

**BOARD OF EDUCATION
SD NO. 40 (NEW WESTMINSTER)
Operations Policy and Planning Committee**

Tuesday, April 17, 2018 – 7:30 pm

School Board Office

Location: 811 Ontario Street, New Westminster

AGENDA

The New Westminster School District recognizes and acknowledges the Qayqayt First Nations, as well as all Coast Salish peoples on whose traditional and unceded territories we live, we learn, we play and we do our work.

Item	Action	Info	Presenter	Attachment
1. Approval of the Agenda	X		J. Janzen	
2. Correspondence				
3. Draft Budget 2018-2019	X		K. Lorenz	P. 1
<i>Recommendation: THAT the Operations Policy and Planning Committee recommend that the Board of Education for School District No. 40 (New Westminster) approve the 2018-2019 Operating Budget as presented.</i>				
4. Reports from Senior Management				
a. Financial Update		X	J. Pocher	P. 19
b. Operations update		X	K. Lorenz	P. 21
c. K-12 Public Education Funding Update in BC		X	K. Hachlaf / K. Slade-Kerr	P. 27
d. Earthquake Preparedness and Emergency Management Report		X	B. Scott	P. 45
5. General Announcements				
6. New Business				
a. Audit Committee – April 17, 2018	X		M. Ewen	P. 48

Recommendation: THAT the Operations Policy and Planning Committee recommend that the Board of Education for School District No. 40 (New Westminster) establish an Audit Committee based on the BCSTA document "Audit Committee Sample Terms of Reference".

Audit Committee – November 13, 2016

P. 59

Recommendation: THAT the Operations Policy and Planning Committee recommend that the Board of Education for School District No. 40 (New Westminster) establish an Audit Committee, Chaired by a Trustee, of external experts to provide recommendations on various strategies, financial situations, risk management scenarios, and other complex issues.

Item	Action	Info	Presenter	Attachment
6. New Business (Cont'd.)				
Audit Committee – April 17, 2017				P. 61
Recommendation: THAT the Board of Education for School District No. 40 (New Westminster) direct the Superintendent to report to the May Operations Committee on a proposed process, including timelines and composition for the establishment of a Board Audit Committee.				
b. Public Engagement in the School District – November 13, 2016				P. 65
Recommendation: THAT the Operations Policy and Planning Committee recommend to the Board of Education for School District No. 40 (New Westminster) that the Board establish an education partner and community Task Force to review the current School Board public engagement and make recommendations to the Board on how to improve our engagement with the public.				
c. Duty to Document – November 13, 2016				P. 67
Recommendation: THAT the Operations Policy and Planning Committee recommend to the Board of Education for School District No. 40 (New Westminster) that the Board develop a Duty to Document Policy on the Duty to Document Board decisions and retention of School District decision making records, and that the Board determine what areas and/or what items should be specified in such a policy.				
7. Adjournment				

Annual Budget

Overview

In accordance with Section 111 (2) of the School Act the Board, by bylaw, the District must prepare an annual budget using the forms and containing the content specified by the Ministry. Attached is a draft of the Annual Budget for 2018/19, as prepared, using the forms prescribed by the Ministry. The amounts reflect current estimates based on available data and adjustments recommended by management to better address the priorities set by the Board in its report "Teaching and learning in Diverse Classrooms: A District Blueprint for Learner Success" A discussion of the proposed estimates and adjustments and their impact on the budget follows the summary table provided below.

2018/19 Operating Budget (\$ Millions)			
	Proposed 2018/19		Amended 2017/18
Revenues	\$	66.7	\$ 67.6
Expenses		68.1	68.1
Budgeted Surplus Allocation		1.4	0.5
Capital Assets Purchased		-	-
Budget Surplus (shortfall)	\$	0.0	\$ 0.0

Revenues

Although revenue forecasts have decreased by approximately \$900,000 in aggregate, the District's per student provincial grant received from the Ministry has increased from \$7,301 to \$7,423 per student. The reduction in total revenues is largely a result of reduced student enrollment with a projected decrease from the current year of 112 Ministry-funded school age students and a reduction of 41 students in the international program. This decline has been offset, to a degree, by an increase in adult student enrollment.

Expenses

Salary and benefit expenses represent close to 90% of the District's operating budget. Overall, these costs have gone down from prior year projections. This is mainly the result a reduction in the average teacher salary. This reduced average cost is likely the result of the influx of new teachers across the province due to the restored

class size and composition language. There is also a reduction in staffing resulting from the lower student enrollment. However, most of this reduction is offset by additional teacher staffing, as outlined in the 2018-2019 Annual Budget Priorities document which was presented to the Operations Committee in March.

While our average teacher salary has gone down, average staffing costs for CUPE and excluded staff have gone up as a result of wage increases. These increases are in-line with inflation and the per pupil funding increase.

The combination of these two factors has resulted in a reduction in estimated salary costs for all employee groups of approximately \$400,000 in the operating budget.

In spite of this reduction in salary costs, substitute costs have remained flat and benefit costs have increased. Substitute costs are very difficult to project, but based on prior years we anticipate a similar total cost to current year's projections. The spike in actual substitute costs during the current year appears to be caused by the new class size and composition language, resulting in vacant positions being filled with TTOCs for longer than would normally be the case. We don't expect this to continue in the coming year. Benefits costs have increased in a number of areas, but the largest single increase is the anticipated implementation of the new Employers Health Tax in January of 2019.

Estimates for most services and supplies costs have not increased significantly in the proposed 18/19 budget. Estimates used for the current year appear to be tracking well and are not expected to see significant inflationary pressures within the next 14 months. However, several new initiatives have been undertaken as outlined in the 2018-19 Annual budget Priorities. The cost of these new initiatives has been offset by the four portables that were purchased in the current year. This one-time cost is not reflected in the 18/19 budget resulting in a net increase to supplies of approximately \$150,000.

Accumulated Surplus

The estimated allocation of surplus in the proposed budget will be a significant drawdown on the District's accumulated unrestricted surplus. The District has recorded just over 1.6 million in unrestricted operating surplus as of the end of its 2016/2017 fiscal year. Approval of this budget would leave approximately \$200,000 in unrestricted surplus in addition to the \$500,000 in restricted contingency funds the district has set aside. The current year is trending favourably, and there is a reasonable likelihood that we will end the year in a surplus position. Given all of these factors, I am very comfortable recommending the surplus allocation reflected in this budget.

It is important to note that actual costs can often vary from budget estimates by 1-2% but this budget provides sufficient remaining surplus to allow the Board confidence moving forward.

Respectfully,

Kevin Lorenz
Secretary-Treasurer

Annual Budget

School District No. 40 (New Westminster)

June 30, 2019

School District No. 40 (New Westminster)

June 30, 2019

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*NOTE - Statement 1, Statement 3, Statement 5, Schedule 1 and Schedules 4A - 4D are used for Financial Statement reporting only.

ANNUAL BUDGET BYLAW

A Bylaw of THE BOARD OF EDUCATION OF SCHOOL DISTRICT NO. 40 (NEW WESTMINSTER) (called the "Board") to adopt the Annual Budget of the Board for the fiscal year 2018/2019 pursuant to section 113 of the *School Act*, R.S.B.C., 1996, c. 412 as amended from time to time (called the "Act").

1. Board has complied with the provisions of the Act respecting the Annual Budget adopted by this bylaw.
2. This bylaw may be cited as School District No. 40 (New Westminster) Annual Budget Bylaw for fiscal year 2018/2019.
3. The attached Statement 2 showing the estimated revenue and expense for the 2018/2019 fiscal year and the total budget bylaw amount of \$79,475,605 for the 2018/2019 fiscal year was prepared in accordance with the *Act*.
4. Statement 2, 4 and Schedules 2 to 4 are adopted as the Annual Budget of the Board for the fiscal year 2018/2019.

