

# Budget Report to the Board

February 15, 2010

## Executive Summary

Boards of Education are required to submit a balanced Preliminary Operating Budget prior to the end of June.

Over 99% of the school district's revenue comes from the Ministry of Education and are initially based upon projected enrolments. Preliminary funding announcement from the Ministry of Education are not expected until March 15, 2010. Projected revenues include reductions due to enrolment decline and estimated grant changes based upon a number of assumptions.

The district will be experiencing a number of cost pressures that are expected to be primarily unfunded by government. Expenditures are expected to increase by over \$1.3 million in 2010/11.

Surplus funds have been used to protect programs and services over the last number of years and are expected to be depleted this year.

The combined impact results in an anticipated budget shortfall of approximately **\$3.5 million in 2010/11**. The district also anticipates it will have a budget shortfall of approximately **\$4.0 to \$5.0 million over the next two to three years**. This is in addition to reductions required at the school level as a result of declining enrolments.

This report provides information and analysis leading to recommendations to the board that address this budget shortfall and are summarized as follows:

District Level Reductions	( \$1,875,486 )
School Level Reductions	( \$ 1,347,011 )
School Closure Savings	( \$ 593,223 )
<b>TOTAL</b>	<b>( \$ 3,815,720 )</b>

It is recommended that the board, subject to public consultations, board policy, collective agreements and union consultations:

- 1) Approve the District Level Reductions as presented
- 2) Approve the School Level Reductions as presented
- 3) Propose the closure of Topley Elementary School
- 4) Propose the closure of Muriel Mould Primary School
- 5) Approve the Budget Consultation and School Closure Consultation Meeting Schedule

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## Introduction

The Board of Education, School District No. 91 (Nechako Lakes), recognizes that it is accountable to the public for the wise and prudent use of the public funds that support the operations of the school district.

The Board recognizes that one of its major responsibilities is the adoption of the school district budget and expects that the budget will conform to all legislative requirements and focus on the goals of the district.

During the development of the budget, the Board expects that:

- there will be an open process allowing for consultation and two-way communication
- there is public awareness of the budget process and the expenditure of public funds to support the educational programs and district operations for students in the district
- all expenditures of funds will contribute to maximizing learning opportunities for students.

Boards of Education operate on a fiscal year of July 1<sup>st</sup> to June 30th. The Board's budget is a financial plan that:

- helps the board achieve its goals and objectives
- aligns financial resources with the vision, mission, and values
- provides a basis to monitor actual versus planned expenditures
- helps communicate how we are utilizing our financial resources

Boards are required to prepare a balanced budget where Board operating fund revenues plus any appropriated surpluses fully fund the following:

- annual operating expenses,
- interfund transfers for capital acquisitions, local capital or other purposes,
- planned reduction of unfunded liability for employee future benefits, and
- any planned reduction of prior years' deficits.

Pursuant to section 156 of the *School Act*, Boards of Education are required to prepare and submit budgets to the Minister, in the form, with the information, and at the time required by the Minister. Pursuant to section 111 of the *School Act* the annual budget of the Board of a school district must be in the form specified by the Minister.

For 2010/11, Boards must prepare an annual budget and have it adopted by bylaw on or before June 30, 2010 as per section 113 of the *School Act*, and submitted to the Ministry by this date. This budget is the Board's financial plan for the next school year.

As the Board plans for the next fiscal year and prepares its budget, the district:

- 1) Projects the costs of providing existing services into the next year  
(Salaries, benefits, utilities, etc)
- 2) Determines the factors that will change  
(Student Enrolment, contract changes, program changes, one time items)
- 3) Projects revenues, projects surplus/deficit from prior years, and determines net budget position
- 4) Identifies options and strategies to address net budget position
- 5) Reviews guiding principles and priorities
- 6) Finalizes decisions

In support of this process, the board has determined that the budget must:

- ▶ Address Board Goals
- ▶ Comply with school act, collective agreements, etc.
- ▶ Support school plans and school planning councils
- ▶ Ensure resources support educational improvement plans
- ▶ Plan and estimate conservatively
- ▶ Be sustainable for three years
- ▶ Stay within existing resources
- ▶ Be Equitable
- ▶ Be Understandable
- ▶ Be Predictable
- ▶ Encourages efficiencies
- ▶ Be Decision Neutral
- ▶ Support Site-Based Decision Making

As the next fiscal year has not yet begun, this preliminary plan is based upon a number of projections and assumptions.

