



**PUBLIC MEETING
OF THE BOARD OF EDUCATION**

Wednesday, October 12, 2011
6:00 p.m.

District Education Office
22225 Brown Avenue
Boardroom

A G E N D A

"We all have ability. The difference is how we use it"

A - OPENING PROCEDURES

1. Call to Order
2. Correspondence *(in chronological order)*
 - i. Candace Spilsbury, Chairperson – School District No. 79 (Cowichan Valley)*
 - ii. Patti Bacchus, Chairperson – School District No. 39 (Vancouver)*
 - iii. Mel Joy, Chairperson – School District No. 8 (Kootenay Lake)*
 - iv. Candace Spilsbury, Chairperson – School District No. 79 (Cowichan Valley)*
 - v. Patti Bacchus, Chairperson – School District No. 39 (Vancouver)*
3. Request to Speak to and Ordering of Agenda

B- CONFIRMATION OF MINUTES

1. September 28, 2011*

C – PRESENTATIONS

1. Tom Wallace, Instructor, BCIT Automotive Foundations Partnership Program – Garibaldi Secondary School

D – DELEGATIONS

E – CHAIR REPORT

F – DEFERRED ITEMS

G – TRUSTEE MOTIONS

H – CHIEF EXECUTIVE OFFICER'S REPORT

1. Decision Items
 - a) Superintendent of Schools
 - b) Acting Deputy Superintendent
 - i. Bill 33 Extension*
 - c) Assistant Secretary Treasurer
 - i. Capital Project Amendment Bylaw*
2. Information Items
 - a) Superintendent of Schools
 - b) Acting Deputy Superintendent
 - c) Secretary Treasurer

*Enclosure

**To Be Distributed

I – COMMITTEE BUSINESS

1. Committees of the Whole
 - a) 2010 - 2011 Finance
 - b) 2011 - 2012 Budget
2. Committee & Advisory Committee Reports
 - a) Education Committee
 - b) Human Resources Committee
 - c) Inclusive Education
 - d) Board Policy Development Committee
 - e) Aboriginal Education Committee
 - f) French Immersion Advisory Committee
 - g) Anti-Vandalism Advisory Committee
 - h) Communications Advisory
 - i) District Student Advisory Committee
 - j) Social Wellness Committee
 - k) Historical Committee
 - l) Advocacy Committee

J – QUESTION PERIOD

1. Trustee Questions
2. Staff Questions
3. Public Questions
4. DPAC Questions
5. Employee Group Questions

K – TRUSTEE REPORTS

1. Ridge Meadows Education Foundation
2. Joint Parks and Leisure Services
3. Social Planning Advisory
4. Municipal Advisory & Accessibility
5. Ridge Meadows Community Arts Council
6. BC School Trustee Association Provincial Council
 - i. Provincial Council Motions*
7. District Parent Advisory Council
8. Tzu Chi Foundation
9. Youth Society Committee
10. External Representative Reports
11. Board Liaison Representative Reports
12. Other Trustee Reports
 - a) Good News Items
 - b) Public Disclosure of Closed Meeting Business*

L – OTHER BUSINESS

M – ADJOURNMENT

**Enclosure*

***To Be Distributed*



To: Board of Education

From: Board Chairperson
Ken Clarkson

Re: **CORRESPONDENCE**

Date: October 12, 2011
(Public Board Meeting)

Information

1. Candace Spilsbury, Chairperson – School District No. 79 (Cowichan Valley)
2. Patti Bacchus, Chairperson – School District No. 39 (Vancouver)
3. Mel Joy, Chairperson – School District No. 8 (Kootenay Lake)
4. Candace Spilsbury, Chairperson – School District No. 79 (Cowichan Valley)
5. Patti Bacchus, Chairperson – School District No. 39 (Vancouver)

RECOMMENDATION:

THAT the Board receive all correspondence for information.

Attachments

COWICHAN VALLEY SCHOOL DISTRICT

September 15, 2011

Via E-mail: minister.educ@gov.bc.ca

The Honourable George Abbott
Minister of Education
PO Box 9045, Stn Prov Govt
Victoria, BC V8W 9E2

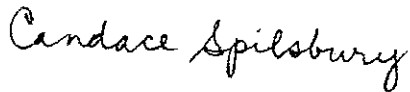
Dear Minister Abbott;

Since the inception of the Pacific Carbon Trust, School District No. 79 has paid over \$111,000 to the Trust to purchase Carbon Offset Credits.

The Trust is a Crown agency owned by the Province of British Columbia and it seems counter-productive for the Province to provide operating funds to school districts in BC only to have the school districts return a substantial portion of those funds back to a Crown agency – Pacific Carbon Trust.

The Board of Education of School District No. 79 (Cowichan Valley), asks you to return to all school districts in BC the amount each district has paid to Pacific Carbon Trust to date. Our Board would commit to using those funds to upgrade our facilities to raise their environmental integrity.

Yours truly,



Candace Spilsbury
Chair

cc: All School Districts in BC



Vancouver Board of Education

School District No. 39

BOARD OF SCHOOL TRUSTEES

1580 West Broadway

Vancouver, B.C. V6J 5K8

Telephone: 604-713-5000

Fax: 604-713-5049

September 20, 2011

The Honourable George Abbott
Minister of Education
P.O. Box 9045,
Stn Prov Govt
Victoria, BC V8W 9E2

Dear Minister:

Re: Changes to Harmonized Sales Tax (HST)

As a result of the Harmonized Sales Tax (HST) referendum, the Province has said it will be dismantling the HST and reinstating the Goods and Services Tax (GST) and Provincial Sales Tax (PST) system of taxation. We understand that it may take up to 18 months to complete the planning and implementation for this transition.

Under the HST system, the Province provided school boards a rebate of 87% on the 7% provincial portion of the HST. A preliminary analysis for the Vancouver Board of Education indicates that if the GST / PST system is implemented without the benefit of a rebate on the PST, it could result in additional costs to the Board of \$850,000 per year.

At its September 19, 2011 meeting, the Vancouver Board of Education agreed to request that the Province ensure that school districts are not negatively impacted as a result of the reinstatement of the GST / PST. This may mean that a provincial rebate will be required on the PST similar to the rebate that is currently provided on the 7% provincial portion of the HST. As we are already projecting another significant funding shortfall for the Vancouver Board of Education for 2012/2013, we cannot accommodate any further additional costs as a result of decisions beyond our control.

We hope that you and your government will support the public school system in the Province by ensuring that school boards will not be negatively impacted as a result of the reinstatement of the GST / PST.

Sincerely,

A handwritten signature in black ink, appearing to read 'P. Bacchus'.

Patti Bacchus
Chairperson

cc: Honourable Kevin Falcon, Minister of Finance and Deputy Premier
BC School Trustees Association – All BC school boards
Trustees
Steve Cardwell, Superintendent of Schools
Rick Krowchuk, Secretary-Treasurer

Board of School Trustees:

Patti Bacchus - Chairperson
Jane Bouey - Vice-Chairperson
Allan Blakey Ken Clement Ken Denike
Carol Gibson Sharon Gregson Mike Lombardi
Allan Wong



**School District No. 8
(Kootenay Lake)
Board Chair**

570 Johnstone, Nelson, B.C. V1L 6J2
Telephone: (250) 352-6681 Fax: (250) 352-6686
Toll Free: 1-877-230-2288

September 26, 2011

Honourable George Abbott
PO Box 9045 Stn Prov Govt
Victoria BC V8W 9E2

Dear Honourable. Abbott:

RE: 2010-2011 ENROLMENT AUDIT

The SD8 (Kootenay Lake) Board of Education would like to express its extreme disappointment regarding several issues related to the enrollment audit that was conducted in the 2010-2011 school year.

We understand that the Province bears the responsibility of accountability for how public funds are directed and spent. As a Board of Education we also bear that responsibility. We would like to assure the Ministry that we take this responsibility very seriously and that we are committed to ensuring public funds we receive are allocated and deployed appropriately. However, we believe that our students are being unjustly marginalized by the Ministry of Education because of process errors rather than an absence of programming – as inferred by the recommended grant recovery in the Audit Team's final report.

The following provincial statistics provided by the Ministry help to inform our concern:

Throughout the province, the ministry conducted 23 separate enrolment audits for the 2010-2011 school year.

- 8 regular enrolment audits
- 6 special education enrolment audits
- 3 continuing education enrolment audits
- 6 distributed learning audits
- Audit recoveries associated with the 2010-2011 school year were \$3.8 million
- 47% of recoveries are attributed to the regular enrolment audits – of this 76% was for regular enrolment, 19% Ab Ed, 4% ESL, 1% Adult
- 42% of recoveries are attributed to special education enrolment audits
- 2% of recoveries are attributed to continuing education enrolment audits
- 9% of recoveries are attributed to distributed learning enrolment audits

Analysis of the Auditors' feedback to our District reveals that there were some areas where data had been reported incorrectly by the School District due to data entry errors or a

misunderstanding regarding the funding criteria. There is no doubt that the School District must establish a renewed emphasis on the importance of an accurate understanding of the funding criteria, and the related requirements for record keeping and documentation. However, we believe that the auditors failed to prove that, even in the absence of record keeping in accordance with the provincial requirements, students were receiving anything less than the programming required to qualify for the funding that is rightfully theirs. They also failed to ask an important question about whether the students were receiving programming *in excess* of the intent of the criteria.

This Board believes that there were some cases where the Audit Team's recommendations reflected a misunderstanding of current practices in education, the Provincial mandate to initiate innovative, 21st century learning initiatives that personalize learning, and the boundaries established by other Ministry departments. As one example, I would like to share with you our experience with the Audit Team's recommendations relative to our Aboriginal Education Funding.

At issue is the Ministry's expectation that we remove First Nation students out of classrooms for different learning in order to qualify to receive funding. We believe a funding model such as this is archaic and demeaning to our students. Our Aboriginal Enhancement Agreement meets the Ministry of Education's requirements to;

- continually improve the quality of education achieved by all Aboriginal students;
- support strong cooperative, collaborative relationships between Aboriginal communities and school districts;
- provide Aboriginal communities and districts greater autonomy to find solutions that work for Aboriginal students, the schools and the communities; and
- require a high level of respect and trust to function.