READ A FIRST TIME THE 24th DAY OF APRIL, 2018;

READ A SECOND TIME THE 24th DAY OF APRIL, 2018;

READ A THIRD TIME, PASSED AND ADOPTED THE 24th DAY OF APRIL, 2018;

Chairperson of the Board

Secretary Treasurer

I HEREBY CERTIFY this to be a true original of School District No. 40 (New Westminster) Annual Budget Bylaw 2018/2019, adopted by the Board the 24th DAY OF APRIL, 2018.

Secretary Treasurer

School District No. 40 (New Westminster)

Statement 2

Annual Budget - Revenue and Expense
Year Ended June 30, 2019

	2019 Annual Budget	2018 Amended Annual Budget
Ministry Operating Grant Funded FTE's		
School-Age	6,549.125	6,661.563
Adult	623.000	576.875
Total Ministry Operating Grant Funded FTE's	7,172.125	7,238.438
Revenues	\$	\$
Provincial Grants		
Ministry of Education	68,621,552	70,020,164
Other	163,310	223,856
Tuition	3,904,000	5,260,562
Other Revenue	1,970,650	1,790,235
Rentals and Leases	200,000	250,000
Investment Income	101,000	201,000
Amortization of Deferred Capital Revenue	2,145,087	2,176,523
Total Revenue	77,105,599	79,922,340
Expenses		
Instruction	64,995,543	67,032,276
District Administration	3,761,356	3,642,627
Operations and Maintenance	10,142,805	9,892,341
Transportation and Housing	310,107	256,877
Total Expense	79,209,811	80,824,121
Net Revenue (Expense)	(2,104,212)	(901,781)
Budgeted Allocation (Retirement) of Surplus (Deficit)	1,431,567	556,849
Budgeted Surplus (Deficit), for the year	(672,645)	(344,932)
Budgeted Surplus (Deficit), for the year comprised of:		
Operating Fund Surplus (Deficit)		
Special Purpose Fund Surplus (Deficit)		
Capital Fund Surplus (Deficit)	(672,645)	(344,932)
Budgeted Surplus (Deficit), for the year	(672,645)	(344,932)

School District No. 40 (New Westminster)

Statement 2

Annual Budget - Revenue and Expense

Year Ended June 30, 2019

	2019 Annual Budget	2018 Amended Annual Budget
Budget Bylaw Amount		
Operating - Total Expense	68,147,612	68,109,485
Operating - Tangible Capital Assets Purchased	50,000	50,000
Special Purpose Funds - Total Expense	7,814,363	9,802,531
Special Purpose Funds - Tangible Capital Assets Purchased	215,794	215,794
Capital Fund - Total Expense	3,247,836	2,912,105
Total Budget Bylaw Amount	79,475,605	81,089,915

Approved by the Board

Signature of the Chairperson of the Board of Education	Date Signed
Signature of the Superintendent	Date Signed
Signature of the Secretary Treasurer	Date Signed

School District No. 40 (New Westminster)

Statement 4

Annual Budget - Changes in Net Financial Assets (Debt)

Year Ended June 30, 2019

	2019 Annual Budget \$	2018 Amended Annual Budget \$
Surplus (Deficit) for the year	(2,104,212)	(901,781)
Effect of change in Tangible Capital Assets		
Acquisition of Tangible Capital Assets		
From Operating and Special Purpose Funds	(265,794)	(265,794)
Total Acquisition of Tangible Capital Assets	(265,794)	(265,794)
Amortization of Tangible Capital Assets	3,084,526	2,788,249
Total Effect of change in Tangible Capital Assets	2,818,732	2,522,455
	-	-
(Increase) Decrease in Net Financial Assets (Debt)	714,520	1,620,674

School District No. 40 (New Westminster)

Schedule 2

Annual Budget - Operating Revenue and Expense

Year Ended June 30, 2019

	2019 Annual Budget	2018 Amended Annual Budget
	\$	\$
Revenues		
Provincial Grants		
Ministry of Education	62,202,045	61,432,074
Other		100,000
Tuition	3,904,000	5,260,562
Other Revenue	360,000	360,000
Rentals and Leases	200,000	250,000
Investment Income	100,000	200,000
Total Revenue	66,766,045	67,602,636
Expenses		
Instruction	57,201,258	57,249,823
District Administration	3,761,356	3,642,627
Operations and Maintenance	6,893,116	6,978,383
Transportation and Housing	291,882	238,652
Total Expense	68,147,612	68,109,485
Net Revenue (Expense)	(1,381,567)	(506,849)
Budgeted Prior Year Surplus Appropriation	1,431,567	556,849
Net Transfers (to) from other funds		
Tangible Capital Assets Purchased	(50,000)	(50,000)
Total Net Transfers	(50,000)	(50,000)
Budgeted Surplus (Deficit), for the year	-	-

School District No. 40 (New Westminster)

Schedule 2A

Annual Budget - Schedule of Operating Revenue by Source

Year Ended June 30, 2019

	2019 Annual Budget	2018 Amended Annual Budget
	\$	\$
Provincial Grants - Ministry of Education		
Operating Grant, Ministry of Education	61,585,932	60,471,507
Other Ministry of Education Grants		
Pay Equity	521,853	521,853
Funding for Graduated Adults	30,000	30,000
Transportation Supplement	6,073	6,073
Return of Administrative Savings		295,560
Carbon Tax Grant	50,000	50,000
FSA Exam Funding	8,187	8,187
Shoulder Tappers		6,600
Support Staff Standardization Plan		42,294
Total Provincial Grants - Ministry of Education	62,202,045	61,432,074
Provincial Grants - Other		100,000
Tuition		
Summer School Fees	120,000	140,562
Continuing Education	200,000	240,000
International and Out of Province Students	3,584,000	4,880,000
Total Tuition	3,904,000	5,260,562
Other Revenues		
Miscellaneous		
Cafeteria	130,000	130,000
Apprenticeships	50,000	50,000
Other Miscellaneous	180,000	180,000
Total Other Revenue	360,000	360,000
Rentals and Leases	200,000	250,000
Investment Income	100,000	200,000
Total Operating Revenue	66,766,045	67,602,636

School District No. 40 (New Westminster)**Schedule 2B**

Annual Budget - Schedule of Operating Expense by Object

Year Ended June 30, 2019

	2019 Annual Budget	2018 Amended Annual Budget
	\$	\$
Salaries		
Teachers	30,089,734	30,799,641
Principals and Vice Principals	3,404,592	3,477,995
Educational Assistants	4,722,864	4,636,047
Support Staff	5,629,562	5,560,821
Other Professionals	2,589,109	2,344,202
Substitutes	1,349,817	1,367,946
Total Salaries	47,785,678	48,186,652
Employee Benefits	12,388,969	12,077,262
Total Salaries and Benefits	60,174,647	60,263,914
Services and Supplies		
Services	2,025,668	2,085,088
Student Transportation	157,000	157,000
Professional Development and Travel	496,400	496,400
Rentals and Leases	260,000	260,000
Dues and Fees	130,800	130,800
Insurance	131,000	131,000
Supplies	3,655,897	3,469,083
Utilities	1,116,200	1,116,200
Total Services and Supplies	7,972,965	7,845,571
Total Operating Expense	68,147,612	68,109,485

School District No. 40 (New Westminster)