Student enrolment is finalized as at September 30<sup>th</sup> for school age students. Based upon actual funded enrolment, and other data, the Ministry recalculates the funding to school districts through the Funding Allocation System and notifies boards in December of their final funding amounts.

Under Section 113 (2) of the *School Act*, the Minister usually requires boards to prepare and adopt, by bylaw, an Amended Annual Budget by the end for February based upon the updated enrolment and revenues and expenditures.

## **Expenditures**

The Board manages its financial resources in three funds; the operating fund, special purpose funds, and capital funds. The Board's operating budget only encompasses the operating fund.

School Districts allocate their spending between four functional areas. In 2009/10, the board's final budgeted expenditures were allocated as follows:

Instruction	\$43,824,467	79.1 %
District Administration	\$2,706,994	4.9 %
Operations and Maintenance	\$6,161,679	11.1 %
Transportation and Housing	\$2,730,953	4.9 %
TOTAL	\$55,424,093	100 %

Inside of the four functional areas, expenditures are categorized by type. In 2009/10, the board's final budgeted expenditures were allocated as follows:

Salaries	\$37,190,780	67.1 %
Benefits	\$8,003,506	14.4 %
Services and Supplies	\$10,229,807	18.5 %
TOTAL	\$55,424,093	100 %

School districts continue to experience a number of cost pressures throughout the system. Cost increases for 2010/11 include negotiated salary increases (including a 2% teacher salary increase), benefit plan increases (including teacher pension plan), WCB premium increases, full day kindergarten, carbon tax, and BC Hydro and other utility charges.

**As a result, costs for providing the current services are expected to increase by approximately \$1,330,239 in 2010/11.**

The district is currently estimating, for budget purposes, an enrolment decline of 100 FTE students. Through the school allocation funding model (Appendix A), funding to schools will be reduced as a result of enrolment changes. On average, this is approximately \$5,000 per FTE, and a \$500,000 reduction in expenditures would be required from schools to offset this reduction in school funding. These reductions are considered normal reductions and are therefore not factored into the main purpose of this report.

## **Revenues**

Over 99% of the school districts revenue comes from the Ministry of Education. This includes funding recovered by the Province and subsequently received from Aboriginal Bands. Provincially, the amount of funding available to school districts over the next few years is expected to remain constant. Therefore, there is no additional funding being added to the system to cover the additional cost pressures school districts will be incurring as the following table from the Ministry shows.

<b>School Year</b>	<b>Operating Grants (\$ billions)</b>
2008/09	\$4.467
2009/10	\$4.551
2010/11	\$4.551
2011/12	\$4.551

From this total Provincial amount, the Ministry uses a Funding Allocation System to distribute funds to school districts. A number of formulae, factors and variables are utilized to determine how much funding goes to each school district.

For 2010/11, our revenue will change as a result of changes to the inputs into this System. The number of school-age FTE, students with unique special needs, average teacher salary cost, and other factors will impact the level of funding the district will receive.

In addition to these factors changing, the Ministry of Education reviews the System and often implements changes to the formulas resulting in changes to the levels of funding individual districts will receive. These changes are typically announced on March 15<sup>th</sup>, along with district's preliminary funding amounts. In some cases, changes are effective starting in the next fiscal year, while other times, the changes are announced three years in advance. At this point, we can only speculate on changes that will be announced this year. This severely impacts the district's ability to accurately estimate our revenue.

For 2010/11, the key areas being considered for change include:

- Labour settlement funding (redistributed throughout the FTE amounts)
- Transportation funding (new formula)
- Adult Education (one rate for all districts with adjustments)
- Funding protection (eliminate it in its current form)

Our board's funding for these factors is over \$11 million each year, including \$1.65 million in funding protection. An approach has been proposed that would buffer the impact over four years with minimal or no impact on the first year to permit districts time to adjust. However, at this point it is unknown what redistributive effect any changes would have on our school district.

## Surplus

Boards are permitted under current legislation to carry over unspent funds from one year to the next. Over the last number of years our school district has been using surplus funds to help support programs and services that exceeded the current year's revenue.