Removing students from the classroom does not enhance any of these expectations. Nor do we feel the practice builds trust and cooperation with the students. We believe the students need to be encouraged to participate fully in the classroom to continue building the relationships that are integral to the spirit of the Agreement. It was recommended that funding for Aboriginal Students be recovered from our District because we were not segregating students and because we were being respectful of the unique and special culture that these students bring to our schools.

After our school district was penalized for offering a more respectful program for our First Nation students we were told that the requirements for the funding had changed for the 2011-2012 school year. Obviously the Ministry agrees with our concerns. The new criteria align with the programming we are offering and for which our students were penalized. Yet the Ministry still tenaciously insisted on taking back our 2010-2011 aboriginal funding. We cannot adequately express our frustration. Instead of the staff in our district being recognized for the forward-thinking, well-considered work they were doing, they will now have to take money out of classrooms and other programs to repay the recommended recovery - for doing what was right.

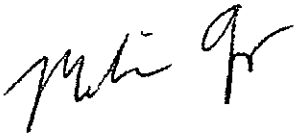
We are very concerned that the Ministry of Education believes it is moral and right to withdraw funding from our students and from school districts who are providing robust and effective

Our Mission: "We focus on excellence for all learners in a nurturing environment."

programming for students, because there were some differences in opinion and interpretation and because there were some challenges with appropriate paperwork. We can fix those things. What we can't fix is the impact this audit has had on effective programming throughout our District.

We hope that the Ministry of Education has a plan to address concerns that have been raised relative to the audit processes it currently upholds. These processes do nothing to improve conditions of learning, they impede innovation throughout the Province, and they serve to be punitive in nature rather than instructive. They assume fraudulent behavior and, in short, do nothing to improve transparency and accountability. This is immoral and does not reflect the close and effective partnership in Public Education that we seek with our Ministry.

Sincerely,



Mel Joy
Board Chair

cc Board of Education of School District No. 8
BCSTA for distribution to all Boards of Education
Mary Ellen Turpel-Lafond, Representative for Children and Youth
Andrew Robinson, Associate Deputy Representative,
First Nations Education Steering Committee
Becky Blair – KLTF – CVTA
Tom Newell – KLTF – NDTA
Rick Korens – President -CUPE

COWICHAN VALLEY SCHOOL DISTRICT

September 27, 2011

Mr. Hugh Finlayson, CEO
BC Public School Employers' Association
400 – 1333 West Broadway
Vancouver, British Columbia
V6H 4C1

Dear Mr. Finlayson,

This is to advise that at the Closed Board Meeting of the Board of Education of School District 79 (Cowichan Valley) on September 21, 2011, the Board passed the following motion:

"The Board of Education SD #79 affirms their strong support for just collective agreement with our teachers without delay and we send off a letter sharing this with BCPSEA, the Minister of Education, BCSTA as well as all school boards and the BCTF immediately."

Yours truly,



Candace Spilsbury
Chair

cc: Honourable George Abbott, Minister of Education
BC School Trustees Association
All School Boards in British Columbia
BC Teachers Federation



Vancouver Board of Education

School District No. 39

BOARD OF SCHOOL TRUSTEES

1580 West Broadway

Vancouver, B.C. V6J 5K8

Telephone: 604-713-5000

Fax: 604-713-5049

2011 September 30

The Honourable Christy Clark
Premier of British Columbia
Box 9041
Station PROV GOVT
Victoria, BC
V8W 9E1

Dear Honourable Christy Clark,

At a Board Meeting on July 4, 2011, Trustees on the Vancouver Board of Education unanimously endorsed the Community Plan for a Public System of Integrated Early Care and Learning which I have attached for your information. This concrete, innovative and ambitious plan is built on well-established evidence. A well-funded integrated approach to early learning and care has clearly been shown in many jurisdictions to be extremely successful.

The plan includes three initiatives that are the foundation of the system: legislation that supports early care and learning, a new home for early care and learning in the Ministry of Education, and a new role in early care and learning for Boards of Education. The plan provides an innovative set of services that build on the strength of the public education system and on the strengths of quality early childhood education.

We urge you, the Minister of Education, and other Provincial policy makers to commit to the Plan's vision and to work with communities to immediately begin its implementation. We make our own commitment to work with you on this important new direction.

Yours truly,

A handwritten signature in cursive script, appearing to read 'P Bacch'.

Patti Bacchus
Chairperson

Attachment

cc. Honourable George Abbott, Minister of Education
BC School Trustees Association – All BC school boards
VBE Trustees
S. Cardwell, Superintendent of Schools
R. Krowchuk, Secretary-Treasurer

Board of School Trustees:
Patti Bacchus - Chairperson
Jane Bouey - Vice-Chairperson
Allan Blokey Ken Clement Ken Denike
Carol Gibson Sharon Gregson Mike Lombardi
Allan Wong



To: Board of Education

From: Board Chairperson
Ken Clarkson

Re: **ORDERING OF AGENDA**

Date: October 12, 2011
(Public Board Meeting)

Decision

RECOMMENDATION:

THAT the Agenda be ordered as circulated.



To: Board of Education

From: Board Chairperson
Ken Clarkson

Re: **APPROVAL OF MINUTES**

Date: October 12, 2011
(Public Board Meeting)

Decision

RECOMMENDATION:

THAT the Minutes of the September 28, 2011 Closed Board Meeting be approved as circulated.

Attachment



**PUBLIC MINUTES OF THE
BOARD OF EDUCATION MEETING
Wednesday, September 28, 2011 (6:00 PM)
DEO Board Room**

IN ATTENDANCE:

BOARD MEMBERS:

Board Chairperson – Ken Clarkson
Vice-Chairperson – Eleanor Palis
Trustee – Stepan Vdovine
Trustee – Kathie Ward

STAFF:

Superintendent – Jan Unwin
Assistant Secretary Treasurer – Susanne Instance
Acting Deputy Superintendent – Laurie Meston
Executive Assistant – Tracy Orobko

ABSENT:

Secretary Treasurer – Wayne Jefferson
Trustee – Susan Carr
Trustee – Mike Huber
Trustee – Dave Rempel

A. OPENING PROCEDURES

Call to Order

The meeting was called to order at 6:00 p.m.

The Board Chairperson welcomed and thanked everyone for attending.

1. Correspondence

- Karen Georgi

Moved: Trustee Palis

Seconded: Trustee Ward

THAT the Board receive all correspondence for information

CARRIED

2. Ordering of Agenda

Additions:

Correspondence: Mary Robson, Meadowridge Rotary Club
Superintendent Information Item: Job Action Update
Chair Report: October 12th Board Meeting Date

Moved: Trustee Palis

Seconded: Trustee Ward

THAT the Agenda be ordered as amended.

CARRIED

The Chairperson opened the floor to others wanting to speak to the Agenda.

A member of the public, Karen Georgi, voiced her concerns regarding contracted services language referring to a Freedom of Information request she had submitted on the matter and expressed concerns the matter was not added to the Agenda for further discussion.

B. CONFIRMATION OF MINUTES

1. September 14, 2011 Public Board Meeting Minutes

Moved: Trustee Palis

Seconded: Trustee Ward

THAT the Minutes of the September 14, 2011 Public Board Meeting be approved as circulated.

CARRIED

C. PRESENTATIONS

Laurie Meston, Acting Deputy Superintendent – Achievement Contract: Improving Students Learning for Students with Learning Disabilities and Behaviour Challenges

Deputy Superintendent Meston provided a power point presentation providing examples of increases of use in assistive technology, graduation rates, areas of growth and the improvements of the students overall. The Achievement Contract can be read in its entirety on the website: www.sd42.ca.

Moved: Trustee Palis

Seconded: Trustee Ward

THAT the Board receive the Acting Deputy Superintendent's presentation for information.

CARRIED

D. DELEGATIONS

E. CHAIR REPORT

Funding Formula – Letter to BCSTA

The Chairperson provided an overview acknowledging the submission from the Maple Ridge Teachers' Association and established the draft letter to BCSTA will be revised as needed and transmitted to Trustees for final approval prior to submission.

October 12, 2011 Board Meetings

Both the Superintendent and Secretary Treasurer are unavailable on October 12, 2011, therefore it was suggested to change the meeting date. The Chairperson agreed to contact Judith Clark, general counsel for the B.C. School Trustees' Association, regarding requirements and guidelines.

A reminder was provided for the upcoming Pitt Meadows Secondary 50th anniversary celebration.

F. DEFERRED ITEMS

G. TRUSTEE MOTIONS

H. CHIEF EXECUTIVE OFFICER'S REPORT

1. **Decision Items**

- a) Superintendent of Schools
- b) Acting Deputy Superintendent
- c) Secretary Treasurer

2. Information Items

a) Superintendent of Schools

Summer School Update

The Superintendent provided an update. Discussion ensued regarding the timing of the commencement and the purpose of serving students who could not be successful vs. students who chose not to be successful.

The Chairperson opened the floor to questions.

A question was asked about the success rate of English 12 to which the Superintendent indicated the District does not have the information as of yet.

Moved: Trustee Palis

Seconded: Trustee Ward

THAT the Board receive the Superintendent's Summer School update for information.

CARRIED

Update Job Action

The Superintendent provided an update on continued meetings with the MRTA; reported all levels are ensuring students receive a high level of education; sustained professional development; school growth plans placed on 'hold'; cross-country cancelled due to lack of school participation and volunteers; staff meeting regularly with MRTA and Principals regarding policy/procedures ensuring field trip safety; and recess supervision continuing to be provided by excluded District Education Office staff each day.

b) Acting Deputy Superintendent

Preliminary Organization of Classes/Bill 33 Report

Deputy Superintendent Meston provided a handout indicating it was brought to the meeting due to the continuous changes. A further report will be brought to an upcoming meeting where the School District will likely seek a Bill 33 Extension.

Moved: Trustee Ward

Seconded: Trustee Palis

THAT the Board receive the Acting Deputy Superintendent's update on preliminary enrollment for information.

CARRIED

c) Secretary Treasurer

I. COMMITTEE BUSINESS

Anti-Vandalism Advisory Committee. Trustee Ward reported on her attendance at Monday's meeting where a presentation on behalf of RCMP "E" Division was made. Many community members took a copy of the anti-vandalism cd. A notation was made on our behalf to Red-Cross for the people of Manitoba who have endured floods.

J. QUESTION PERIOD

Trustee Vdovine commented on the contracting of services matter adding when services are needed on a timely fashion or of certain expertise it has been common practice for the District to obtain the services in the manner in question and further provided Cornerstone as an example as being chosen having met specific criteria. The company in question today, was chosen due to unique skillset and had conducted research very recently in this region.