Annual Budget - Operating Expense by Function, Program and Object

Year Ended June 30, 2019

Schedule 2C

	Teachers Salaries	Principals and Vice Principals Salaries	Educational Assistants Salaries	Support Staff Salaries	Other Professionals Salaries	Substitutes Salaries	Total Salaries
	\$	\$	\$	\$	\$	\$	\$
1 Instruction							
1.02 Regular Instruction	25,469,877	873,368		134,400		874,333	27,351,978
1.03 Career Programs				118,440		3,956	122,396
1.07 Library Services	84,538			36,498		4,043	125,079
1.08 Counselling	463,040			37,282	48,756	16,711	565,789
1.10 Special Education	2,797,452		4,722,864		132,310	251,179	7,903,805
1.30 English Language Learning	76,853					2,567	79,420
1.31 Aboriginal Education	134,493			181,031		10,539	326,063
1.41 School Administration		2,415,968		1,327,331		125,026	3,868,325
1.62 International and Out of Province Students	1,063,481	115,256		49,650	257,944	37,179	1,523,510
Total Function 1	30,089,734	3,404,592	4,722,864	1,884,632	439,010	1,325,533	41,866,365
4 District Administration							
4.11 Educational Administration				93,828	560,885	525	655,238
4.40 School District Governance					225,203		225,203
4.41 Business Administration				592,010	956,362	6,628	1,555,000
Total Function 4	-	-	-	685,838	1,742,450	7,153	2,435,441
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration				95,410	292,587	534	388,531
5.50 Maintenance Operations				2,695,285	115,062	15,094	2,825,441
5.52 Maintenance of Grounds				172,349		965	173,314
5.56 Utilities							-
Total Function 5	-	-	-	2,963,044	407,649	16,593	3,387,286
7 Transportation and Housing							
7.70 Student Transportation				96,048		538	96,586
7.73 Housing							-
Total Function 7	-	-	-	96,048	-	538	96,586
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	30,089,734	3,404,592	4,722,864	5,629,562	2,589,109	1,349,817	47,785,678

School District No. 40 (New Westminster)

Annual Budget - Operating Expense by Function, Program and Object

Year Ended June 30, 2019

Schedule 2C

	Total Salaries	Employee Benefits	Total Salaries and Benefits	Services and Supplies	2019 Annual Budget	2018 Amended Annual Budget
	\$	\$	\$	\$	\$	\$
1 Instruction						
1.02 Regular Instruction	27,351,978	7,084,913	34,436,891	3,456,843	37,893,734	38,210,004
1.03 Career Programs	122,396	32,055	154,451	34,400	188,851	282,741
1.07 Library Services	125,079	32,758	157,837		157,837	102,592
1.08 Counselling	565,789	148,180	713,969	45,000	758,969	657,926
1.10 Special Education	7,903,805	2,070,007	9,973,812	97,500	10,071,312	9,828,397
1.30 English Language Learning	79,420	20,800	100,220	3,000	103,220	101,029
1.31 Aboriginal Education	326,063	85,396	411,459	10,280	421,739	364,613
1.41 School Administration	3,868,325	1,013,115	4,881,440	235,942	5,117,382	5,106,194
1.62 International and Out of Province Students	1,523,510	389,704	1,913,214	575,000	2,488,214	2,596,327
Total Function 1	41,866,365	10,876,928	52,743,293	4,457,965	57,201,258	57,249,823
4 District Administration						
4.11 Educational Administration	655,238	171,607	826,845	112,000	938,845	886,591
4.40 School District Governance	225,203	20,754	245,957	102,300	348,257	305,185
4.41 Business Administration	1,555,000	407,254	1,962,254	512,000	2,474,254	2,450,851
Total Function 4	2,435,441	599,615	3,035,056	726,300	3,761,356	3,642,627
5 Operations and Maintenance						
5.41 Operations and Maintenance Administration	388,531	101,756	490,287	138,000	628,287	614,860
5.50 Maintenance Operations	2,825,441	739,983	3,565,424	1,334,500	4,899,924	5,004,487
5.52 Maintenance of Grounds	173,314	45,391	218,705	30,000	248,705	242,836
5.56 Utilities	-	-	-	1,116,200	1,116,200	1,116,200
Total Function 5	3,387,286	887,130	4,274,416	2,618,700	6,893,116	6,978,383
7 Transportation and Housing						
7.70 Student Transportation	96,586	25,296	121,882	120,000	241,882	238,652
7.73 Housing	-	-	-	50,000	50,000	-
Total Function 7	96,586	25,296	121,882	170,000	291,882	238,652
9 Debt Services						
Total Function 9	-	-	-	-	-	-
Total Functions 1 - 9	47,785,678	12,388,969	60,174,647	7,972,965	68,147,612	68,109,485

School District No. 40 (New Westminster)

Annual Budget - Special Purpose Revenue and Expense
Year Ended June 30, 2019

Schedule 3

	2019 Annual Budget	2018 Amended Annual Budget
	\$	\$
Revenues		
Provincial Grants		
Ministry of Education	6,419,507	8,588,090
Other Revenue	1,610,650	1,430,235
Total Revenue	8,030,157	10,018,325
Expenses		
Instruction	7,794,285	9,782,453
Operations and Maintenance	20,078	20,078
Total Expense	7,814,363	9,802,531
Net Revenue (Expense)	215,794	215,794
Net Transfers (to) from other funds		
Tangible Capital Assets Purchased	(215,794)	(215,794)
Total Net Transfers	(215,794)	(215,794)
Budgeted Surplus (Deficit), for the year	-	-

School District No. 40 (New Westminster)

Annual Budget - Changes in Special Purpose Funds

Year Ended June 30, 2019

Schedule 3A

	Annual Facility Grant	Learning Improvement Fund	Aboriginal Education Technology	Special Education Equipment	Scholarships and Bursaries	Special Education Technology	School Generated Funds	Related Entitles	Strong Start
Deferred Revenue, beginning of year	\$ -	\$ -	\$ -	\$ 26,190	\$ 447,615	\$ -	\$ 1,256,017	\$ -	\$ -
Add: Restricted Grants									
Provincial Grants - Ministry of Education	235,872	238,691							96,000
Other					120,000		1,300,000		
	235,872	238,691			120,000		1,300,000		96,000
Less: Allocated to Revenue	235,872	238,691			120,000		1,300,000		96,000
Deferred Revenue, end of year	-	-	-	26,190	447,615	-	1,256,017	-	-
Revenues									
Provincial Grants - Ministry of Education	235,872	238,691							96,000
Other Revenue					120,000		1,300,000		
	235,872	238,691			120,000		1,300,000		96,000
Expenses									
Salaries									
Teachers									
Educational Assistants		180,000							
Other Professionals									68,000
Substitutes									
	-	180,000	-	-	-	-	-	-	68,000
Employee Benefits		58,691							26,000
Services and Supplies	20,078				120,000		1,300,000		2,000
	20,078	238,691	-	-	120,000	-	1,300,000	-	96,000
Net Revenue (Expense) before Interfund Transfers	215,794								-
Interfund Transfers									
Tangible Capital Assets Purchased	(215,794)								
	(215,794)								
Net Revenue (Expense)	-	-	-	-	-	-	-	-	-

School District No. 40 (New Westminster)

