



**BOARD OF EDUCATION OF
SCHOOL DISTRICT NO. 46 (SUNSHINE COAST)**

SPECIAL MEETING AGENDA

June 18, 2014

2:00 p.m. at the School Board Office, Gibsons, B.C.

1. Call to Order
2. Adoption of the Agenda
3. Administrative Savings Plan Amendment..... Pgs. 2-9
4. Questions and Enquiries from the Public Relating to the Board Meeting
5. Next Meeting
The next public board meeting will be held on September 8, 2015
6. Adjournment

**REPORT TO THE BOARD OF EDUCATION
OF SCHOOL DISTRICT NO.46
(SUNSHINE COAST)**

Secretary-Treasurer's Report
June 18, 2015

Administrative Savings Plan Amendment

The school district has been advised that the Administrative Savings Plan presented to the Operations Committee on May 20, 2015 does not fit ministry requirements.

In that plan, the district indicated that we expect to see \$30,000 per year in Investment Income (F1) to be applied as savings in both the 2015/16 and 2016/17 years. We have since been advised that increased investment income can only be included in the savings plan for 2015/16. The ministry has indicated that, "[it] is expected that beyond 2015/16, the investment practices will already be in place. Also, with fluctuating interest rates it would not be prudent to count on increased investment income beyond 2015/16."

To correct this error, we have amended the plan to include an additional \$30,000 to the Operational Review strategy (O1) for the 2016/17 year, for a total of \$59,500. The specific form of these operational savings will be determined through the budget process for 2016/17.

Administrative Savings Plan

For Fiscals 2015/16 and 2016/17 (Year Ending June 30)

INTRODUCTION

The purpose of this document is provide school districts with instructions and parameters for Administrative Savings Plan development. The template is an example only. To allow for timely review and approval, please submit your Administrative Savings Plan no later than **JUNE 30th**.

QUESTIONS?

Contact Ian Aaron at Ian.Aaron@gov.bc.ca or Deb Fayad at Deborah.Fayad@gov.bc.ca.

CONTACT INFORMATION:

Completed Savings Plans should be submitted to Ian Aaron at SDFR@gov.bc.ca. **Administrative Savings Plans** will be reviewed and you will be contacted should any follow up be requested.

GUIDING PRINCIPLES:

The first priority for school districts will be to **balance their budget**. As part of establishing strategies to balance the budget, which may include use of accumulated surplus, and comply with legislated requirements (such as Aboriginal Education targeted spending, Learning Improvement Fund, etc.), districts will formulate their Administrative Savings Plan.

School districts retiring prior year deficits with agreed upon deficit reduction strategies must include those reductions in the 2015/16 Operating Budget, but not include them in the Administrative Savings Plan. Overall, the budget will be adjusted to pay for the deficit

Measures of savings must be real, measurable and incremental to other savings or reduction targets that have already been identified. This is to avoid double counting of savings.

School districts will have considerable flexibility in developing their savings plans, with the expectation that savings are to be confined to non-instructional budgets and will not impact the classroom.

One-time savings may be used as a one-time 'bridging' mechanism until ongoing savings are realized. Use of accumulated operating surplus may be used as a one-time bridging only for 2015/16.

TEMPLATE INSTRUCTIONS

Detailed calculations must be shown (not just cell totals) for each cost/savings item.

Please include historical data to provide evidence of base assumptions that support calculations: e.g. If savings are being derived from a reduction in over-time, 2-3 years of historical data should be shown to demonstrate a trend in overtime to provide evidence for the

Please include multi-year changes (costs and savings) to be captured in one tab in order to demonstrate cumulative calculations.

As per above, please show incremental and cumulative calculations for BOTH savings and costs to demonstrate that savings are sufficient to offset ongoing costs.

For those savings/costs that are ongoing, costs and associated savings should be projected for outer years (2-3 years).

Compensation savings and costs must be demonstrated on a total compensation basis: wages, wage-impacted benefits, non-wage impacted benefits. Please separate these individually.

If Administrative Savings Plan includes increased revenue from investment income, increased income must be above base amount budgeted for in 2015/16 Annual Budget. Increased investment income can only be included on Savings Plan for 2015/16. It is expected that beyond 2015/16, the investment practices will already be in place. Also, with fluctuating interest rates it would not be prudent to Administrative savings may go beyond items categorized for financial statement purposes as Programs 1.41, 5.41, and 7.41; as well as

Service Delivery Project (ie. Deloitte Report) initiatives should be entered into the Administrative Savings Plan in whichever initiative grouping fits best. ie. Benefits, Finances, Operations, and Staffing.