Further discussion ensued regarding Requests for Proposals; necessity of expertise and the timing of same. Trustee Vdovine expressed the importance of ensuring there has been no misalignment with the current policy.

A member of the public, Karen Georgi, made reference to the existing policy and suggested the Board include a definition of what a 'service' is.

K. TRUSTEE REPORTS

Good News: The Board Chair reported on the success of "Raise a Reader" earlier today.

L. OTHER BUSINESS

M. ADJOURNMENT

Moved: Trustee Ward

Seconded: Trustee Palis

THAT the meeting of the Board be adjourned at 6:48 p.m.

CARRIED

Ken Clarkson, Chairperson

Wayne Jefferson, Secretary Treasurer



To: Board of Education

From: Board Chairperson
Ken Clarkson

Re: **PRESENTATION**

Date: October 12, 2011
(Public Board Meeting)

Information

Tom Wallace, Instructor
BCIT Automotive Foundations Partnership Program -
Garibaldi Secondary School

RECOMMENDATION:

THAT the Board receive the presentation for information.



To: Board of Education

From: Acting Deputy Superintendent
Laurie Meston

Re: **BILL 33 EXTENSION**

Date: October 12, 2011
(Public Board Meeting)

Decision

BACKGROUND/RATIONALE:

The Bill 33 consultation process at the school level continues throughout the year as students enroll or as timetables change. Meetings continue between the MRTA Executive and District Staff to review requests for improving learning environments. School based administrators at the secondary level will complete Ministry forms confirming data and entering rationale for classes over 30 students and/or composition issues above three.

RECOMMENDATION:

THAT the Board accept the Acting Deputy Superintendent's Bill 33 Report as it stands at this moment and await the final report on November 9, 2011.



To: Board of Education

From: Asst. Secretary Treasurer
Peter Bullock

Re: **BYLAW - ALL DAY KINDERGARTEN**

Date: October 12, 2011
(Public Board Meeting)

Decision

BACKGROUND/RATIONALE:

On September 22, 2011, the Ministry of Education provided updated capital funding details indicating funds are available in the adjusted amount of \$1,485,289.

In order to access funds, the School District is required to submit an amended Capital Project Bylaw.

The Bylaw in the amount of \$1,485,289 is to fund classroom conversions, modular site costs including equipment, new modular classrooms and the cost to relocate portables for All-Day Kindergarten.

IT IS THEREFORE RECOMMENDED:

THAT Capital Project Amendment Bylaw 126150B be given three (3) readings at this meeting (vote must be unanimous).

RECOMMENDATION:

THAT Bylaw 126150B re: Capital Project Amendment Bylaw No. 126150B All Day Kindergarten Modular Units be approved as read a **first** time.

RECOMMENDATION:

THAT Bylaw 126150B re: Capital Project Amendment Bylaw No. 126150B All Day Kindergarten Modular Units be approved as read a **second** time.

RECOMMENDATION:

THAT Bylaw 126150B re: Capital Project Amendment Bylaw No. 126150B All Day Kindergarten Modular Units be approved as read a **third and final** time.

Attachment



PRO FORMA
CAPITAL PROJECT AMENDMENT BYLAW 126150B –
ALL-DAY KINDERGARTEN MODULAR UNITS

A BYLAW by the Board of Education of School District No. 42 (Maple Ridge-Pitt Meadows) (hereinafter called the "Board") to amend **Capital Project Bylaw No. 126150 – All-Day Kindergarten Modulares**.

WHEREAS by **Capital Project Bylaw No. 126150** the Board adopted capital project, specifying a total maximum allocation of \$1,225,941.

AND WHEREAS the Minister of Education has approved an additional maximum allocation of \$259,308 to the capital plan for Project 126150.

NOW THEREFORE the Board enacts as follows:

1. The Capital Project Amendment Bylaw of the Board specifying a total maximum allocation of \$1,485,289 is hereby adopted.
2. This Bylaw may be cited as School district No. 42 Capital Project Amendment Bylaw 126150B.

READ A FIRST TIME THE 12TH DAY OF OCTOBER, 2011.

READ A SECOND TIME THE 12TH DAY OF OCTOBER, 2011.

READ A THIRD TIME THE 12TH DAY OF OCTOBER, 2011.

Chairperson of the Board

Secretary Treasurer

{seal}

I HEREBY CERTIFY this to be a true and original of the Board of Education of School District No. 42 (Maple Ridge-Pitt Meadows) Bylaw re: Project Amendment Bylaw #126150B, All Day Kindergarten Modulares adopted by the Board the 12th day of October, 2011.

Secretary Treasurer



To: Board of Education

From: Provincial Councillor
Trustee Ward

Re: **TRUSTEE REPORT**
BCSTA PROVINCIAL COUNCIL

Date October 12, 2011
(Public Board Meeting)

Decision

BACKGROUND/RATIONALE:

The BCSTA Provincial Council meeting is taking place on October 21, 2011.

RECOMMENDATION #1:

THAT the Board provide direction to the Provincial Councilor to vote accordingly at the upcoming BCSTA Provincial Council meeting to which Agenda items 10.1 to 10.6.

RECOMMENDATION #2:

THAT the Board provide direction to the Provincial Councilor to vote accordingly on the Financial Statements ended June 30, 2011.

RECOMMENDATION #3:

THAT the Board provide input into the upcoming 2012 - 2013 budget.

Attachments



British Columbia
School Trustees
Association

AGENDA ITEM #10.1

PROVINCIAL COUNCIL MEETING: October 22, 2011

STATEMENT OF ISSUE: Amendment of Branch Bylaws: Kootenay Boundary Branch

Submitted by: Kootenay Boundary Branch

BE IT RESOLVED:

That Provincial Council approve the amended Constitution and Bylaws of the Kootenay Boundary Branch.

RATIONALE:

At its meeting of September 17, 2011, the Kootenay Boundary Branch approved amendments to its bylaws. A copy of the amended constitution and bylaws is attached. BCSTA bylaw 19 provides that amendments are subject to approval of the Provincial Council.

Agenda Item 10.1

Amendment to Branch Bylaws: Kootenay Boundary Branch

The amendments:

- Change a restriction on the timing of the Branch Annual General Meeting, from the third week in September to a date in September as set by the Executive
- Change the order of business at Branch meetings to include reports from the BCSTA Representative and BCPSEA Representative and a time for District Sharing
- Require a meeting of the Executive within a month of the Branch AGM to review roles, responsibilities and duties
- Add a requirement for a 2/3 majority vote, including support from trustees belonging to at least 4 out of 6 member boards, in order to approve the bringing forward of any motion from the Branch to a BCSTA governance meeting
- Add the alternate BCSTA Education Committee Representative to the Branch Executive and change the name from Member-at-Large to District Designate for an appointee of a district that is not otherwise represented on the Executive
- Add provision for the appointment of an alternative branch Secretary Treasurer or Superintendent if the Secretary Treasurer or Superintendent of the same board as the President is unable to perform duties or attend the necessary meetings
- Make other minor housekeeping changes.

BCSTA General Counsel has reviewed the amended constitution and bylaws and they comply with BCSTA bylaws.

Kootenay Boundary Branch Constitution and Bylaws

Date	Comments
September 17, 2000	Bylaws approved by Branch
April 22, 2001	Bylaws approved by BCSTA Provincial Council
September 17, 2011	Amendments approved by Branch
	Amended bylaws approved by BCSTA Provincial Council



British Columbia
School Trustees
Association

AGENDA ITEM #10.2

PROVINCIAL COUNCIL MEETING: October 22, 2011

STATEMENT OF ISSUE: North West Branch Bylaws Revisions

Submitted by: North West Branch

BE IT RESOLVED:

That Provincial Council approve the amended North West Branch Bylaws.

RATIONALE:

The North West Branch approved amendments to its bylaws in December 2010 and September 2011. Under BCSTA's bylaws, such amendments must be approved by BCSTA Provincial Council.

The amendments:

- Change the Branch Education Chairperson to the Branch Education Representative

Agenda Item 10.2
North West Branch Bylaws Revisions

- Change the Branch executive by eliminating the Branch Education Alternate Chairperson and the Elected/Appointed Members and removing the one year restriction on the term of the Immediate Past President
- Allow the Branch Executive to appoint Superintendent to serve in an advisory capacity and a Secretary Treasurer from a member board to provide assistance on corporate and financial matters. (These positions are not part of the Executive.)
- Add a provision that superintendents and secretary treasurers of member districts may attend meetings of the Branch Executive and provide advice on relevant matters
- Restrict special meeting business to that specified in the call for the meeting
- Clarify that all member board trustees present are entitled to vote on a ballot vote
- Recognize that in practice the duties of the elected Secretary Treasurer of the Branch may be delegated to a secretary treasurer of a member board.
- Change election process to eliminate nominating committee and have the President be responsible for soliciting expressions of interest and conduct elections; specify scrutineers to be appointed by President
- Remove the requirement that the (elected) Branch Secretary Treasurer be nominated from the same board as the President.

BCSTA Legal Counsel has reviewed the amendments and they comply with BCSTA bylaws.



British Columbia
School Trustees
Association

AGENDA ITEM #10.3

PROVINCIAL COUNCIL MEETING: October 22, 2011

STATEMENT OF ISSUE: Technical Review Committee Submission

*Submitted by: Helen Parker, Provincial Council
Saanich Board of Education*

BE IT RESOLVED:

That BCSTA include in its submission to the Technical Review Committee a strong statement on the need to increase the Provincial Budget for public education to adequately meet the needs of students across the province.

RATIONALE:

On June 23, 2011, BCSTA announced a process would be put into place to allow Trustees to provide input to the Technical Review Committee in its upcoming review of the funding formula. In subsequent communication from BCSTA boards were informed "that the main purpose of the exercise is not to review the overall amount of funding but to review the allocation of operating grants."

BCSTA, on behalf of its members, should include a clear statement and rationale for increasing overall funding to public education as part of the consideration by government so that the Technical Review Committee's work is done in the context of the real need. Government must ensure transparency and accountability of provincial funding in order to appropriately allocate that funding and determine the adequacy of funding in order for school districts to meet the requirements of the School Act mandate for delivery of educational programs. It is inappropriate to talk about allocation and equity without discussing the quantum of what you are allocating.