Annual Budget - Changes in Special Purpose Funds

Year Ended June 30, 2019

Schedule 3A

	Ready, Set, Learn	OLEP	CommunityLINK	Rural Education Enhancement Fund	Classroom Enhancement Fund - Overhead	Classroom Enhancement Fund - Staffing	Arts in Education	Textile Recycling	United Way
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year	-	-	-	-	-	-	-	14,445	-
Add: Restricted Grants									
Provincial Grants - Ministry of Education	19,600	149,244	1,512,237			4,167,863			
Other			107,000				4,650	4,000	75,000
	19,600	149,244	1,619,237	-	-	4,167,863	4,650	4,000	75,000
Less: Allocated to Revenue	19,600	149,244	1,619,237	-	-	4,167,863	4,650	4,000	75,000
Deferred Revenue, end of year	-	-	-	-	-	-	-	14,445	-
Revenues									
Provincial Grants - Ministry of Education	19,600	149,244	1,512,237			4,167,863			
Other Revenue			107,000				4,650	4,000	75,000
	19,600	149,244	1,619,237	-	-	4,167,863	4,650	4,000	75,000
Expenses									
Salaries									
Teachers		77,000	604,000			3,196,320			
Educational Assistants			376,000						
Other Professionals			55,000						55,000
Substitutes						106,757			
	-	77,000	1,035,000	-	-	3,303,077	-	-	55,000
Employee Benefits		24,000	269,000			864,786			20,000
Services and Supplies	19,600	48,244	315,237				4,650	4,000	
	19,600	149,244	1,619,237	-	-	4,167,863	4,650	4,000	75,000
Net Revenue (Expense) before Interfund Transfers	-	-	-	-	-	-	-	-	-
Interfund Transfers									
Tangible Capital Assets Purchased	-	-	-	-	-	-	-	-	-
Net Revenue (Expense)	-	-	-	-	-	-	-	-	-

School District No. 40 (New Westminster)

Annual Budget - Changes in Special Purpose Funds

Year Ended June 30, 2019

Schedule 3A

	TOTAL
	\$
Deferred Revenue, beginning of year	1,744,267
Add: Restricted Grants	
Provincial Grants - Ministry of Education	6,419,507
Other	1,610,650
	8,030,157
Less: Allocated to Revenue	8,030,157
Deferred Revenue, end of year	1,744,267
Revenues	
Provincial Grants - Ministry of Education	6,419,507
Other Revenue	1,610,650
	8,030,157
Expenses	
Salaries	
Teachers	3,877,320
Educational Assistants	556,000
Other Professionals	178,000
Substitutes	106,757
	4,718,077
Employee Benefits	1,262,477
Services and Supplies	1,833,809
	7,814,363
Net Revenue (Expense) before Interfund Transfers	215,794
Interfund Transfers	
Tangible Capital Assets Purchased	(215,794)
	(215,794)
Net Revenue (Expense)	-

School District No. 40 (New Westminster)

Schedule 4

Annual Budget - Capital Revenue and Expense

Year Ended June 30, 2019

	2019 Annual Budget			2018 Amended Annual Budget
	Invested in Tangible Capital Assets	Local Capital	Fund Balance	
	\$	\$	\$	\$
Revenues				
Provincial Grants				
Other	163,310		163,310	123,856
Investment Income		1,000	1,000	1,000
Amortization of Deferred Capital Revenue	2,145,087		2,145,087	2,176,523
Total Revenue	2,308,397	1,000	2,309,397	2,301,379
Expenses				
Operations and Maintenance	163,310		163,310	123,856
Amortization of Tangible Capital Assets				
Operations and Maintenance	3,066,301		3,066,301	2,770,024
Transportation and Housing	18,225		18,225	18,225
Total Expense	3,247,836	-	3,247,836	2,912,105
Net Revenue (Expense)	(939,439)	1,000	(938,439)	(610,726)
Net Transfers (to) from other funds				
Tangible Capital Assets Purchased	265,794		265,794	265,794
Total Net Transfers	265,794	-	265,794	265,794
Other Adjustments to Fund Balances				
Total Other Adjustments to Fund Balances	-	-	-	
Budgeted Surplus (Deficit), for the year	(673,645)	1,000	(672,645)	(344,932)

Operating Fund - Year to Date Revenue to Budget Summary

G.L. Period Selection: 201808 End Date: FEBRUARY 28, 2018

	Description	Revenues	Original Budget	Revised Budget	Bud Remain \$	Bud Remain %
621	OPERATING GRANT MINISTRY OF EDUCAT	-36,537,339	-60,746,601	-60,471,507	-23,934,168	40
629	OTHER MINISTRY OF EDUCATION GRANTS	-315,235	-911,673	-960,567	-645,332	67
641	PROVINCIAL GRANTS OTHER	-117,600	0	-100,000	17,600	-18
643	SUMMER SCHOOL FEES	-140,561	-120,000	-140,562	-1	0
644	CONTINUING EDUCATION	-148,030	-240,000	-240,000	-91,970	38
645	INSTRUCTIONAL CAFETERIA REVENUE	-73,651	-130,000	-130,000	-56,349	43
647	OFFSHORE TUITION FEES	-4,906,609	-4,800,000	-4,880,000	26,609	-1
649	MISCELLANEOUS REVENUE	-81,801	-230,000	-230,000	-148,199	65
651	COMMUNITY USE OF FACILITIES	-177,600	-170,000	-250,000	-72,400	29
661	INTEREST ON SHORT TERM INVESTMENT	-227,393	-100,000	-200,000	27,393	-14
		-----	-----	-----	-----	-----
	Grand Total	-42,725,819	-67,448,274	-67,602,636	-24,876,817	37

Operating Fund - Year to Date Expense to Budget Summary

G.L. Period Selection: 201808 End Date: FEBRUARY 28, 2018

	Description	YTD Exp	YTD Com	YTD Exp + Com	Budget	Bud Remain \$	Bud Remain %
105	PRINCIPALS & VP SALARIES	2,373,296	0	2,373,296	3,477,995	1,104,699	32
110	TEACHERS SALARIES	17,026,647	0	17,026,647	30,799,642	13,772,995	45
120	SUPPORT STAFF SALARIES	3,456,628	0	3,456,628	5,561,961	2,105,333	38
123	EDUCATIONAL ASSISTANTS SALARIES	2,690,496	0	2,690,496	4,636,047	1,945,551	42
130	OTHER PROFESSIONAL SALARIES	1,543,777	0	1,543,777	2,344,201	800,424	34
140	SUBSTITUTE SALARIES	1,054,977	0	1,054,977	1,372,706	317,729	23
200	EMPLOYEE BENEFITS	6,795,134	0	6,795,134	12,079,069	5,283,935	44
310	SERVICES	1,343,224	223,258	1,566,482	1,655,930	89,448	5
312	LEGAL COSTS	3,473	0	3,473	30,000	26,527	88
330	STUDENT TRANSPORTATION	57,265	27,176	84,441	157,800	73,359	46
340	PROFESSIONAL DEVELOPMENT & TRAVEL	435,404	4,344	439,748	498,300	58,552	12
360	RENTALS & LEASES	174,437	24,240	198,677	260,000	61,323	24
370	DUES & FEES	95,035	13	95,048	130,800	35,752	27
390	INSURANCE	83,783	0	83,783	131,000	47,217	36
510	SUPPLIES	1,331,450	633,043	1,964,493	2,554,135	589,642	23
540	UTILITIES	312,270	2,194	314,464	443,800	129,336	29
551	GAS - HEAT	158,402	0	158,402	278,500	120,098	43
555	CARBON TAX EXP	0	0	0	50,000	50,000	100
560	WATER & SEWAGE	136,175	0	136,175	270,900	134,725	50
570	GARBAGE & RECYCLE	37,138	7,463	44,601	73,000	28,399	39
580	FURNITURE & EQUIPMENT REPLACEMENT	73,530	7,307	80,837	286,150	205,313	72
590	COMPUTER & EQUIPMENT REPLACEMENT	732,225	176,828	909,053	1,005,550	96,497	10
591	TANGIBLE CAPITAL ASSETS PURCHASED	51,496	24,167	75,663	0	-75,663	0
		-----	-----	-----	-----	-----	-----
	Grand Total	39,966,262	1,130,033	41,096,295	68,097,486	27,001,191	40

Allowances for Members of Legislative Assemblies and Certain Municipal Officers

Attached, as Appendix A, is a copy of the FAQ released by the Canada Revenue Agency regarding non-accountable allowances and their taxable status. Beginning in 2019, all non-accountable allowances paid to Trustees will be included in income for tax purposes and reflected in the T4s issued by the District. Additional information is available on the CRA website.