Shared service type initiatives such as Telus voice, group purchasing, or other similar initiatives are eligible administrative savings initiatives.

School districts retiring prior year deficits with agreed upon deficit reduction strategies must include those reductions in the 2015/16 Operating Budget, but not include them in the Administrative Savings Plan. Overall, the budget will be adjusted to pay for the deficit retirement and for the administrative savings target.

First priority for school districts will be to balance their budget. As part of establishing strategies to balance the budget, which may include use of accumulated surplus, and comply with legislated requirements (such as Aboriginal Education targeted spending, Learning Improvement Fund, etc.), districts will formulate their Administrative Savings Plan.

REPORTING/ATTESTATION

At the conclusion of each quarter, each school district will be expected to report on whether they are on track to achieve noted savings and whether there are any material changes to the Administrative Savings Plan.

Administrative Savings Plan For Fiscals 2015/16 and 2016/17 (Year Ending June 30)

MENU

The following is intended to provide you with a list of potential areas for savings that could be used towards the Administrative Savings Target. The list is not exhaustive, nor is it intended to suggest that you seek savings in every - or even a majority - of areas. Potential savings at the local level will vary from one school district to the next.

Initiatives	Considerations
Benefits	
Expenses and per diem rates/policy not set out in collective agreements.	Adjustments to policies and rates resulting in savings.
Reduce part-time and job shares.	Can be through attrition or reduction.
Benefit restructuring where not governed by collective agreements.	
Finances	
Accumulated Operating Surplus	May be used as a one-time bridging mechanism <u>only</u> for 2015/16.
Cash management <ul style="list-style-type: none"> < Increased interest earnings < Negotiation of more favourable interest rate < Negotiation of more favourable banking charges 	Increased investment income must be above base amount budgeted for in 2015/16 Annual Budget. Increased investment income can only be included on Savings Plan for 2015/16.
Increase international student revenue	Enrolment or fee adjustments – assumptions/ calculations of anticipated enrollment levels must be evidenced-based.
Initiate/expand purchasing card usage	This can be done on an individual, regional or provincial basis (shared service).
Operations	
Travel	Reduce overall budget, increase usage of alternative meeting arrangements
Transportation reduction or user fees	
Discretionary spending — supplies, electronics	As per guiding principles
Infrastructure restructuring	As per guiding principles
Group purchasing	As per guiding principles
IT / Communications (ie. print management, Telus voice, etc.)	As per guiding principles
Professional fees / services - Reduce contracting costs for various professional services.	As per guiding principles
Facility consolidation	May include school closures deemed surplus by boards of education
Facility reductions, improvements, efficiencies (grounds, custodial, and maintenance)	As per guiding principles
Facility revenue – rental of facilities	As per guiding principles. Must be consistent with section 85.1 of the <i>School Act</i> .
Energy savings	As per guiding principles

Administrative Savings Plan
For Fiscals 2015/16 and 2016/17 (Year Ending June 30)

MENU

Staffing	
School organization	Organization, calendar, and staff resources.
Overtime reduction	May include realignment to improve efficiency of service delivery.
Salary and wage recoveries not already budgeted	E.g. from union business, WorkSafeBC, Parent Advisory Councils, ICBC etc.
Non-replacement	As per guiding principles
Position elimination	Could be through attrition or reduction.
Exempt staff review	Possible realignment of service delivery to improve efficiency (may be related to reduction of part-time positions or moving to job shares).
Elimination of labour market adjustments where not constrained by Collective Agreement	As per guiding principles
Absence management	As per guiding principles

School District No. 46 (Sunshine Coast)
Administrative Savings Plan
For Fiscals 2015/16 and 2016/17 (Year Ending June 30)