BCSTA own Strategic Priorities for 2011-2012 include:

- Pursue the directions provided through member resolutions from Annual General Meetings and Provincial Council.
- Proactively advocate for improved and predictable public education funding

Agenda Item 10.3
Technical Review Committee Submission

Also the June, 2011 BCSTA announcement included the following important reminder from the President:

"This is a constructive step in building our co-governance relationship with the Ministry," McEvoy said, while reiterating that increasing the province's investment in public education continues to be the **highest** (emphasis added) shared concern of member boards.

As the input to the Committee is expected to be completed this fall, we believe this constitutes an emergent motion.



British Columbia
School Trustees
Association

AGENDA ITEM #10.4

PROVINCIAL COUNCIL MEETING: October 22, 2011

STATEMENT OF ISSUE: Reinstatement of GST/PST

*Submitted by: Mike Lombardi, Provincial Council
Vancouver Board of Education*

BE IT RESOLVED:

That BCSTA request the Province of British Columbia to ensure that school districts are not negatively impacted as a result of the dismantling of the Harmonized Sales Tax (HST) and the reinstatement of the GST and PST system of taxation.

RATIONALE:

As a result of the HST referendum, over the next number of months, the Province will be developing plans to dismantle the HST and reinstate the GST and PST system of taxation. Under the HST system, the Province provided a rebate of 87% on the 7% provincial portion of the HST. The Province should ensure that school districts will not be negatively impacted as a result of the reinstatement of the GST / PST system of taxation. This may require that the Province provide a similar rebate on the PST to be paid by school districts.

Agenda Item 10.4
Reinstatement of GST/PST

It is important to raise this issue as soon as possible with the Province in order that they may take this into account in their planning and implementation of the GST and PST system.

HST was introduced in British Columbia on July 1, 2010. Under the HST system, the PST was eliminated and replaced with a single 12% HST tax which had two components; a federal portion (comprised of the previous 5% GST) and a provincial portion (comprised of the previous 7% PST). The HST tax base was similar to the GST tax base. Accordingly, the provincial portion of the HST applied to more goods and services than the previous PST.

The 68% rebate for school boards, which was provided on the GST, continued to apply on the federal portion of the HST. In addition, the Province provided school boards with an 87% rebate on the provincial portion of the HST. The following table outlines the gross and net taxes payable under the HST.

Taxes payable by the VSB under the HST			
	Gross Tax	Rebate	Net Taxes
Federal Portion	5.0%	68.0%	1.60%
Provincial Portion	7.0%	87.0%	0.91%
Total	12.0%	79.1%	2.51%

Agenda Item 10.4
Reinstatement of GST/PST

The Vancouver School Board has prepared an estimate of the impact on operating costs with the reinstatement of the PST. Savings of \$150,000 are estimated as certain costs would not be subject to the PST. However, if the Province does not provide a rebate on the reinstated PST, the VSB will incur additional costs of \$1.0 million on costs that would be subject to the PST. Overall, the net additional cost to the VSB would be \$850,000. If the cost impact to other school districts is similar to the VSB, the total impact to all school districts could be in the range of \$8 – 10 million per year.

Based on the analysis prepared for the VSB, a rebate on the PST of about 75% would be required in order for the reinstatement to the PST to be cost neutral for school boards.



British Columbia
School Trustees
Association

AGENDA ITEM #10.5

PROVINCIAL COUNCIL MEETING: October 22, 2011

STATEMENT OF ISSUE: Ensuring Choice about Technology Solutions

*Submitted by: Helen Parker, Provincial Council
Saanich Board of Education*

BE IT RESOLVED:

That BCSTA urge the Minister of Education to ensure Boards of Education have the autonomy to determine their technology solutions without government mandating a solution.

RATIONALE:

The Ministry of Education retained IBM to do a "Provincial Technology Assessment Review" in the spring of 2011.

Agenda Item 10.5

Ensuring Choice about Technology Solutions

The review included a detailed survey which all districts were asked to participate in and face-to-face meetings with some districts. While the final report has not been made public, some of its content has recently been released by Deputy Minister James Gorman, including the significant need for upgrading in some districts. As well, IBM has been contracted by individual school districts to provide advice on their technology needs.

Some districts, like Saanich, are using or are interested in using Open Source products such as Moodle (Modular Object-Oriented Dynamic Learning Environment) thereby incorporating technology into schools which allows access to the school system ubiquitously (accessible anywhere/anytime). This technology (known as thin or diskless client) is not only cost effective, but highly energy efficient, relevant and current.

As the ministry has included Technology as a priority in its summer presentations to superintendents and others, it appears likely that they are planning to make decisions about how to address the results of the IBM report. Therefore, we believe this to be an emergent motion as it is important the government allow districts the freedom to explore alternatives and make their own choices about what works best for them.



British Columbia
School Trustees
Association

AGENDA ITEM #10.6

PROVINCIAL COUNCIL MEETING: October 22, 2011

STATEMENT OF ISSUE: Return of Pacific Carbon Tax Funds

*Submitted by: Julie Thomas, Provincial Council
Cowichan Valley Board of Education*

BE IT RESOLVED:

That BCSTA ask the Ministry of Education to return to all school districts in BC the amount each district has paid to Pacific Carbon Trust to date. Boards would commit to using these funds to upgrade facilities to raise their much needed environmental integrity.

RATIONALE:

Since the inception of the Pacific Carbon Trust, School District No. 79 has paid over \$111,000 to the Trust to purchase Carbon Offset Credits.

Agenda Item 10.6
Return of Pacific Carbon Tax Funds

The Trust is a Crown agency owned by the Province of British Columbia and it seems counter-productive for the Province to provide operating funds to school districts in BC only to have the school districts return a substantial portion of those funds back to a Crown agency – Pacific Carbon Trust.



British Columbia
School Trustees
Association

ACTION ITEM #9.1

PROVINCIAL COUNCIL MEETING: October 22, 2011

**STATEMENT OF ISSUE: BCSTA Audited Financial Statements
For the Year Ended June 30, 2011**

*Submitted by: Gordon Swan, Director
Chair, BCSTA Finance Committee*

BE IT RESOLVED:

That the Provincial Council receive and distribute to member boards the audited financial statements of the BC School Trustees Association for the year ended June 30, 2011, as prepared by D&H Group LLP Chartered Accountants.

RATIONALE:

Each year, the Finance Committee reviews and approves BCSTA's draft audited financial statements. The Finance Committee submits the audited financial statements to the Board of Directors for receipt, then forwards them to Provincial Council for distribution to member boards.

Action Item 9.1

BCSTA Audited Financial Statements For the Year Ended June 30, 2011

The 2010/2011 fiscal year ended with a surplus of \$36,548, as shown on page two of BCSTA's Audited Financial Statements. This surplus includes \$8,000 in funds designated for the annual purchase of a long-term investment which is used to offset the effects of inflation on the \$693,000 long-term bond purchased when BCSTA sold its building in 1999. The annual interest of \$42,000 earned on this bond is used to defray lease costs.

The year-end operating surplus has been added to member equity, which means that it has been incorporated into BCSTA's net assets, as shown on pages three and four of the statements. The Finance Committee monitors member equity each year to determine if there is a surplus in excess of the Association's contractual obligations. When a surplus exists, it is returned to members in the form of a member fee reduction or a reduction in Academy or AGM registration fees.

Deferred Contributions, shown under *Current Liabilities* on page four of the statements, refers to government grant funds received but not yet spent as of June 30, 2011. Note 8 on page nine of the statements provides a listing of individual grant balances as at June 30, 2011.

The Finance Committee has examined the statements prepared by BCSTA's auditors, D&H Group LLP Chartered Accountants, and finds them to be in order.

**The British Columbia
School Trustees Association**
FINANCIAL STATEMENTS
June 30, 2011

The British Columbia School Trustees Association

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June 30, 2011

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INDEPENDENT AUDITOR'S REPORT

To the Members of
The British Columbia School Trustees Association

Report on the Financial Statements

We have audited the accompanying financial statements of The British Columbia School Trustees Association, which comprise the statement of financial position as at June 30, 2011 and the statement of revenue and expenditures and statement of changes in net assets and the statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Association as at June 30, 2011, and its results of operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Vancouver, B.C.
September 23, 2011



Chartered Accountants

The British Columbia School Trustees Association

STATEMENT OF REVENUE AND EXPENDITURES

Year ended June 30, 2011

	Operating	2011 Actual SCCP (*)	Total	2011 Budget (Note 2)	2010 Actual
REVENUE					
Member fees	\$ 1,888,481	\$ —	\$ 1,888,481	\$ 1,888,000	\$ 1,899,078
Grant administration and entrepreneurial services (Schedule pg. 14)	100,554	1,875,688	1,976,242	14,000	1,644,847
Annual General Meeting	144,400	—	144,400	168,000	141,777
Academy	110,715	—	110,715	110,000	92,075
Interest	73,465	—	73,465	62,000	63,683
	<u>2,317,615</u>	<u>1,875,688</u>	<u>4,193,303</u>	<u>2,242,000</u>	<u>3,841,460</u>
EXPENDITURES					
Core services (Schedule pg. 12)	695,981	—	695,981	714,000	659,405
Office operations (Schedule pg. 13)	237,574	—	237,574	269,000	263,616
Salaries and benefits	1,261,509	—	1,261,509	1,258,000	1,172,061
Grant administration and entrepreneurial services (Schedule pg. 14)	86,003	1,875,668	1,961,691	1,000	1,632,205
	<u>2,281,067</u>	<u>1,875,668</u>	<u>4,156,755</u>	<u>2,242,000</u>	<u>3,727,287</u>
EXCESS OF REVENUE OVER EXPENDITURES	\$ <u>36,548</u>	\$ <u>—</u>	\$ <u>36,548</u>	\$ <u>—</u>	\$ <u>114,173</u>

(*) School Community Connections Program

See accompanying summary of accounting policies and notes to the financial statements.