2017/18 Audit Plan Update

Staff from Burnaby School District have now completed the planned internal audits at Glenbrook, Qayqayt, Herbert Spencer, and NWSS. As audit memos are finalized they will be reviewed with school staff for follow-up on recommendations and shared with the Board. Going forward, Burnaby School District has informed us that they will not be able to continue to provide internal audit services to our District. I have reviewed our current staffing complement and intend to replace the vacant buyer position with a Manager of Internal Control and Purchasing that will incorporate the internal audit duties with some management responsibilities in the Purchasing Department that are currently being done off the side of other staffs' desks. This will allow us to bring the internal audit function in-house and better match staffing levels to the current workload within the District.

KPMG staff will be completing the year-end audit over the summer and presenting their findings to the Board in September. Our internal audit program will be reviewed by our external auditors as part of that process. The initial audit engagement meeting is scheduled for the monthly board meeting at the end of June.

Capital Projects and Planning

The District has received a response letter from the Ministry to the 2018/2019 Five-Year Capital Plan. The Ministry has approved funding for mechanical and boiler upgrades at Lord Tweedsmuir and Glenbrook respectively. A copy of the funding letter is attached as Appendix B for the board's information. The associated Bylaw will be prepared for the April 24 Board meeting agenda.

Work on the District's long-range facility plan continues and a final draft will be presented, for the Board's consideration, at the May 8 Operations Committee meeting. Any immediate needs identified in the plan will be incorporated into the District's 2019/20 Five-Year Plan due to the Ministry at the end of June.

The District's Maintenance Department is proceeding with the installation of four portables throughout the District. One of the portables which was initially planned for Glenbrook, has been reallocated to Queen Elizabeth (QE) in response to significant new registrations in the QE catchment area since student projections were initially prepared in February. I have also reviewed the washroom facilities at QE and I am satisfied that the facilities are appropriate and meeting the needs of our students. Neither the Principal of the school, nor our Director of Operations have any concerns with the distance from classrooms to facilities including classrooms located in portables. I have confirmed that all the necessary city inspections and permits are in place for portables located on-site to ensure sufficient facilities are available and accessible to our students.

Initial work has begun to identify and engage a project manager for the Richard McBride Replacement Project the district is aiming to have the needed resources identified and in place by the end of May if not sooner.

The Tweedsmuir Seismic Upgrade has gone out to tender and we anticipate awarding a contract shortly. This project is being managed by District staff.

Work on the NWSS Project is proceeding according to schedule. Fencing has started to go up at the site and the builder is working closely with school staff and neighbours to ensure minimal inconvenience during the construction period. Staff are installing signage to assist the public in navigating the new traffic flow throughout the site.

Respectfully,

Kevin Lorenz
Secretary-Treasurer



Government
of Canada

Gouvernement
du Canada

[Home](#) → [Canada Revenue Agency](#) → [Federal government budgets](#)

→ [Budget 2017 - Building a Strong Middle Class](#)

Allowances for Members of Legislative Assemblies and Certain Municipal Officers

Budget 2017 proposes the full amount of non-accountable allowances for work-related expenses received by certain municipal officers and members of legislative assemblies will be included in income for tax purposes, for the 2019 and subsequent years.

Expand all

Collapse all

▼ 1. Generally, how are non-accountable allowances for work-related expenses treated for tax purposes?

Generally, a non-accountable allowance paid to an employee is considered a taxable benefit and is included in income for tax purposes.

▼ 2. Currently, are non-accountable allowances for work-related expenses received by members of legislative assemblies and certain municipal officers included in computing their income for tax purposes?

Within a certain limit, an income tax exemption is currently available for non-accountable allowances for work-related expenses received by the following officials:

- elected members of provincial and territorial legislative assemblies and offices of incorporated municipalities;
- officers, elected by popular vote, of municipal utilities boards, commissions, corporations or similar bodies; and
- members of public or separate school boards or of similar bodies governing a school district.

▼ 3. What is the proposed change to the tax treatment of these non-accountable allowances paid to members of legislative assemblies and certain municipal officers?

For 2019 and subsequent taxation years, Budget 2017 proposes that the full amount of the non-accountable allowances paid to these officials will be included in income.

▼ 4. Where can I get more information on the proposed changes?

The CRA is committed to providing taxpayers with up-to-date information. The CRA encourages taxpayers to check its webpages often. All new forms, policies, and guidelines will be posted as they become available.

In the meantime, please consult the Department of Finance Canada's Budget 2017 documents for details.

Date modified:

2017-04-06

Appendix B



March 26, 2018

Ref: 201086

To: Secretary-Treasurer and Superintendent
School District No. 40 (New Westminster)

Re: Ministry Response to the Annual Five-Year Capital Plan Submission for 2018/19

This letter is in response to your School District's Annual Five-Year Capital Plan submission for 2018/19 that was sent to the Ministry on June 30, 2017, and provides direction as to the next steps for advancing your 2018/19 capital projects.

The Ministry reviewed all 60 school districts' Annual Five-Year Capital Plan submissions to determine priorities for available capital funding in the following programs:

- Seismic Mitigation Program (SMP)
- Expansion Program (EXP)
- Replacement Program (REP)
- Building Envelope Program (BEP)
- School Enhancement Program (SEP)
- Carbon Neutral Capital Program (CNCP)
- Bus Acquisition Program (BUS)

The Ministry is pleased to advise you of support for advancing project development or delivery of the following capital projects for your School District for 2018/19:

SCHOOL PROJECT(S)			
School Name	Program - Project Type – Project Description	Amount Funded by Ministry	Next Steps & Timing
Lord Tweedsmuir Elementary	SEP – Mechanical – Ph. 2 mechanical upgrade	\$650,000	Proceed to design, tender & construction and complete by March 31, 2019
Glenbrook Elementary	CNCP - Boiler	\$250,000	Proceed to design, tender & construction and complete by March 31, 2019

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**Ministry of
Education**

Capital Management Branch

Resource Management and
Executive Financial Office
Division

Mailing Address:
PO Box 9151 Stn Prov Govt
Victoria BC V8W 9H1

Location:
5th Floor, 620 Superior St
Victoria BC V8V 1V2

Follow-up meetings will be scheduled by your respective Regional Director or Planning Officer to confirm scope, schedule, budget and the terms of project approval for the projects listed above. **No work or expenditures may proceed without a signed Capital Project Funding Agreement (CPFA), Annual Program Funding Agreement (APFA), or other formal authorization from the Ministry.**

As a reminder, the requirement for the Boards of Education to adopt a Capital Bylaw for each individual capital project has been eliminated, and instead, the Board is to adopt a single Capital Bylaw for its approved 2018/19 Five-Year Capital Plan, in accordance with s. 143 of the *School Act*. For additional information, please visit the Capital Bylaw website at:

<http://www2.gov.bc.ca/gov/content/education-training/administration/resource-management/capital-planning/capital-bylaws>

With the 2018/19 Five-Year Capital Plan approvals now completed by the Ministry, you can expect to receive the Capital Plan Instructions for the upcoming 2019/20 Annual Five-Year Capital Plan submission process (with supplementary intake spreadsheets) by early April 2018. The deadline for those capital project submissions will be June 30, 2018, which will be considered for funding support by the Ministry for the 2019/20 fiscal year.

Should you have any questions regarding this Capital Plan Response Letter or the Ministry's capital plan process, please do not hesitate to contact your respective Regional Director or Planning Officer at the [Capital Management Branch Contact List](#).