Category	Item #	Description of Strategy	2015 - 2016					2016 - 2017
			Salaries & Benefits	Services & Supplies	Other Expense Categories	Revenue Programs	Total	Total
Benefits	B1						\$ -	
	B2						\$ -	
Finances	F1	Interest on Deposit with Ministry of Finance				\$ 30,000	\$ 30,000	
	F2	Increased International Student Revenue					\$ -	\$ 51,000
	F3						\$ -	
Operations	O1	Operational Review to reach 16/17 savings target					\$ -	\$ 59,500
	O2	Energy Saving Initiatives		\$ 21,000			\$ 21,000	\$ 15,000
	O3	Transportation Review		\$ 10,000			\$ 10,000	\$ 25,000
	O4	Two-week Spring Break	\$ 25,300	\$ 24,000			\$ 49,300	\$ 49,300
	O5							
Staffing	S1	Position Elimination	\$ 132,080				\$ 132,080	\$ 132,080
	S2	Reduced Replacement Costs	\$ 25,000				\$ 25,000	\$ 50,000
	S3						\$ -	
	S4							
Total Savings and Increased Revenue Identified			\$ 182,380	\$ 55,000	\$ -	\$ 30,000	\$ 267,380	\$ 381,880
Administrative Savings Target							\$ 205,044	\$ 381,807
Sufficient Administrative savings to Achieve Target							Yes	Yes

Send Administrative Savings Plan to SDFR@gov.bc.ca
Due: June 30, 2015

School District No. 46 (Sunshine Coast)
Administrative Savings Plan
For Fiscals 2015/16 and 2016/17 (Year Ending June 30)

Category	Item #	Description of Strategy	2015 - 2016					2016 - 2017
			Salaries & Benefits	Services & Supplies	Other Expense Categories	Revenue Programs	Total	Total
Finances	F1	Interest on Deposit with Ministry of Finance Our District plans to increase our utilization of the Ministry's Central Deposit Program. We plan to increase our average balance by \$500,000. For future years a similar amount is expected to be realized.				\$ 30,000	\$ 30,000	\$ -
Finances	F2	Increased International Student Revenue The District will invest heavily in student recruitment and program development, with the goal of increasing our enrolment by 50% by 2016/17. The fees charged per student will also increase.					\$ -	\$ 51,000
Finances	F3						\$ -	

School District No. 46 (Sunshine Coast)
Administrative Savings Plan
For Fiscals 2015/16 and 2016/17 (Year Ending June 30)

Category	Item #	Description of Strategy	2015 - 2016				2016 - 2017	
			Salaries & Benefits	Services & Supplies	Other Expense Categories	Revenue Programs	Total	Total
Operations	O1	Operational Review to reach 16/17 savings target Through its annual budget process, the District will consult with stakeholders to meet the savings target for the 16/17 school year. Items such as VOIP, shared services, and other initiatives will be considered.					\$ -	\$ 59,500
Operations	O2	Energy Saving Initiatives Through equipment upgrades and behavioural changes, the district expects to reduce its energy consumption by 10% by 2016/17. Savings shown are net of estimated BC Hydro rate increases.		\$ 21,000			\$ 21,000	\$ 15,000
Operations	O3	Transportation Review In consultation with professional transportation planners and ASTSBC, the District will review its routes and find operational efficiencies. Savings shown are net of inflationary pressures and consultant fees.		\$ 10,000			\$ 10,000	\$ 25,000
Operations	O4	Two-week Spring Break By establishing a two-week Spring break, transportation costs and energy consumption will be reduced. There will also be staffing cost reductions in the clerical and education assistant groups, while not significantly impacting students.	\$ 25,300	\$ 24,000			\$ 49,300	\$ 49,300
Operations	O5							

School District No. 46 (Sunshine Coast)
Administrative Savings Plan
For Fiscals 2015/16 and 2016/17 (Year Ending June 30)

Category	Item #	Description of Strategy	2015 - 2016				2016 - 2017	
			Salaries & Benefits	Services & Supplies	Other Expense Categories	Revenue Programs	Total	Total
Staffing	S1	Position Elimination Reduced Custodial Positions at various sites, with a combined reduction of at least 2.0	\$ 132,080				\$ 132,080	\$ 132,080
Staffing	S2	Reduced Replacement Costs The District expects that moving towards a two-week spring break will improve employee satisfaction and wellness. Participation in the Ministry of Education employee wellness program will similarly result in reductions in replacement costs in the 2016/17 year.	\$ 25,000				\$ 25,000	\$ 50,000
Staffing	S3					\$ -		
Staffing	S4					\$ -		