The British Columbia School Trustees Association

STATEMENT OF CHANGES IN NET ASSETS

Year ended June 30, 2011

	Invested in property and equipment	Unrestricted	2011 Total	2010 Total
BALANCE, beginning of year	\$ 27,515	\$ 1,635,714	\$ 1,663,229	\$ 1,503,409
EXCESS OF REVENUE OVER EXPENDITURES	<u>—</u>	<u>36,548</u>	<u>36,548</u>	<u>114,173</u>
	<u>27,515</u>	<u>1,672,262</u>	<u>1,699,777</u>	<u>1,617,582</u>
TRANSFERS				
Amortization of property and equipment	(17,820)	17,820	—	—
Purchases of property and equipment	39,870	(39,870)	—	—
Unrealized gain on investment	<u>—</u>	<u>27,297</u>	<u>27,297</u>	<u>45,647</u>
	<u>22,050</u>	<u>5,247</u>	<u>27,297</u>	<u>45,647</u>
BALANCE, end of year	\$ <u>49,565</u>	\$ <u>1,677,509</u>	\$ <u>1,727,074</u>	\$ <u>1,663,229</u>

See accompanying summary of accounting policies and notes to the financial statements.

The British Columbia School Trustees Association

STATEMENT OF FINANCIAL POSITION

June 30, 2011

	Operating	2011 SCCP (*)	Total	2010 Total
ASSETS				
CURRENT ASSETS				
Cash	\$ 963,897	\$ -	\$ 963,897	\$ 996,826
Restricted cash and cash equivalents – SCCP	-	774,299	774,299	3,197,043
Temporary investments (Note 3)	302,718	-	302,718	300,557
Restricted temporary investments – SCCP (Note 4)	-	504,470	504,470	500,892
Trade receivables	219,320	-	219,320	227,541
Due from B.C. Educational Support Foundation	639	-	639	673
Prepaid expenses	40,162	-	40,162	55,629
	<u>1,526,736</u>	<u>1,278,769</u>	<u>2,805,505</u>	<u>5,279,161</u>
LONG-TERM INVESTMENTS (Note 5)	971,239	-	971,239	928,933
PROPERTY AND EQUIPMENT (Note 6)	<u>49,565</u>	<u>-</u>	<u>49,565</u>	<u>27,515</u>
	<u>\$ 2,547,540</u>	<u>\$ 1,278,769</u>	<u>\$ 3,826,309</u>	<u>\$ 6,235,609</u>
LIABILITIES				
CURRENT LIABILITIES				
Accounts payable and accrued liabilities	\$ 79,608	\$ 12,472	\$ 92,080	\$ 649,542
Payable to Teacher Qualification Services (Note 7)	235,722	-	235,722	238,425
Vacation payable	113,447	-	113,447	91,581
Deferred contributions (Note 8)	391,689	-	391,689	475,189
Deferred contributions – SCCP (Note 8)	-	1,266,297	1,266,297	3,117,643
	<u>820,466</u>	<u>1,278,769</u>	<u>2,099,235</u>	<u>4,572,380</u>
COMMITMENTS (Notes 9 and 10)				
NET ASSETS				
INVESTED IN PROPERTY AND EQUIPMENT	49,565	-	49,565	27,515
UNRESTRICTED	<u>1,677,509</u>	<u>-</u>	<u>1,677,509</u>	<u>1,635,714</u>
	<u>1,727,074</u>	<u>-</u>	<u>1,727,074</u>	<u>1,663,229</u>
	<u>\$ 2,547,540</u>	<u>\$ 1,278,769</u>	<u>\$ 3,826,309</u>	<u>\$ 6,235,609</u>

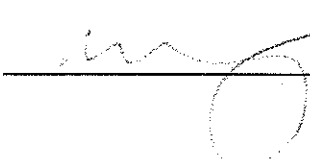
(*) School Community Connections Program

See accompanying summary of accounting policies and notes to the financial statements.

Approved by the Board



Director



Director

The British Columbia School Trustees Association

STATEMENT OF CASH FLOWS

Year ended June 30, 2011

	2011	2010
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Excess of revenue over expenditures	\$ 36,548	\$ 114,173
Items not involving cash		
Amortization of property and equipment	17,820	24,303
Accrued interest on investments	(12,785)	(33,219)
Changes in non-cash operating working capital		
Trade receivables	8,221	4,372
Inventory	–	1,553
Prepaid expenses	15,466	27,241
Accounts payable and accrued liabilities	(538,300)	461,745
Deferred contributions	(83,500)	(66,018)
Deferred contributions – SCCP	<u>(1,851,346)</u>	<u>(1,537,465)</u>
	<u>(2,407,876)</u>	<u>(1,003,315)</u>
CASH FLOWS FROM FINANCING ACTIVITY		
Net advances from B.C. Educational Support Foundation	<u>34</u>	<u>20</u>
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES		
Purchase of property and equipment	(39,870)	(15,479)
Purchase of long-term investments	(7,961)	(7,980)
Purchase of temporary investments	–	(300,000)
Purchase of restricted temporary investments – SCCP	–	(500,000)
Maturity of temporary investments	–	612,641
Maturity of restricted temporary investments	<u>–</u>	<u>2,035,000</u>
	<u>(47,831)</u>	<u>1,824,182</u>
INCREASE (DECREASE) IN CASH DURING THE YEAR		(2,455,673)
CASH AND CASH EQUIVALENTS, beginning of year	<u>4,193,869</u>	<u>3,372,982</u>
CASH AND CASH EQUIVALENTS, end of year	\$ <u>1,738,196</u>	\$ <u>4,193,869</u>
CASH AND CASH EQUIVALENTS ARE COMPRISED OF		
Cash	\$ 963,897	\$ 996,826
Restricted cash and cash equivalents – SCCP	<u>774,299</u>	<u>3,197,043</u>
	\$ <u>1,738,196</u>	\$ <u>4,193,869</u>

See accompanying summary of accounting policies and notes to the financial statements.

The British Columbia School Trustees Association

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2011

1. OPERATIONS

The British Columbia School Trustees Association (the "Association") is a not-for-profit organization incorporated on March 2, 1956 under a private bill in the Province of British Columbia for the purpose of serving the British Columbia public school system. The Association receives its revenue primarily from School Districts which are funded by the provincial government.

The Association is related through common boards of directors to B.C. Educational Support Foundation and EduServ Inc., the accounts and operations of which are not significant and have not been consolidated with those of the Association in these financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles which necessarily involves the use of estimates. The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of significant accounting policies summarized below.

Use of estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and notes. Management believes that the estimates utilized in preparing the financial statements are reasonable; however, actual results may differ from these estimates.

Revenue recognition

The Association follows the deferral method of accounting for contributions which include government contracts.

Unrestricted contributions are recognized as revenue when received or receivable.

Externally restricted contributions are recognized as revenue in the year in which the related expenses are incurred.

Member fees are recognized as revenues as earned when collection is believed to be reasonably assured.

Interest income earned on cash balances is unrestricted and is recognized as revenue as earned when collection is believed to be reasonably assured.

Property and equipment

Purchased property and equipment are recorded at cost. Contributed property and equipment are recorded at their fair value at the date of contribution. Repairs and maintenance costs are charged to expense. Betterments which extend the estimated life of an asset are capitalized. When property and equipment no longer contribute to the Association's ability to provide services, its carrying value is written down to its residual value.

Amortization is provided on a straight-line basis using the following annual rates:

Computer and equipment	–	25 – 33¼%
Furniture and fixtures	–	20%
Tenant improvements	–	10%

The carrying value of property and equipment is to be charged to expense, net of any residual value, in the period it is determined that the property and equipment no longer has any long-term service potential to the Association.

The British Columbia School Trustees Association

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2011

2. SIGNIFICANT ACCOUNTING POLICIES - continued

Contributed services

The Association is dependent on the work of many volunteers to fulfill its mission. Due to the difficulty in determining their fair value, contributed services are not recognized in the financial statements.

Restricted cash and cash equivalents

Restricted cash and cash equivalents consists of cash and term investments with an original maturity of 90 days or less.

Financial instruments

The Association follows CICA Handbook Sections 3855 "Financial Instruments – recognition and measurement", and 3861 "Financial instruments – Disclosure and presentation." These Sections set out criteria for the recognition, measurement, disclosure and presentation of financial instruments and requires all financial instruments within its scope, including derivatives, to be accounted for either at fair value, or in circumstances where fair value may not be considered the most relevant information, at cost or amortized cost. All financial instruments are classified into one or five categories, with each category possessing specific requirements for initial and subsequent recognition and measurement.

Trade receivables and due from B.C. Educational Support Foundation are measured at amortized cost. Accounts payable and the payable to Teacher Qualifications Services are classified as other financial liabilities which are measured at amortized cost, using the effective interest method. All investments are classified as available for sale and are measured at fair value at the end of each period. Changes in fair value between periods are included in the statement of changes in net assets.

The Association has elected to continue to apply CICA Handbook Section 3861 "Presentation and Disclosure" rather than adopt Section 3862 "Disclosure" and Section 3863 "Presentation": These sections would have otherwise been required to be adopted by the Association as of July 1, 2008. Section 3862 requires extensive disclosures about the significance of financial instruments for an entity's financial position and results of operations as well as quantitative and qualitative disclosures on the nature and extent of risks arising from financial instruments. Management believes that the cost of preparing the additional disclosure exceeds any incremental benefit.

Budget figures

The budget figures on the statement of revenue and expenditures are unaudited and are taken from the Association's budget approved on April 25, 2010. Certain budgeted figures have been reclassified to conform with the current year's financial statement presentation.

Grant administration and entrepreneurial services

The majority of restricted funds from government grants are not incorporated into the Association's operating budget as they are used for discretionary projects of an emergent nature. Costs are therefore difficult to predict with any level of accuracy for any given budget year. Revenues are recognized when expenditures are incurred and both are reported under *Grant Administration and Entrepreneurial Services*. Government grant funds used for known projects are incorporated within the operating budget and are reported accordingly. See Note 8.

The British Columbia School Trustees Association

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2011

3. TEMPORARY INVESTMENTS

Temporary investments are recorded at fair value and consist of high interest savings accounts and a guaranteed investment contract with a maturity date in October 2011.

4. RESTRICTED TEMPORARY INVESTMENTS

Restricted temporary investments are recorded at fair value and consist of guaranteed investment contracts with maturity dates in October 2011.

5. LONG-TERM INVESTMENTS

The Association has purchased a long-term government bond with the proceeds from the previous sale of land and building. This bond, face value \$ 693,000, matures April 17, 2028 and bears interest at 6.15% annually. At June 30, 2011, the market value of the bond was \$ 866,907 (2010 – \$ 839,726). In accordance with the Provincial Council's directive, interest earned is used to defray the increased costs of leasing office space.

