Interest Revenue	(250,000)
Other Revenue Changes	<u>105,567</u>
<b>Net Revenue Loss</b>	<b><u>(\$175,019)</u></b>

**B. Increasing Cost Pressures-Outside of Control of Boards of Education:**

Medical Services Premium Increases	\$ 62,502
Teacher Salary Increase	653,389
Estimated Increasing cost of PST due to introduction of HST	121,736
Teacher Pension and Benefit Costs	338,370
ILC Sidney	30,000
WCB Rate Increase	29,642
Carbon Tax Reporting and Offsets	83,644
BC Hydro Rate Increase	26,348
BCeSIS Licensing Fees	<u>80,000</u>
<b>Total Cost Pressures</b>	<b><u>\$1,425,631</u></b>

**C. Summary of 2010/11 Shortfall**

Reduced Revenues	\$175,019
Increasing Costs	1,425,631
Costs for International and Distance Education Programs	300,853
Reserves used in 2009/10 unavailable in 2010/11	<u>\$1,514,146</u>
<b>Total Shortfall</b>	<b><u>\$3,415,649</u></b>