At the end of the last school year, June 30, 2009, our district had the following surpluses:

Schools	\$802,399
Special Programs	\$64,190
Aboriginal Education	\$201,713
District (includes departments)	\$2,313,379
<b>TOTAL</b>	<b>\$3,381,681</b>

For the 2009/10 final operating budget, a total of \$2,960,547 was appropriated including all School, Special Program and Aboriginal Education surplus amounts leaving \$421,133.

The district has determined that a targeted surplus amount of \$500,000 is appropriate for a board of our size. This amount is less than 1% of our annual budget and provides a contingency fund to support the district if unforeseen changes negatively impact the district.

In addition to this \$500,000 reserved at the district level, schools will be permitted to carry forward up to 1% of their annual funding allocation. This maximum amount of \$350,126 can be used by schools to support their individual planned programs and services.

Aboriginal funding is targeted by the Ministry through legislation and any unspent funds must be carried forward to the next year and used specifically for aboriginal programs and services. All department and district level accounts that end the year in a surplus help improve the net budget position of the board.

## Net Budget Position

**When you combine the results from the three categories outlined above (Expenditures, Revenues, and Surplus) the end result is an anticipated budget shortfall of approximately \$3.5 million in 2010/11.**

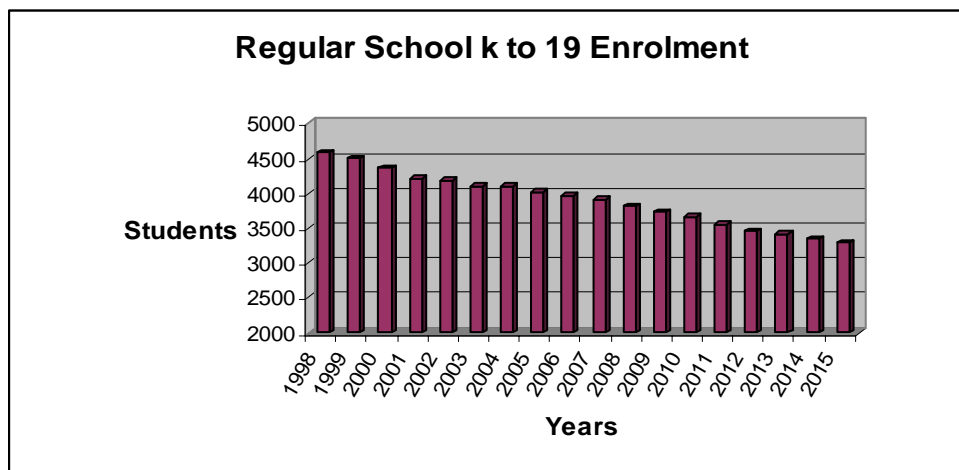
**Over the next two to three years, the district will likely be short approximately \$4.0 to \$5.0 million.**

These reductions are in addition to reductions required at the school level as a result of declining enrolments and the reduction of school surpluses.

The budget shortfall in the coming years will depend heavily on the impact of changes to the Funding Allocation System and the implementation of the funding impacts.

## Enrolment

Our district's regular school enrolment has dropped by approximately 850 students from 1998 to 2009.



This decline in student numbers has not been consistent among our communities nor is it uniform within the schools of each community.

**Enrolment History (School Age)**

Location	1998/99 FTE	2009/10 FTE	Total Change FTE	% Change
Mapes	67.50	44.5	(23.0)	-34%
W.L. Mcleod	307.50	232.5	(75.0)	-24%
N.V.S.S.	673.00	622.13	(50.9)	-8%
Prairiedale	81.63	76.0	(5.6)	-7%
Sinkut View	82.00	106.0	24.0	29%
Evelyn Dickson	203.00	291.5	88.5	44%
Vanderhoof Subtotal	1,414.63	1,372.63	(42.0)	-3%
Fraser Lake	448.00	324.6	(123.4)	-28%
Mouse Mountain	129.00	107.5	(21.5)	-17%
Fort Fraser	107.00	83.5	(23.5)	-22%
Fraser Lake Subtotal	684.00	515.60	(168.4)	-25%
Fort St. James	390.00	375.6	(14.4)	-4%
David Hoy	289.50	240.0	(49.5)	-17%
Sowchea	165.50	121.0	(44.5)	-27%
Ft. St. James Subtotal	845.00	736.60	(108.4)	-13%
William Konkin	257.00	141.0	(116.0)	-45%
Topley	68.50	24.5	(44.0)	-64%
Francois Lake	96.00	75.0	(21.0)	-22%
L.D.S.S.	625.19	457.38	(167.8)	-27%
Muriel Mould	212.06	115.5	(96.6)	-46%
Grassy Plains	130.50	90.4	(40.1)	-31%
Decker Lake	161.50	170.0	8.5	5%
Burns Lake Subtotal	1,550.75	1,073.78	(477.0)	-31%
Babine	90.00	38.9	(51.1)	-57%
<b>TOTAL</b>	<b>4,584.38</b>	<b>3,737.50</b>	<b>(846.9)</b>	<b>-18%</b>