Sincerely,



Joel Palmer, Executive Director
Capital Management Branch

pc: Ryan Spillett, Director Capital Projects, Capital Management Branch
Michael Nyikes, Director Capital Programs & Policies Unit, Capital Management Branch
Damien Crowell, Planning Officer, Capital Management Branch
Mora Cunningham, Regional Director, Capital Management Branch
Nancy Dube, Planning Officer, Capital Management Branch



K-12 Public Education Funding in British Columbia

FUNDING MODEL REVIEW DISCUSSION PAPER

Ministry of Education | March 2018

A Review of B.C.'s Public Education Funding Model is Underway

INTRODUCTION

The British Columbia (B.C.) Ministry of Education (the Ministry) is consulting with K-12 sector stakeholders to review B.C.'s public education funding model. The goal of the funding model review is to ensure that available funding is allocated equitably across B.C.'s 60 Boards of Education.

B.C.'s education system continues to generate positive student outcomes. More students are graduating than ever before, with an 84 percent six-year completion rate.¹ This includes significant increases in recent years among Indigenous students and students with special needs in recent years.² Further success has been demonstrated by B.C. students through strong results on national and international education skills assessments. B.C. ranked first in the world for reading, third for science, and ninth for mathematics in the 2015 Programme for International Student Assessment (PISA), out of 72 participating OECD jurisdictions.³

Building on this strong foundation, the Ministry is committed to fostering a flexible, personalized and sustainable education system, which is focused on strong outcomes and equitable access to educational opportunities for all students. While B.C.'s student outcomes are among the best in the world, there are still areas for improvement such as closing the gap between Indigenous students and children in care with all other students. Recognizing that funding is an influencing factor in the delivery of educational programs and services across the province, it is important to explore the ways in which B.C.'s funding model can support equitable access and improved outcomes.

In response to feedback from education sector stakeholders, the Minister of Education announced a funding model review, which is now underway. The review is focused on the way available funding (as determined by government through the annual budgeting process) is allocated to B.C.'s 60 Boards of Education. The funding model review will include several phases. The Ministry and the BC School Trustees Association (BCSTA) have developed a Statement of Principles for a new funding model. At the same time, the Ministry has conducted initial research, exploratory engagement meetings with stakeholders, and surveys during the fall of 2017 – a summary of emerging themes is included in this paper.

This paper will inform the work of an Independent Review Panel, which will make recommendations to the Minister of Education in summer 2018. Once government has an opportunity to review and consider the recommendations, the Ministry of Education will then develop options for transitioning to a new model, which is expected to be in place for the 2019/20 school year.

¹ The six-year completion rate is the proportion of students who graduate, with a B.C. Certificate of Graduation or B.C. Adult Graduation Diploma, within six years from the first time they enrol in Grade 8, adjusted for migration in and out of B.C.

² Six-year Completion and Graduation Rates <http://www.bced.gov.bc.ca/reporting/province.php>

³ Measuring up: Canadian Results of the OECD PISA Study *The Performance of Canada's Youth in Science, Reading and Mathematics (2015)* funded by the Council of Ministers of Education of Canada http://www.cmec.ca/Publications/Lists/Publications/Attachments/365/Book_PISA2015_EN_Dec5.pdf

The purpose of this discussion paper is to summarize the feedback that has been heard through the process so far.

Interested parties are asked to submit written comments on this discussion paper to the panel (details are provided at the end of the paper).

BACKGROUND: CURRENT FUNDING MODEL

The current method of allocating funding to the province's 60 Boards of Education has been in place since 2002. In general, the model does not allocate funding for a specific purpose. Operating grants represent the vast majority of funding to school districts (over \$5 billion annually) with 79 percent of funding being allocated on a basic per student (full-time equivalent) basis, and the remaining funds being allocated based on unique student and district (geographic) needs.

Outside of operating grants, a series of 'special grants' totaling \$680 million annually provide additional funding for specific purposes—such as facilities maintenance, the operation of Strong Start Centres, etc. Only 10 percent of total operating funding is restricted for a specific purpose, while the remainder is flexible and available for Boards of Education to direct according to local priorities.

The current model was designed in an era of enrolment decline. Much has changed since that time, more specifically:

- Over the last 15 years, B.C. has experienced a lengthy period of enrolment decline followed by three years of significant enrolment growth (1 percent each year), which is forecast to continue for the foreseeable future; and
- Communities, industries, and populations have changed dramatically, for example, urbanization has led to population declines in some communities and rapid growth in others, resulting in major changes to local student populations across the province.

Further, as social, cultural, technological, and economic trends are rapidly shifting, so too are the ways in which students are learning and the skills they will require to succeed after graduation in an increasingly complex and interconnected world. This has led to new methods of education delivery, such as the Ministry's curriculum redesign, as well as changes to data collection through the implementation of a new student information system. At the same time, the expectations placed on schools and school districts by parents, stakeholders, and the public have also increased over time – especially in rural communities. Parents expect a highly personalized approach to educational programs and services for their children, focused on each individual student's specific learning needs. Industry expects that their immediate and future workforce needs will be met.

Currently, funding is not directly linked to furthering student success, but rather, is largely based on inputs (numbers of students reported by school districts in specific categories). This approach leads to more time and resources being spent on counting and assessing students, as opposed to delivering educational services and driving student outcomes. B.C.'s K-12 education system must prepare students for the future by helping them successfully transition to post-secondary education and the workplace, and to thrive in a rapidly changing world. The funding model has not adjusted to

reflect the changes noted above, with the same model having remained in place for more than 15 years.

In contrast, other jurisdictions have taken steps in recent years to adjust their models to reflect changes in their educational, legislative, community, and economic landscapes. B.C.'s funding model is becoming outdated relative to other provinces. For these reasons, now is an excellent time to review the funding model in B.C. to understand whether modifications should be made to ensure funding is dispersed in a manner that best contributes to individual student success, and aligns with the local and regional operational realities that school districts face.

REVIEW PROCESS TO DATE

Initial Steps

Since October 2017, a number of important steps have been completed in the early stages of the funding model review, including:

- Established a Statement of Principles in conjunction with the B.C. School Trustees Association (BCSTA) to ensure the new funding model reflects the priorities of the K-12 sector's co-governing partners;
- Completed a cross-jurisdictional analysis of funding models across Canada, as well as in-depth reviews of Ministry program areas, and a scan of key funding issues since 2002;
- Review of the rural education engagements completed by the Ministry in 2017;
- Administered a technical survey and a perspectives survey to 350 sector stakeholders, including Trustees, Superintendents, and Secretary-Treasurers;
- Invited Boards of Education and stakeholder groups to provide written submissions for the Independent Review Panel to consider; and
- Met one-on-one with several K-12 sector stakeholder organizations, with additional meetings planned over the coming months.

Statement of Principles

A Statement of Principles for the new funding model has been co-developed by the Ministry and the BCSTA to help ensure that the new funding model focuses on distributing available funding in an equitable manner that supports continuous improvement of student outcomes.

The principles are that the funding model will be:

- **Responsive:** Allocates available resources amongst Boards of Education in consideration of unique local and provincial operational requirements.
- **Equitable:** Facilitates access to comparable levels of educational services and opportunities for individual students across the province.
- **Stable and Predictable:** Supports strategic, multi-year planning for educational programming and school district operations.

- **Flexible:** Respects the autonomy of, and does not unnecessarily restrict, individual Boards of Education in the spending of their allocations to further student success.
- **Transparent:** Calculates funding using a clear and transparent methodology.
- **Accountable:** Allocates resources to Boards of Education in the most efficient manner and ensures that resources provided are being utilized as intended.

Emerging Themes

Seven key themes have emerged from the consultations and research to date. Each identified theme includes a description of the current state, a discussion of the issues, challenges, and opportunities that have been raised through the review process thus far—posing a number of key questions that can be considered in the next phase of this process. These themes may be adjusted over the course of the next stage of the funding model review process, depending on the feedback received and results of further research (see Next Steps section).