Commencing in 2003 the Association has invested \$ 8,000 per year in long-term government bonds. The purpose of the annual investment is to supplement the \$ 693,000 bond above and offset the effects of inflation on the bond through to its maturity.

	<u>Fair value</u>	<u>Interest rate</u>	<u>Maturity date</u>
Government of the Province:			
– Newfoundland	\$ 866,907	6.15%	April 17, 2028
– Ontario	57,276	6.06%	March 8, 2029
– Ontario	20,048	4.93%	March 8, 2027
– Ontario	18,877	4.85%	June 2, 2027
– Ontario	8,131	4.56%	January 13, 2027
	<u>\$ 971,239</u>		

6. PROPERTY AND EQUIPMENT

	2011		
	<u>Cost</u>	<u>Accumulated amortization</u>	<u>Net</u>
Computer and equipment	\$ 64,897	\$ 22,652	\$ 42,245
Furniture and fixtures	160,363	160,363	–
Tenant improvements	<u>182,628</u>	<u>175,308</u>	<u>7,320</u>
	<u>\$ 407,888</u>	<u>\$ 358,323</u>	<u>\$ 49,565</u>
	2010		
	<u>Cost</u>	<u>Accumulated amortization</u>	<u>Net</u>
Computer and equipment	\$ 60,421	\$ 47,522	\$ 12,899
Furniture and fixtures	160,363	154,695	5,668
Tenant improvements	<u>182,628</u>	<u>173,680</u>	<u>8,948</u>
	<u>\$ 403,412</u>	<u>\$ 375,897</u>	<u>\$ 27,515</u>

The British Columbia School Trustees Association

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2011

7. PAYABLE TO TEACHER QUALIFICATION SERVICES

Through an agreement with the Teacher Qualification Services ("TQS"), the Association administers the invoicing and collection of annual fees for TQS. At June 30, 2011, these fees have been invoiced and recorded in trade receivables. Once collected, the funds will be remitted to TQS.

8. DEFERRED CONTRIBUTIONS

Deferred contributions, related to expenses of future periods, represent unspent externally restricted amounts from the Ministry of Education as shown below:

	2011	2010
Balance, beginning of year	\$ 475,189	\$ 541,207
Adjustments for transfers		
Remote and rural school district development grant – 2008	—	(22,500)
Remote and rural school district support planning grant – 2008	—	(40,000)
School-based risk and threat assessment	—	62,500
Less: Amount cancelled from prior year		
Board/Authority authorized on-line database	—	(5,000)
Less: Amounts recognized as revenue or allocated to salaries in the year	—	(61,018)
Less: Amount to develop course web page	(1,000)	—
Less: Amount to complete Keeping School Safe Guide	(45,500)	—
Less: School Based Risk & Threat Assessment	(10,000)	—
Less: Ministry of Education Grant – 2005	(24,500)	—
Less: Ministry of Education Grant – 2006	(2,500)	—
Balance end of year	\$ <u>391,689</u>	\$ <u>475,189</u>

The deferred contributions at June 30, 2011 are comprised of the following:

Ministry of Education		
Student achievement grant – 2008	\$ 79,100	\$ 79,100
Student achievement grant – 2007	150,000	150,000
Student achievement grant – 2006	34,200	36,700
Student achievement grant – 2005	10,000	34,500
Student achievement grant – 2004	4,150	4,150
Board/Authority authorized on-line database (Ministry of Education)	7,345	8,345
Pine beetle damage grant – 2007	43,394	43,394
Keeping schools safe – 2007	—	45,500
Student Film Festival – 2008	11,000	11,000
School-based risk and threat assessment	52,500	62,500
	\$ <u>391,689</u>	\$ <u>475,189</u>

The British Columbia School Trustees Association

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2011

8. DEFERRED CONTRIBUTIONS – continued

Restricted deferred contributions – SCCP, related to expense of future periods, represent unspent externally restricted amounts as shown below:

	<u>2011</u>	<u>2010</u>
Balance, beginning of year	\$ 3,117,643	\$ 4,655,108
Add: Interest earned on term deposit and other investments	24,342	32,872
Less: Amounts recognized as revenue in the year	<u>(1,875,688)</u>	<u>(1,570,337)</u>
	\$ <u>1,266,297</u>	\$ <u>3,117,643</u>

During fiscal 2005, the Ministry of Education provided the Association with a grant in the amount of \$ 10,000,000. The purpose of the grant is to assist the Association in its partnership with the Union of BC Municipalities ("UBCM") to further develop and implement the School Community Connections Program ("SCCP"). The aim of the project is to position schools at the centre of a range of community activities and services through the collaboration of municipal, school board, and community partners. The grant is jointly administered by the Association and the UBCM according to the existing Memoranda of Understanding between the Association and the UBCM. Interest earned from the grant is externally restricted to be used for the SCCP.

9. COMMITMENTS UNDER OPERATING LEASE

In 1999 the Association entered into a fifteen year lease for office premises expiring August 31, 2014 with one option to renew for five years. The lease also provides for an increase once every five years, with the first increase based on Vancouver's CPI increase over the previous 5-year term, and the second increase based on the market rental value of the premises. A new lease agreement was signed November 15, 2010.

Based on this estimate, the Association will be obligated to make the following estimated minimum lease payments under its operating lease in each of the fiscal years ending:

June 30, 2012	\$ 112,000
June 30, 2013	112,000
June 30, 2014	112,000
June 30, 2015	<u>18,667</u>
	\$ <u>354,667</u>

10. PENSION PLAN

The Association and its employees contribute to the Municipal Pension Plan (the Plan), a jointly trustee pension plan. A Board of Trustees, representing plan members and employers, is responsible for overseeing the management of the Plan, including investment of the assets and administration of benefits. The Plan is a multi-employer contributory pension plan. Basic pension benefits provided are defined. The Plan has about 163,000 active members and approximately 60,000 retired members.

Every three years an actuarial valuation is performed to assess the financial position of the Plan and the adequacy of plan funding. The most recent valuation as at December 31, 2009 indicated an unfunded liability of \$ 1.024 billion for basic pension benefits. The next valuation will be as at December 31, 2012 with results available early 2013. The actuary does not attribute portions of the surplus to individual employers. During the year, the Association paid \$ 87,716 (2010 – \$ 88,435) for employer contributions to the Plan.

The British Columbia School Trustees Association

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2011

11. INCOME TAXES

The Association is exempt from income taxes under Section 149 of the Income Tax Act, as long as certain criteria continue to be met.

12. FINANCIAL INSTRUMENTS

Financial instruments consist of cash, restricted cash and cash equivalents, temporary investments, restricted temporary investments - SCCP, trade receivables, amount due from B.C. Education Support Foundation, long-term investments, accounts payable, vacation payable, and payable to Teacher Qualification Services.

Fair value

The fair value of cash, restricted cash and cash equivalents, temporary investments, restricted temporary investments - SCCP, trade receivables, accounts payable and vacation payable are believed to equal their carrying amounts due to their short terms to maturity.

Long-term investments are carried at fair value, which exceeds cost by \$163,034 (2010 – \$144,376).

The amount due from B.C. Education Support Foundation and the amount payable to Teacher Qualification Services are carried at the amount required to settle the balance on a current basis.

Interest rate risk

Temporary investments and long-term investments bear interest at fixed rates. These investments are therefore subject to interest rate price risk as fluctuations in the market rates of interest may increase or decrease their fair value.

Credit risk

Cash, restricted cash, restricted temporary investments - SCCP and trades receivable are exposed to credit risk due to the potential for counterparties to default on their contractual obligations. The maximum potential loss on all financial instruments is equal to the carrying amount of those items. The Association mitigates its credit risk exposure by dealing with counterparties who are believed to be creditworthy.

13. CAPITAL DISCLOSURE

The SCCP contributions are restricted and may only use be used for projects outlined under the SCCP program. The Association believes that it has complied with the terms of the contribution contracts.

The British Columbia School Trustees Association
SCHEDULE OF CORE SERVICES EXPENDITURES
Year ended June 30, 2011

	2011 Actual	2011 Budget (Note 2)	2010 Actual
ADVOCACY			
Annual General Meeting	\$ 158,779	\$ 152,000	\$ 150,690
Provincial Council	89,633	90,000	102,007
Board of Directors	73,355	82,000	76,875
Finance Committee	8,218	10,000	8,866
Education Committee	15,759	18,000	14,598
Aboriginal Education Committee	14,662	14,000	6,871
Branch support	11,414	17,000	10,723
Canadian School Board Association	40,311	45,000	60,289
Advocacy services	<u>55,382</u>	<u>68,000</u>	<u>45,779</u>
	<u>467,513</u>	<u>496,000</u>	<u>476,698</u>
EDUCATION AND TRAINING			
Communications/Publications	52,933	40,000	39,440
In-District Services	16,911	66,000	18,880
Academy	122,525	85,000	101,414
Legal Counsel	<u>36,099</u>	<u>27,000</u>	<u>22,973</u>
	<u>228,468</u>	<u>218,000</u>	<u>182,707</u>
	\$ <u>695,981</u>	\$ <u>714,000</u>	\$ <u>659,405</u>

The British Columbia Trustees Association

SCHEDULE OF OFFICE EXPENSES

Year ended June 30, 2011

	<u>2011</u> <u>Actual</u>	<u>2011</u> <u>Budget</u> (Note 2)	<u>2010</u> <u>Actual</u>
Building	\$ 91,147	\$ 128,000	\$ 121,434
Amortization of property and equipment	17,701	17,000	24,303
Equipment	47,301	41,000	40,934
Financial	32,135	35,000	27,782
Messaging	39,487	35,000	40,408
Supplies	<u>9,804</u>	<u>13,000</u>	<u>8,755</u>
	\$ <u>237,574</u>	\$ <u>269,000</u>	\$ <u>263,616</u>

The British Columbia Trustees Association
SCHEDULE OF REVENUE AND EXPENDITURES
FOR GRANT ADMINISTRATION AND ENTREPRENEURIAL SERVICES
Year ended June 30, 2011

	2011 Actual			2011	2010
	Operating	SCCP	Total	Budget (Note 2)	Actual
REVENUE					
Educational books	\$ 5,701	\$ -	\$ 5,701	\$ 4,000	\$ 2,198
Government grants	83,500	-	83,500	-	61,019
Government grant – SCCP (Note 8)	-	1,875,688	1,875,688	-	1,570,337
Contract services	<u>11,353</u>	<u>-</u>	<u>11,353</u>	<u>10,000</u>	<u>11,293</u>
	<u>100,554</u>	<u>1,875,688</u>	<u>1,976,242</u>	<u>14,000</u>	<u>1,644,847</u>
EXPENDITURES					
Educational books	2,302	-	2,302	1,000	681
Government grants	83,701	-	83,701	-	61,187
Government grant – SCCP (Note 8)	<u>-</u>	<u>1,875,688</u>	<u>1,875,688</u>	<u>-</u>	<u>1,570,337</u>
	<u>86,003</u>	<u>1,875,688</u>	<u>1,961,691</u>	<u>1,000</u>	<u>1,632,205</u>
	\$ <u>14,551</u>	\$ <u>-</u>	\$ <u>14,551</u>	\$ <u>13,000</u>	\$ <u>12,642</u>



British Columbia
School Trustees
Association

ACTION ITEM #9.2

PROVINCIAL COUNCIL MEETING: October 22, 2011

**STATEMENT OF ISSUE: Government Grant Status Update
As at June 30, 2011**

*Submitted by: Gordon Swan, Director
Chair, BCSTA Finance Committee*

BE IT RESOLVED:

That Provincial Council receive the status report on BCSTA's external grants as at June 30, 2011, as summarized in BCSTA's 2010/2011 Audited Financial Statements.