During the last 11 years, individual school enrolment changes have varied from an increase of 44% at Evelyn Dickson Elementary School in Vanderhoof to a decrease of 64% at Topley Elementary Secondary. Babine Elementary Secondary School in Granisle has had an enrolment decline of 57% during this time.

Two other notable enrolment declines are at Muriel Mould and William Konkin schools which have experienced a decline of 46% and 45% respectively. Both these schools are in the community of Burns Lake and are adjacent to each other.

This enrolment trend is not expected to change as our enrolment projections demonstrate. The district expects to lose at least another 400 students by 2015 based on migration trends, birth rates, census data and related information.

### HEADCOUNT Projected Enrollments

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>Elementary</b>															
Babine Elementary-secondary	39	32	29	24	22	20	17	14	9	9	9	10	12	10	11
David Hoy Elementary	226	207	199	187	178	172	177	176	177	178	176	178	180	180	180
Decker Lake Elementary	173	181	179	178	171	178	181	182	182	182	182	181	181	181	181
Evelyn Dickson Elementary	313	301	295	301	303	310	311	307	305	307	305	304	303	303	303
Fort Fraser Elementary	85	90	95	97	99	100	106	107	108	111	111	111	112	112	112
Francois Lake Elementary	88	90	87	88	88	91	89	87	84	85	85	84	84	84	84
Fraser Lake Elementary-Secondary	326	319	309	307	303	294	278	284	283	282	278	287	289	291	300
Grassy Plain Elem.Jr.Sec.*	103	110	115	119	120	121	117	118	121	123	120	119	121	119	118
Mapes Elementary	55	55	62	66	75	77	81	80	82	83	83	84	84	84	84
Mouse Mountain Elementary	112	93	95	98	97	101	108	104	104	104	104	104	104	104	104
Muriel Mould Primary School	110	99	101	99	98	101	98	99	99	99	99	99	99	99	99
Prairiedale Elementary	89	89	90	87	88	89	87	87	87	87	87	87	87	87	87
Sinkut View Elementary	103	96	88	94	94	96	97	95	96	97	97	97	97	97	97
Sowchea Elementary	115	115	113	114	113	110	102	102	102	102	100	100	100	99	99
Topley Elementary	23	23	21	23	19	19	18	22	23	22	23	23	22	23	22
W.I. Mcleod Elementary	248	238	235	239	239	235	235	235	235	236	236	236	236	236	236
William Konkin Elementary	125	114	107	88	84	77	78	77	76	78	76	78	78	78	78
FSJSS - (Excludes Ent & Alt)*	291	264	260	246	235	224	216	214	200	190	195	185	182	182	179
Lakes District Secondary	414	401	379	370	355	335	323	310	292	285	285	280	276	275	276
Nechako Valley Secondary	628	609	605	592	565	544	511	506	523	526	543	549	547	552	554
Total:	3,666	3,526	3,464	3,417	3,346	3,294	3,230	3,206	3,188	3,186	3,194	3,196	3,194	3,196	3,204

The forecasts, presented above, are based on Ministry of Education, Statistics Canada and Birth Registry Data. The forecast beyond 2015 is significantly less reliable as it uses birth projections rather than actual births. Grassy Plains School estimate is skewed higher as a result of recent enrolment changes in grades 9 to 12.

### Capacity Utilization

In the face of continued enrolment decline and budget pressures, excess capacity is scrutinized for savings.

As enrolment declines revenues are reduced, yet many costs remain the same. The cost of operating our schools does not decline as student numbers dwindle. Most maintenance, utilities, and custodial costs are related to the size of the school and the number of classrooms used. A building that is operating at less than capacity costs the same to heat and maintain as one that is near or at capacity.