Theme 1: Student Success in the Context of an Evolving Education System

What We've Heard

The current model does not directly incent improvements to student outcomes, and may not provide sufficient flexibility to enable individualized and flexible educational approaches to further student success.

“Students in the province deserve a quality education no matter where they live. Any changes to the funding formula must maintain or improve equity and access for all students in the province.”

– Survey Respondent

Current State

The funding model that has been in place since 2002 does not include any direct link between funding and student outcomes, and does not explicitly promote student success. However, there is no consensus amongst stakeholders on how to define meaningful, relevant outcomes either broadly or for individual students, and so this concern must be viewed in the context of a high-performing education system with graduation rates and other education outcomes at an all-time high.

The current model provides supplementary allocations to address the unique needs of students and characteristics of school districts. However, gaps in student achievement persist, for example, completion rates and assessment scores differ between rural and urban students, between Indigenous and non-Indigenous students, and for students with special needs or other vulnerabilities such as children in care. The 2016/17 six-year completion rates were 69 percent for students with special needs, 66 percent for Indigenous students, and 50 percent for Indigenous children in care, which fall well below the 84 percent completion rate for all students. The rural education

engagement process also highlighted that rural student completion rates were, on average, 7.7 percent below urban completion rates from 2013/14 to 2015/16. Current funding approaches for various educational services and programs may not be contributing to better outcomes for all students to the greatest extent. There may be opportunities to fund differently to support improved student outcomes.

In addition, the emergence of new technology and trends towards online and blended education delivery in some cases, require a funding model that can support multiple delivery methods while encouraging a flexible, personalized learning experience for all students.

B.C.'s new curriculum implementation began in 2016/17 for Kindergarten to Grade 9, and will continue with Grade 10 in 2018/19 and Grades 11-12 in 2019/20. While additional funding has been provided to support educators through this transition, feedback from stakeholder survey participants suggests that changes need to be made to the funding model to support the new curriculum by recognizing that the current course-based funding approach may not fully reflect the evolving ways in which educational programs will be delivered now and into the future.

The new curriculum is student-focused and does not specify delivery methods – learning happens in a variety of places with flexible time frames and pedagogical approaches. The current funding model distinguishes between different types of learning environments with varying levels of funding depending on whether it is distributed learning or in a 'bricks-and-mortar' school. As well, funding based on registration in an approved list of courses for certain grades can limit flexibility and choice for students, and in some cases, has inadvertently led to a focus on registering students to maximize funding rather than focusing on each student's learning needs, preferences and outcomes.

Seventy-four percent of survey respondents indicated that delivering personalized and competency-driven learning will result in operational challenges that may not be appropriately recognized in the current funding model. These challenges may vary by school district. The recent rural education engagement process found that many small school districts, or those where students are more geographically dispersed into smaller schools, already offer a high degree of personalization, while school districts operating a greater number of larger schools may find it more challenging to allocate appropriate resources and supplies to achieve a comparable level of personalization.

This funding model review is an opportunity to investigate whether different funding approaches could lead to further improvements in student achievement, greater equity of access to educational programs and services for all students, and better alignment with the changes that are underway in the delivery of educational services and implementation of the new curriculum.

Key Questions

Questions to explore through the next stage of the review could include:

- Should funding vary by method of delivery, by level of education, by subject matter, and/or by type of student, or should Boards of Education have the flexibility to develop programs and services without having to worry about multiple funding components?

- Could the funding model better support changes in educational program delivery, including more flexibility, individualized learning, cross-curricular studies, and teacher collaboration, in ways that result in better outcomes for students?
- Can the funding model be modified to help close educational gaps and improve equity of access to educational programs and services?
- Can different funding approaches be used to promote individual student choice?
- Should funding directly incent improvements to individual student success?
- Are there certain types of funding that should be targeted or restricted to allow government to direct funds for specific purposes or policy initiatives, and to track those expenditures and outcomes more rigorously?

Theme 2: Education for Special Needs, Vulnerable and Indigenous Students

What We've Heard

Inclusive education is the concept of integrating students with designated special needs, vulnerable students, and Indigenous students into a regular classroom setting in a manner that supports their individual success. Initial research and stakeholder feedback has revealed that education funding approaches for special needs, vulnerable and Indigenous students in B.C. lags in three key ways:

1. The current funding directs a disproportionate amount of time and resources towards administration, assessments, and paperwork, rather than direct services to students;
2. There are vulnerable student populations which are not specifically included within the funding formula, and the data being used to calculate existing allocations may not be comprehensive enough to capture the true landscape of vulnerable student populations in school districts; and
3. The rules around targeted funding for Indigenous students may be too restrictive and may not be enabling better outcomes for Indigenous students.

“Education is a basic right for ALL students - not just typical students but those with complex learning needs as well. I believe that if competencies are important to society, we need to shift our culture to that of complete inclusiveness.... and that means meeting the needs of all students - not just the majority.”

– Survey Respondent

Current State

A summary of the challenges faced by the identified student groups (special needs, vulnerable and Indigenous students) is discussed in more detail below, and includes key questions for consideration in the next stage of the review for each of these student groups.

1. STUDENTS WITH SPECIAL NEEDS

“Support for inclusion of students with special educational needs is generally the most challenging area to address with the current system.”
– Survey Respondent

Challenges in providing support to all students with additional needs emerged as a strong theme in the stakeholder surveys. Seventy-seven percent of respondents had the opinion that there are students who require services and supports that are not receiving them within the context of the current process for assessing, designating, and issuing funding (some of whom have medical conditions, others who require social or other types of supports) not specifically captured within the model.

The current funding model incentivizes school districts to devote a great deal of time and resources towards assessing students in order to secure additional funding, which generates more paperwork and administration costs. Several school districts reported spending between 15 and 20 percent of their overall special education budget on administration, assessments, paperwork, and reporting, instead of services to students. Extrapolating provincially, this would equate to well over \$100 million per year that could be repurposed from administration to educational service delivery to support these students.

One unintended consequence of the current diagnosis-and reporting-based funding approach for special education services is long wait times for assessments, in both urban and rural districts, and a lag in access to services for these students. The recent rural education review found that wait times for assessments could be longer than one and a half years in some school districts, forcing many parents to pay up to \$3,000 to have their children assessed privately. In addition, students may require support that falls outside the current diagnosis-based system, and these students may not be offered the services that they require because they do not attract any supplemental funding. Although the percentage of students designated as having special needs within the broader B.C. student population has stayed relatively constant over the past 15 years, the number of students being diagnosed in supplemental funding categories has increased by 65 percent since 2002. Overall, student enrolment has fallen by 10 percent during this period.

Many other Canadian provinces such as Alberta, Saskatchewan, Manitoba, and Ontario use differential modifiers to predict vulnerability and the incidence of students with additional needs, and do not solely rely on assessments or reporting to determine funding levels. Only 15 percent of stakeholder survey respondents expressed a preference for keeping the current funding approach; the vast majority recommended moving away from a predominantly medical diagnosis-based model for special education funding.

Key Questions

Opportunities to be explored through the funding model review may include:

- Should an alternative, non-diagnosis (or reporting-based) model of funding students with special needs be considered?

- How can a new funding model ensure that individual students, in all parts of the province, receive the support they require in a timely manner?
- How can a new funding model reduce administrative costs and increase resources dedicated to services to students?
- Could the funding model better support special needs students in ways that result in better outcomes for students?