RATIONALE:

Deferred Contributions, referred to on page four under *Current Liabilities* and in Note 8 on page nine of the audited financial statements refers to government grant funds received but not yet spent at the end of fiscal 2011.

Action Item 9.2

Government Grant Status Update as at June 30, 2011

BCSTA's deferred contributions fall under two categories:

1. Restricted Contributions

The first category, defined as restricted contributions, refers to those funds awarded for a specific purpose. They are subject to externally imposed stipulations that specify what the funds are to be used for. The following grant funds, as listed on page nine of the statements, can be used only for the purpose for which they were awarded:

Unspent Restricted Grant Balances:

1. Mountain Pine Beetle (2007)	43,394.00
2. Student Film Festival (2008)	11,000.00
3. School-based Risk and Threat Assessment	52,500.00
Total Restricted Contributions	<u>\$ 106,894.00</u>

2. Unrestricted Contributions

The second category, defined as unrestricted contributions, is comprised of Student Achievement Grants. These funds are awarded without externally imposed stipulations. The Board of Directors allocates, via resolution, the use of these funds for any purpose deemed to support boards of education fulfill their mandate of improving student achievement.

Action Item 9.2

Government Grant Status Update as at June 30, 2011

As Note 8 on page nine of the statements shows, BCSTA has a total of five Student Achievement Grants with unspent balances:

2004 Student Achievement Grant Balance	\$ 4,150.00
2004 Grant Allocations:	
1. BCSTA Website Upgrade	\$ 550.00
2. Tele-Pro-D	3,600.00
Total	<u>\$ 4,150.00</u>

2005 Student Achievement Grant Balance	\$ 10,000.00
2005 Grant Allocations:	
1. BCSTA Website Enhancements	\$ 10,000.00
Total	<u>\$ 10,000.00</u>

2006 Student Achievement Grant Balance	\$ 34,200.00
2006 Grant Allocations:	
1. Unallocated Funds	\$ 34,200.00
Total	<u>\$ 34,200.00</u>

Action Item 9.2

Government Grant Status Update as at June 30, 2011

2007 Student Achievement Grant Balance \$150,000.00**2007 Grant Allocations:**

1. Academy 2011	\$ 10,000.00
2. Academy 2012	10,000.00
3. AGM 2012.....	25,000.00
4. AGM/Academy Speaker Series.....	105,000.00
Total	<u>\$150,000.00</u>

2008 Student Achievement Grant Balance \$ 79,100.00**2008 Grant Allocations:**

1. Key Work Manual.....	\$ 9,100.00
2. Unallocated Funds.....	<u>70,000.00</u>
Total	<u>\$ 79,100.00</u>

Unrestricted contributions total \$277,450, of which \$173,250 have been allocated by the Board of Directors for use on the projects detailed above.

In addition, BCSTA received a total of \$30,000 to manage the Board Authority Authorized (BAA) database. \$7,345 in BAA funds remain unspent at the end of fiscal 2011.

Action Item 9.2

Government Grant Status Update as at June 30, 2011

Grant funds spent during fiscal 2010/2011, as shown under Note 8 on page nine of the audited financial statements, are detailed as follows:

2005 Student Achievement Grant	
October 2010 PC/MOE Meeting	\$ 24,500.00
2006 Student Achievement Grant	
October 2010 PC/MOE Meeting	2,500.00
Board Authority Authorized Online Database.....	1,000.00
Keeping Schools Safe	45,500.00
School-based Risk and Threat Assessment	<u>10,000.00</u>
Total Spent in 2010/2011	<u>\$ 83,500.00</u>

Grants are also referred to on pages seven (under Note 2), and 14 of the statements.



British Columbia
School Trustees
Association

ACTION ITEM #9.3

PROVINCIAL COUNCIL MEETING: October 22, 2011

STATEMENT OF ISSUE: 2012/2013 BCSTA Budget Planning

*Submitted by: Gordon Swan, Director
Chair, BCSTA Finance Committee*

BACKGROUND:

The purpose of this agenda item is to:

1. Provide a review of 2011/2012 budget highlights;
2. Introduce factors that may impact the 2012/2013 budget; and
3. Invite input from Provincial Councillors to assist the Finance Committee in preparing a draft budget for 2012/2013.

Review of 2011/2012 Budget Highlights

1. Membership

BCSTA has full membership in 2011/2012.

2. Interest Revenue

This budget line, which had been reduced by \$33,000 in 2010/2011, was increased by \$10,000 in 2011/2012 to reflect a slight improvement in interest rates.

3. Government Grants

BCSTA has not received funding through government grants since 2007/2008; however, as part of BCSTA's long-term financial planning, the Board of Directors set aside the 2006/2007 Student Achievement Grant of \$150,000 to mitigate the impact of the loss of grant revenue over a period of several years. As a result, a total of \$35,000 in government grant funds was used to support the 2011/2012 operating budget:

December 2011 Academy	\$ 10,000
February 2012 Academy	10,000
AGM 2012	25,000
Total	<u>\$ 45,000</u>

As grant funds are no longer available, they will need to be phased out of BCSTA's operating budgets over the next couple of years.

4. BCSTA Meetings and Events

Based on the Vancouver Consumer Price Index (CPI) average of 1.92 percent for fiscal 2005/2006 through fiscal 2009/2010, inflation is projected to be approximately two percent for 2011/2012. Typically, these inflationary increases have the largest impact on the *AGM, Academy and Provincial Council* budget lines, but also affect the *Board of Directors* and *Standing Committee* budget lines.

The *AGM* and *Provincial Council* budget lines were each increased \$2,000 to reflect inflationary pressures.

5. Board of Directors

In 2006/2007, the Board of Director Honouraria Review Committee recommended that Board of Director honouraria be reviewed annually, with increases to be based on Vancouver's CPI.

Based on the recommendation of the Review Committee, Board of Director honouraria was increased a total of \$1,000 in 2011/2012. This increase was offset by cost savings achieved by holding online rather than in-person meetings whenever possible. This budget line therefore did not change in 2011/2012.

6. Standing Committees

The *Finance Committee*, *Education Committee*, and *Aboriginal Education Committee* budget lines were all decreased in 2009/2010 to reflect cost savings achieved by using an online meeting format and by holding meetings in conjunction with other BCSTA events. Further reductions to these budget lines were not recommended for 2011/2012.

At AGM 2010, *Extraordinary Motion 2. Increased Size of the Aboriginal Education Committee* was approved, increasing the size of the Committee from seven members to nine; consequently, the *Aboriginal Education Committee* budget line was increased a total of \$4,000 in 2011/2012.

7. Building

BCSTA's third five-year lease term with SD39 (Vancouver) began on September 1, 2009. To accommodate the increase to market lease rates, this budget line was increased \$20,000 in 2009/2010 and \$10,000 in 2010/2011, with any adjustment of the actual rate to be adjusted in the 2011/2012 operating budget, once the lease rate was negotiated.

With negotiations finalized, the new lease rate increased a total of \$28,000 per annum. As a total of \$30,000 was allocated for this increase, this budget line was reduced \$2,000 in 2011/2012.

8. Financial

No change to this budget line was recommended for 2011/2012.

9. Depreciation

Depreciation was increased \$4,000 in 2011/2012 to reflect the following offsetting factors:

- In order to keep member fees at a minimum for 2008/2009 and 2009/2010, BCSTA postponed the purchase of computer equipment and software until the 2010/2011 budget year. The purchase of these capital assets resulted in increased depreciation expense of \$6,000 in 2011/2012;
- The replacement of BCSTA's telephone system was deferred to 2011/2012, which will result in a projected \$3,000 increase in depreciation expense; and
- BCSTA's mailing system will be fully depreciated in 2011/2012, reducing this budget line by approximately \$5,000.

10. Supplies

This budget line was decreased \$3,000 in 2010/2011, reflecting the reduction in paper and toner costs that resulted from changing the *Education Leader* to an electronic publication; by using double rather than single-sided copies wherever possible; and by sending Board of Director, Standing Committee, and Provincial Council agenda packages electronically. In 2010/2011, it became apparent that savings were even higher than originally projected, and the 2011/2012 *Supplies* budget line was reduced an additional \$4,000.

11. Salaries/Benefits

BCSTA staff salary increases have been tied historically to teacher-negotiated settlements; however, a negotiated settlement has not been reached for the 2011/2012 fiscal year. The *Salary/Benefits* budget line for 2011/2012 therefore does not reflect a salary grid increase.

If the negotiated teacher contract does include a salary increase for 2011/2012, BCSTA's salary grid increase will be funded out of member equity in 2011/2012, with an adjustment to be incorporated in the 2012/2013 operating budget.

Salaries/Benefits was increased \$30,000 in 2011/2012 to reflect movement on the salary grid, rising benefit costs, and 2010/2011 staffing changes.