This decline in student numbers gives rise to excess space in our schools. At present our schools operate at 61% of total capacity. We have a significant number of excess classrooms, with many being used one or more times a week for purposes other than regular whole class instruction.

<b>Capacity Utilization</b>			
<b>Location</b>	<b>2009/10 FTE</b>	<b>School Capacity</b>	<b>Capacity Utilization</b>
Mapes	45	108	41%
W.L. Mcleod	233	340	68%
N.V.S.S.	622	800	78%
Prairiedale	76	82	93%
Sinkut View	106	100	106%
Evelyn Dickson	292	252	116%
<b>Vanderhoof Subtotal</b>	<b>1,373</b>	<b>1,682</b>	<b>82%</b>
Fraser Lake	325	600	54%
Mouse Mountain	108	185	58%
Fort Fraser	84	182	46%
<b>Fraser Lake Subtotal</b>	<b>516</b>	<b>967</b>	<b>53%</b>
Fort St. James	376	500	75%
David Hoy	240	345	70%
Sowchea	121	275	44%
<b>Ft. St. James Subtotal</b>	<b>737</b>	<b>1,120</b>	<b>66%</b>
William Konkin	141	275	51%
Topley	25	112	22%
Francois Lake	75	112	67%
L.D.S.S.	457	550	83%
Muriel Mould	116	311	37%
Grassy Plains	90	257	35%
Decker Lake	170	182	93%
<b>Burns Lake Subtotal</b>	<b>1,074</b>	<b>1,799</b>	<b>60%</b>
Babine	39	576	7%
<b>TOTAL</b>	<b>3,738</b>	<b>6,144</b>	<b>61%</b>

### **School Choice & Catchment Areas**

Schools were planned and built to accommodate students living relatively nearby. Cross-boundary enrolment was largely related to specialty programs such as French Immersion.

Declining enrolment has created space in schools, and changes to Section 74 of the *School Act* permit students to enrol in the school of their choice. This has given rise to considerable cross-catchment enrolment and contributed to low enrolment in some elementary schools while creating space shortages in others.

Throughout the district, we have 754 students attending a school outside of their catchment area. Our transportation system currently supports a large number of these students resulting in additional bus routes and extra costs.

## **Class Size**

The following chart illustrates the current school district class sizes compared to the average for the entire Province of BC. For the most part, our averages are well below the provincial average and also well below the maximum under legislation.

### **Average Class Size 2009/10**

<b>Grade</b>	<b>Nechako Lakes</b>	<b>All of BC</b>
Kindergarten	14.5	17.8
Primary	20.2	20.7
Intermediate	23.8	26.0
Secondary	19.3	24.8

As the school district looks for cost reductions and changes to service levels, based upon the above, there is capacity to increase class size across the school district.

## **School Closures**

Budget pressures and low enrolments mean that smaller schools must be organized into multi-grade classes. When smaller schools are consolidated into larger schools there is more opportunity for straight grade classes. Significant savings can be achieved as utility, maintenance, custodial and other facility related costs are reduced.

No one wants to close schools and no one wants their local school closed. Schools are often the heart and hub of our communities. However, the district focus needs to remain on student learning, not buildings, while we strive to support learning within our limited financial resources. Closing buildings, and creating fewer, but fuller schools, will help us face continued enrolment declines.

When considering school changes the following lenses were given special consideration:

- Current and forecast enrolment.
- The number of students in the school catchment area and catchment inflows and outflows.
- Student travel time and distance to other schools.
- Building capacity must meet all anticipated space requirements.
- Efficient buildings in better condition should be retained.
- Class sizes in newly combined schools will rise, but there should be fewer split grade and multi-grade classes.
- Cost savings should be anticipated in each case.

Based upon the above information, a review of each community was done.

### Vanderhoof

There is insufficient space in the Vanderhoof area to undertake any elementary closures at this time. All other communities will be implementing Full Day Kindergarten, while in Vanderhoof, this will not occur until September 2011. This, along with other early learning initiatives such as Strong Starts, will increase the demand for space in the Vanderhoof community.

Prairiedale Elementary School is nearing the end of its building's useful life and is in need of costly repairs. Ministry funding is not likely for renovations or a replacement of this school. Therefore, the board will need to plan for the inclusion of these students into other existing Vanderhoof schools in the foreseeable future. Our distance learning school (Ebus) presently resides in W.L. McLeod School, along with our district's training center. The district will need to review this situation and develop alternatives.

Evelyn Dickson is currently at maximum capacity. With the implementation of Full Day Kindergarten in September 2011, this school situation will need to be reviewed.

### Fraser Lake & Fort Fraser

Fraser Lake Elementary Secondary School and Mouse Mountain Primary school have excess capacity. Fort Fraser Elementary School is at that point in its building's useful life that it is costly to operate and is in need of costly repairs. While enrolment could be accommodated in Fraser Lake, Fort Fraser school closure is not recommended at this time since its enrolment is still significant and enrolment forecasts indicate modest growth over time.

### Fort St. James

Both Sowchea Elementary and David Hoy Elementary have excess capacity. However, there is presently insufficient surplus capacity in either school to allow for a closure at this time. Enrolment continues to decline in Ft. St. James and enrolment projections indicate the possibility of combining David Hoy Elementary and Sowchea Elementary in 2012 and will therefore need to be reviewed over the next few years.

### Burns Lake and area

This community has experienced the greatest enrolment decline.

Enrolment has decreased by 64% at Topley Elementary Secondary with enrolment declining to 25 students. The closure of Topley Elementary School is recommended as the students from Topley can be accommodated at Decker Lake Elementary School or at Babine Elementary Secondary School. The bus route supporting this community will likely need to be revised to better facilitate the transporting of these student to Decker Lake. The current bus arrangement between Topley and BESS is temporary, but parents may take advantage of this option while it is available.

Muriel Mould (K-3) and William Konkin (4-7) schools have experienced a decline of 46% and 45% respectively and are adjacent to each other. The closure of Muriel Mould Primary School is recommended. William Konkin would become a K-7 school and would combine the students from both Muriel Mould and William Konkin into one facility.

Granisle

Babine Elementary Secondary Schools (BESS) enrolment has declined 57% over the last 11 years. At this point, the replacement of BESS is the board’s highest capital plan priority to the Province for renovation or replacement. Discussions are in progress with the aboriginal bands from this community as we go through this process. In addition, plans are in place to reduce the useable space and reduce costs associated with maintaining this facility.

**Options and Strategies**

On January 29 and 30 the Board of Education held a two day planning session at our board office to review possible budget reductions. Several months ago direction was given to staff to reduce district level expenditures first in order to minimize possible cuts at the school level. At these two days of meetings, the board considered a wide range of information intended to begin the process of developing a district preliminary budget for offering educational and operational programs and services for the 2010-11 school year.

Based upon the above, the following budget changes are recommended, subject to public consultations, board policy, collective agreements and union consultations:

**District Level Reductions**

<p><b>Local Capital</b> Funding to support upgrades and improvements to buildings and sites</p>	<p><b>(\$100,000)</b></p>
<p><b>Transportation Department</b> Reductions will be found by centralizing dispatching, utilizing bus washers, reducing school subsidies for extra curricular, and bus route efficiencies and reductions. Information will be prepared for the public consultations on the elimination of bus routes, courtesy and cross boundary riders, walk limits, school bell schedules, or the continuation of some of these services with the implementation of a fee schedule.</p>	<p><b>(\$200,000)</b></p>
<p><b>Maintenance / Utilities / Custodial</b> Reductions will be found by closing excess classroom space, implementing energy savings initiatives, and reducing custodial service levels. As expenditures for these programs and services are tied directly to the amount of facility space we use, savings estimates will be impacted if classroom space is not closed.</p>	<p><b>(\$220,000)</b></p>