Action Item 9.3
2012-2013 BCSTA Budget Planning

For 2011/2012, the Finance Committee and Board of Directors determined that most cost-saving measures had already been achieved over the past three years:

- BCSTA reduced its staff complement from 13 to 12 FTEs;
- The Board of Directors and Committees are holding online rather than face-to-face meetings wherever possible, and are holding meetings in conjunction with other BCSTA events;
- All of BCSTA's publications, including meeting agenda packages, are now distributed in an online format, either using e-mail or BCSTA's website, thereby reducing BCSTA's paper, toner, courier and mailing costs;
- CSBA member fees were reduced \$25,000.

Given internal and external cost pressures, the number of budget cuts that had already been made, and the fact that member fees had not been increased in three years, putting additional pressure on budget lines, the Finance Committee and Board of Directors determined that additional budget cuts would affect BCSTA's ability to continue providing a high level of service to member boards. Rather than reduce member services, the Finance Committee and Board of Directors recommended a two-percent member fee increase, which was approved by the April 2011 Provincial Council.

2012/2013 Budget Discussion

At its June 22, 2011 meeting, the Finance Committee discussed a number of items likely to impact the 2012/2013 budget:

1. Student Enrollment Decline

As a result of declining enrollment, BCSTA member fees have been reduced over the past several years. For example, over the past five years, member fees have been reduced a total of \$71,000:

Fiscal Year	Reduction in Member Fees
2010/2011	\$11,000
2009/2010	13,000
2008/2009	13,000
2007/2008	22,000
2006/2007	12,000
Total	<u>\$71,000</u>

However, in September 2010, full-day kindergarten programs were available to approximately 50 per cent of eligible children and as of September 2011 they are available to all eligible children. These FTEs will be added to the Ministry of Education's *Final FTE Enrollment* table, which, per Provincial Council directive, is the basis for calculating BCSTA member fees. As a result, the anticipated decrease in student enrollment is expected to be fully offset by the FTE increase resulting from the addition of full-day kindergarten students.

2011 enrollment data and the resulting impact on 2012/2013 member fees will be available in December 2011.

2. Membership

2007/2008 was the first year in which full member fees were allocated to the operating budget. Full membership has continued through to 2011/2012 and is expected for 2012/2013. If BCSTA does not have full membership in 2012/2013, member equity will be used to fund the loss of member fees for the first year of board withdrawal.

3. Member Equity

BCSTA does not currently have a member equity surplus. When a surplus exists, member equity is used to offset member, Academy, or AGM fees. For instance, in 2003 boards received a 50-percent reduction in AGM registration fees, and in 2009, boards of education received a two-percent member fee rebate.

4. Interest Revenue

Interest rates declined drastically in 2009/2010 and, as shown on page two, interest revenues were therefore reduced by \$33,000 in 2010/2011 with a \$10,000 correction in 2011/2012 reflecting a slight rate improvement. With the slow economic recovery, and some concern that the economic forecast may worsen, interest rates have remained low. However, an adjustment may be warranted prior to the adoption of the budget if interest rates change or are likely to change.

5. Government Grants

As shown on page two of this document, BCSTA has not received government grant funding since 2007/2008 and will be phasing grant support out of BCSTA's operating budgets over the next couple of years; however, grant funds are still available to support the 2012/2013 operating budget.

6. BCSTA Meetings and Events

Based on the Vancouver Consumer Price Index (CPI) average of 1.78 percent for 2006 through 2010, inflation is projected to be approximately two percent for 2012/2013. Inflationary increases have the largest impact on the *AGM, Academy* and *Provincial Council* budget lines. Hotel, meal, speaker and audio-visual costs continue to escalate, which will also impact the *AGM* and *Academy* budget lines.

7. BCSTA's Per Diem Rates

At its September 22, 2011 meeting, the Finance Committee reviewed BCSTA's per diem rates to determine if they remain comparable to rates of provincial education partner groups. An increase in per diem rates would have the greatest impact on the Provincial Council budget line, but would also affect the *Board of Director, Standing Committee, AGM, and Academy* budget lines.

Based on its review, the Committee determined that BCSTA's per diem rates remain comparable. The Committee also determined that a rate increase at this time would be inappropriate, given job action and budget cuts at the board level.

8. Board of Directors

As shown on page three, in 2006/2007, the Board of Director Honouraria Review Committee recommended that Board of Director honouraria be reviewed annually, with increases to be based on Vancouver's CPI.

If an adjustment is made in 2012/2013, based on the Vancouver CPI average of 1.78 per cent for fiscal 2006 through 2010, Board honouraria would increase by approximately \$1,000.

As any increase to this budget line resulting from an increase in honouraria would be offset by a reduction in meeting costs, no change to this budget line is recommended for 2012/2013.

9. Standing Committees

As shown on page four, in 2009/2010 the *Finance Committee*, *Education Committee*, and *Aboriginal Education Committee* budget lines were reduced to reflect:

- the use of online meetings using Elluminate whenever feasible, rather than holding in-person meetings; and
- holding meetings in conjunction with other BCSTA events.

In 2011/2012:

- the *Aboriginal Education Committee* budget line was increased \$4,000 to reflect the increase from seven to nine Committee members; and
- the Legislative Committee was given its own budget line.

No changes to the Standing Committee budget lines are recommended for 2012/2013.

10. Building

As shown on page four, BCSTA's third five-year lease term with SD39 (Vancouver), which provided for an increase to market rates, began on September 1, 2009. The *Building* budget line was consequently increased a total of \$28,000. No change to this budget line is recommended for 2012/2013.

11. Financial

BCSTA's five-year contract with its auditors allows for an annual increase, based on inflation. 2012/2013 will be the fifth year of the contract, and while audit costs have increased, the *Financial* budget line has not. In addition, BCSTA is providing more in-depth reporting and tracking to enable senior staff to better monitor budget lines and expenditures. As a result, software costs for the Finance Department have also increased. Total increases to this budget line are estimated at \$4,000.

12. Depreciation

In 2008/2009, BCSTA made the decision to defer the replacement of capital assets. However, as equipment has started to break down, a number of replacements have been made and the other replacements have been scheduled:

- BCSTA replaced the majority of its computer equipment in 2010/2011 and has moved its servers to a three-year rotation, with three of its nine servers to be replaced each year. Three servers will therefore be replaced in 2011/2012 and in 2012/2013;
- BCSTA's telephone system will be replaced in 2011/2012; and
- BCSTA's mailing machine will be replaced in 2012/2013.

Action Item 9.3
2012-2013 BCSTA Budget Planning

As BCSTA's document management system has not been scheduled for replacement until 2013/2014, it will not impact the 2012/2013 operating budget.

As a result of these capital asset purchases, the *Depreciation* budget is expected to increase approximately \$4,000 in 2012/2013.

13. Supplies

As shown on page five, the *Supplies* budget line was decreased \$3,000 in 2010/2011 and an additional \$4,000 in 2011/2012. Further reductions to this budget line are not recommended for 2012/2013.

14. Salaries/Benefits

As shown on page six, BCSTA's staff salary grid increases have been tied historically to teacher salary negotiations. As teacher salary negotiations are ongoing, a salary grid increase was not included in the 2011/2012 operating budget. If an increase to 2011/2012 salaries is required resultant to the teacher-negotiated settlement, the increase will be funded out of member equity in 2011/2012 and with an adjustment to be incorporated in the 2012/2013 operating budget. If a settlement has not been reached by the time the 2012/2013 budget is adopted, any staff salary grid increase for 2011/2012 and 2012/2013 would again be deferred.

While there are a number of factors expected to impact BCSTA's 2012/2013 budget, the Finance Committee, Board of Directors, and staff are committed to maintaining a high level of service to member boards while ensuring that prudent fiscal management guarantees the efficient and effective use of member dollars.



British Columbia
School Trustees
Association

ACTION ITEM #9.4

PROVINCIAL COUNCIL MEETING: October 22, 2011

STATEMENT OF ISSUE: BCSTA Investment Policy

*Submitted by: Gordon Swan, Director
Chair, BCSTA Finance Committee*

BE IT RESOLVED:

That Provincial Council expand BCSTA's Investment Policy to include:

Interest-bearing accounts or investment securities that are issued or guaranteed by Canadian Chartered banks, trust companies or credit unions.

RATIONALE:

According to BCSTA Bylaw #7.4), the Provincial Council may direct the Board of Directors regarding the investment of funds in the forms permitted by Article 14.a), which states:

Action Item 7.3
BCSTA Investment Policy

"The Board of Directors shall have the power to invest funds of the Association in accordance with the Policies of Provincial Council, as such funds from time to time accumulate, in investments authorized under the *Trustee Act.*", which permits a trustee to invest in "any form of property or security in which a prudent investor might invest".

In 1998, BCSTA's Investment Policy was revised by Provincial Council to:

- Bonds issued and guaranteed by the Government of Canada which guarantee principle and interest;
- Bonds issued and guaranteed by a Provincial Government of Canada which guarantee principle and interest;
- Treasury Bills of the Government of Canada; and
- Banker's Acceptance of a major Canadian Chartered Bank.

At its September 21, 2011 meeting, the Finance Committee reviewed BCSTA's investment policy. In keeping with BCSTA's strategic priority to ensure prudent stewardship of member fees and BCSTA resources, BCSTA's investment policy must continue to minimize investment risk; however, additional low-risk investments are available that are not captured by the current policy.

For instance, Guaranteed Investment Certificates (GICs), like Banker's Acceptances, are guaranteed by financial institutions. High Interest Savings Accounts, also guaranteed by financial institutions afford the same risk as funds currently held in BCSTA's treasury account, but provide a higher rate of return.

Action Item 7.3
BCSTA Investment Policy

The Finance Committee therefore recommends that Provincial Council add "interest-bearing accounts or investment securities that are issued or guaranteed by Canadian Chartered banks, trust companies or credit unions" to BCSTA's Investment Policy.

RECORD

2011-2012

Pursuant to provisions of 72 (1) of the *School Act*, the following report is a general statement of: (a) matters discussed; and (b) the general nature of decisions resolved at the following meetings from which persons other than Trustees or officers of the Board, or both were excluded:

September 28, 2011

Call to Order	Meeting called to order at 3:18 p.m.
Motion of Exclusion	Approved
Correspondence	No correspondence
Ordering of Agenda	Approved as circulated
Confirmation of Minutes – September 14, 2011	Approved as circulated
Superintendent Information Items	Approved
Trustee Reports	
Adjournment	Adjourned at 3:36 p.m.