<p><b>Implement a community user group fee schedule</b>  Information will be collected on this issue regarding current rentals, costs incurred as a result of community user groups along with a definitions and a proposed structure. Increased revenue from this proposal would decrease the need for other reductions.</p>	<p><b>(\$50,000)</b></p>
<p><b>Centralized Services and Supplies</b>  Equipment, supplies, travel and training, staff development and other non staff related budgets are reduced throughout district departments, not including transportation and maintenance.</p>	<p><b>(\$589,470)</b></p>
<p><b>Counselor and Education Resource Teacher Support</b>  Reduce Elementary School Counselors and Special Education Resource Teachers</p>	<p><b>(\$174,565)</b></p>
<p><b>Technology Integration</b>  Reduce technology integration teacher and IT department support.</p>	<p><b>(\$62,493)</b></p>
<p><b>Ten Month Employee Work Days</b>  Adjust the number of days employees work to adjust for non-instructional days, administrative days, and secondary provincial exam periods.</p>	<p><b>(\$94,723)</b></p>
<p><b>Fiddle Program</b>  Eliminate District Fiddle Program</p>	<p><b>(\$84,322)</b></p>
<p><b>Numeracy</b>  Eliminate District Numeracy Department</p>	<p><b>(\$61,566)</b></p>
<p><b>Administrative Staff Changes</b>  Reduce District Administrative Staff</p>	<p><b>(\$238,347)</b></p>
<p><b>TOTAL District Level Reductions</b></p>	<p><b>( \$ 1,875,720)</b></p>

### **School Level Reductions**

The district continues to support the philosophy of school based management within the school district. However, there is a desire to clarify the framework / scope of school based decision making and to implement enhanced processes for standardization and efficiencies in planning and purchasing.

A significant amount of funding flows directly to schools that allows them to determine how best to provide educational programs and services for students. Schools determine the level of teaching and support staff along with budgets for services and supplies. These levels need to be in compliance with legislative and contractual requirements as

well as Board priorities and expectations. The school allocation funding model used to distribute funds to schools is outlined in Appendix A.

In addition to funds flowing to schools through the model, there have been a number of board initiatives instituted over the years to target funds for specific purposes and to help schools pilot initiatives. As these specific funds are removed, schools will need to determine whether they continue with the initiatives within their school funding.

Based upon the above, the following budget changes are recommended, subject to public consultations, board policy, collective agreements and union consultations:

<p><b>Ready / Set / Learn</b> Funding will be used to offset district literacy and early learning support.</p>	<p><b>(\$29,250)</b></p>
<p><b>First Nations Tutoring</b> Additional funding, to the aboriginal targeted funding, was provided to help supplement this board initiative.</p>	<p><b>(\$20,000)</b></p>
<p><b>Music Allocations</b> Specific funding was provided to three elementary schools to help support music programs in their schools. Other schools have been required to cover these costs, or other fine arts costs, without additional support.</p>	<p><b>(\$27,937)</b></p>
<p><b>Early Intervention Education Assistants (EA)</b> Board targeted allocations for EAs will be reduced from 27.5 hours to 15.5 hours. Hours for individual schools will be re-evaluated to determine how best the remaining hours should be allocated.</p>	<p><b>(\$70,000)</b></p>
<p><b>At Risk / Drug and Alcohol Counselors</b> Board targeted allocations will be eliminated at FSJSS, LDSS, NVSS and FLESS. This funding helped pilot the impact of extra support in these secondary schools. Continuation of this staffing will be determined by the individual school and funded through the school allocation funding model.</p>	<p><b>(\$216,620)</b></p>
<p><b>School Allocation Funding Model</b> The funding model remains unchanged from 2009/10 except for increasing the factors that are specifically tied to teacher funding. Cost factors related to the average cost per employee will increase to projected amounts without a corresponding increase in funding. As a result, schools will be responsible for absorbing these cost pressures and will need to reduce programs, services and supplies, and staff accordingly.</p>	<p><b>(\$983,204)</b></p>
<p><b>TOTAL School Level Reductions</b></p>	<p><b>(\$ 1,347,011)</b></p>

## **School Closure Recommendations**

Based upon the information and analysis presented above, the recommendation to the board is that the following schools be considered and proposed for closure:

<b>Topley Elementary</b>	Effective July 1, 2010	<b>( \$161,125 )</b>
<b>Muriel Mould (Burns Lake)</b>	Effective July 1, 2010	<b>( \$432,098 )</b>
<b>TOTAL</b>		<b>( \$ 593,223 )</b>

## **Total Budget Recommendations**

The following summarizes the total budget reductions that are recommended subject to public consultations, board policy, collective agreements and union consultations:

District Level Reductions	<b>( \$1,875,486 )</b>
School Level Reductions	<b>( \$ 1,347,011 )</b>
School Closure Savings	<b>( \$ 593,223 )</b>
<b>TOTAL</b>	<b>( \$ 3,815,720 )</b>

## **School Closure Consultation Meeting Schedule**

The Board will schedule school closure meetings in any community in which they propose school closures. For the two recommended school closures identified above, meeting dates will be announced and advertised as outlined below. These meetings will provide an opportunity for individuals to become better informed as to the rationale for the school closure and provide input / feedback to the board as the board consults prior to making a final decision.

<b>Topley Elementary</b>	Topley School	March 1, 2010 @ 7:00 pm
<b>Muriel Mould Primary</b> ( Meeting to be coordinated with Burns Lake Public Budget Meeting)	Muriel Mould Primary School	March 2, 2010 @ 7:00 pm

**If the board proposes these school closures at the February 15, 2010 Board Meeting, the board would be in a position to make a final decision on these school closures at their April 19, 2010 Board Meeting.**

## **Public Budget Consultation Meeting Schedule**

The Board invites all stakeholders to take part in the preliminary budget consultation meetings which will be announced and advertised as outlined below. These will provide an opportunity for individuals to become better informed and to provide input into the planning process for the future of our children and communities.

<b><u>Location</u></b>	<b><u>Date</u></b>	<b><u>Time</u></b>
<b>Vanderhoof</b> (Nechako Valley Secondary School)	February 24 / 2010	7:00 pm
<b>Ft. St. James</b> (Ft. St. James Secondary School)	February 25 / 2010	7:00 pm
<b>Burns Lake</b> (Muriel Mould Primary School)	March 2 / 2010	7:00 pm
<b>Fraser Lake</b> (Fraser Lake Elementary Secondary School)	March 9 / 2010	7:00 pm

**It is recommended that the Board, subject to public consultations, board policy, collective agreements and union consultations:**

- 1) Approve the District Level Reductions as presented
- 2) Approve the School Level Reductions as presented
- 3) Propose the closure of Topley Elementary School
- 4) Propose the closure of Muriel Mould Primary School
- 5) Approve the Budget Consultation and School Closure Consultation Meeting Schedule

## Appendix A - 2010/11 School Allocation Funding Model

### Elementary Funding:

<b>Elementary Base</b> (Includes BESS & Grassy)	\$132,976
<b>Elementary Base Supplement</b> ▶ <b>Less Than 60 K-7 FTE</b>	\$48,264 ( 0.5 FTE Teacher Funding )
<b>Elementary Base Supplement</b> ▶ <b>Dual Track / F.I.</b> (FLESS, M. Mould, WKE, McLeod)	\$48,264 ( 0.5 FTE Teacher Funding )

### Secondary Funding:

<b>Secondary Base</b> (FLESS / FSJSS / LDSS / NVSS)	\$195,952
<b>Secondary Base Supplement</b> (Grassy/BESS)	\$96,528 ( 1.0 FTE Teacher Funding )
<b>Secondary Base Supplement</b> (FLESS/FSJSS/LDSS)	\$675,000 funding which is reduced by \$1,500 for every FTE greater than 150 and less than 600

### Funding per FTE:

2008 class size data used to establish the relationship between primary, intermediate, junior and senior. The ratio is adjusted to compensate for higher prep time for secondary.	
<b>Grade K-3</b>	\$5,411 (1.22)
<b>Grade 4-7</b>	\$4,430 (1.00)
<b>Grade 8-10</b>	\$5,813 (1.31)
<b>Grade 11-12</b>	\$6,522 (1.47)

### Additional funding:

<b>Adult Funding per FTE</b>	\$2,428
<b>ESL</b>	\$1,149 (\$25 withheld for District support)
<b>Aboriginal</b>	\$825 (\$129 at District level)
<b>M.I.D.</b>	\$3,060
<b>Level 1-3</b>	MOE Funding adjusted for salary and benefit increases

### Vulnerability Funding:

<ul style="list-style-type: none"> <li>• Vulnerability Index (Ministry of Children and Family) and percent of Status or On-reserve students - these two factors are weighted equally.</li> <li>• Standardized index created</li> <li>• Only highest index schools receive funding</li> </ul>	
• Level 1 Funding	Index > 10% <i>Index multiplied by total student population multiplied by \$6,001</i>
• Level 2 Funding	Index > 5% and < 10% <i>Index multiplied by total student population multiplied by \$4,046</i>