2. VULNERABLE STUDENTS

The current funding model includes a Supplement for Vulnerable Students, which is calculated based on economic conditions, demographic vulnerabilities, social conditions, and educational attainment. This supplement provides a small amount of additional funding to districts to assist with providing services to vulnerable students, on top of funding received through CommunityLINK. The CommunityLINK funding is a special purpose grant that has been in place since 2002/03, and is used to support meal programs, mental health services, and other initiatives for vulnerable students. A total of \$63.6 million was disbursed across all public school districts in 2017/18 for this purpose. Separate funding is also provided for provincial resource programs, which support educational services for students in hospitals, in youth custody, or in treatment centres.

However, preliminary findings from reports by B.C.'s Office of the Auditor General and from the B.C. Representative for Children and Youth, suggest that not all the needs of vulnerable students are being met by Boards of Education. In addition, there is a degree of inequity in the system where some school districts have local municipalities that match government funding or have more robust Parent Advisory Committee networks with the ability to raise significant funds for vulnerable student services.

Key Questions

The funding model review presents an opportunity to investigate whether there are more effective approaches to allocating funding for vulnerable students. Potential questions may include:

- How can a new funding model contribute to improved equity of access to services, and improved outcomes for vulnerable students?
- Should allocations for vulnerable students be combined with those for other students?
- Should the funding model differentiate between the needs of different types of vulnerable students?
- Are there data sources from other agencies that could be incorporated to better capture trends in vulnerable student populations in school districts?

3. INDIGENOUS STUDENTS

The current funding model provides an allocation to Boards of Education for each self-identified Indigenous student (over and above the basic per student amount). This funding is targeted and must be spent on the provision of Indigenous education programs and services, over and above the

regular education program. There were 58,283 self-identified Indigenous students in 2016/17 and total supplemental funding was \$70.3 million in 2017/18.

Many stakeholder survey respondents felt that targeted funding for Indigenous students is sufficient to address the development and delivery of Indigenous education programs. However, some feedback suggests that the current use of a per-pupil rate for self-identified Indigenous students is not equitable, because services cost more in some districts than in others, and because reliance on students to self-report may lead to under-representation and, therefore, a lack of services to some students.

In addition, while the completion rate for Indigenous students was 66 percent in 2016/17, up from 47 percent in 2003/04 (one year after the current funding formula was introduced), this is still significantly lower than the completion rate for all students. The current funding model may not be allocating funding in a manner that best improves outcomes for Indigenous students, and this warrants further analysis and discussions.

Funding for Indigenous student education is complex, as both the provincial government and federal government have different responsibilities, and there is a direct relationship between funding levels provided by each. Any changes to Indigenous student education funding must be discussed with the other levels of government involved in the education of Indigenous students, including the First Nations Education Steering Committee and the Government of Canada. Funding changes could impact federal funding allocated through the Tripartite Education Framework Agreement, which is currently being re-negotiated. The Province is also committed to implementing the UN Declaration on the Rights of Indigenous Peoples, which could manifest as a true educational partnership with Indigenous peoples based on rights, reconciliation and respect.

Key Questions

A recent report from B.C.'s Office of the Auditor General recommended evaluating the effectiveness of targeted funding and enhancement agreements as strategies to close the gaps in education outcomes between Indigenous and non-Indigenous students.⁴ There is now an opportunity to review and modify the current funding model with respect to this type of funding. Potential questions to be explored include:

- Should there be a more explicit link between funding and closing educational gaps for Indigenous students?
- Are there opportunities to improve the approach to funding services for Indigenous students in alignment with the UN Declaration on the Rights of Indigenous Peoples?⁵

⁴ AN AUDIT OF THE EDUCATION OF ABORIGINAL STUDENTS IN THE B.C. PUBLIC SCHOOL SYSTEM (November 2015), B.C. Auditor General, https://www.bcauditor.com/sites/default/files/publications/reports/OAGBC%20Aboriginal%20Education%20Report_FINAL.pdf

⁵ UNITED NATIONS DECLARATION ON THE RIGHTS OF INDIGENOUS PEOPLES (March 2008), United Nations, http://www.un.org/esa/socdev/unpfii/documents/DRIPS_en.pdf

- Should funding be allocated to Boards of Education for Indigenous students include a per-pupil amount based on self-identification, a grant based on general population data, or other criteria?

Theme 3: Responsiveness to Local Circumstances

What We've Heard

The funding model does not adjust sufficiently for enrolment dynamics between and within districts, differences in types, sizes and geography of schools, or composition of students.

"The proportion of funding that is directly variable with enrolment is too high."

– Survey Respondent

"The formula needs to recognize the unique characteristics of each school district."

- Survey Respondent

Current State

Enrolment in B.C. has been increasing over the past several years. Despite this provincial trend, there is significant variability in enrolment amongst different school districts and even schools within the same school district - some are experiencing rapid growth, while others are facing a continuous slow decline.

School district enrolment changes every year due to demographic changes, as well as migration between districts, to and from the independent school system, and between provinces. The current funding model cannot respond to real time enrolment changes within a school district; instead student counts are currently made at three points in the school year. In addition, some school districts have voiced concerns that the funding model is not responsive to demographic shifts during the school year for vulnerable student populations, including refugees.

The current model includes funding protection to ensure that no district experiences a decline in operating grants greater than 1.5 percent compared to the previous year's September funding. Funding protection is intended to support school districts experiencing significant enrolment decline, but does not benefit districts with relatively flat enrolment that have all of the same inflationary pressures that other school districts face, but may not receive additional funding year over year. Also, the current model does not consider potential economies of scale in those districts where enrolment is increasing and larger numbers of students attract significant amounts of funding.

The current funding model includes allocations for a range of geographic factors. However, 64 percent of stakeholder survey respondents felt that there are additional factors that are not captured by the current geographic supplements, such as differences in costs to provide transportation services, and differing incidences of poverty and vulnerability. Further, respondents suggested a preference for adjusting the funding mix to a more balanced ratio between base funding and supplemental funding, compared to the current ratio, which is more than 80:20.

Finally, the current model may not appropriately consider different enrolment and student population dynamics within a single school district, especially in those school districts that have both large urban centres and rural and remote satellite communities.

Key Questions

Potential questions and areas of investigation for the funding model review may include:

- Should a combination of base and supplemental funding be utilized? If so, what is the most appropriate balance of base funding compared to supplemental funding?
- Should the funding amount be calculated predominantly on headcount, course or credit-based, or another method?
- Should different districts receive different funding rates based on their size/enrolment context or other factors?
- Are the current factors weighted appropriately and do they cover all the required school district characteristics to generate equitable funding allocations?
- Are there other data sources that could be used to more equitably disperse funding based on current population and/or geographic dynamics?
- Should the funding formulae account for significant enrolment shifts within a school district (e.g. flat or declining overall but with large growth in parts of districts)?
- Should some remote schools and school districts be allocated funding through a different mechanism (e.g. should schools with fewer than 50 students, or alternate schools, be funded differently than the rest of the province)?

Theme 4: Flexibility

What We've Heard

Boards of Education have limited flexibility in budgeting, despite considerable local autonomy in the utilization of unrestricted operating funding. Special grants and targeted funding further restrict flexibility and there are no criteria for when they should be utilized.

“Continued flexibility for Boards to address the unique needs of their individual districts is of paramount importance. This can be facilitated by moving grants from special purpose into operating.”

– Survey Respondent

Current State

Nearly all Canadian jurisdictions place a high value on the autonomy of Boards of Education and flexibility in education spending. British Columbia's approach resembles that of Alberta, Saskatchewan and Ontario, whereby only a small percentage of funding is enveloped or restricted for a specific use.

In addition, the number of special purpose grants provided outside of the operating grant determined by the funding allocation system (“outside the block”) has been growing, and since these allocations typically have restrictions and separate reporting requirements, they create less flexibility for Boards of Education. Moreover, reporting for special purpose grants takes up valuable staff time; over half of survey respondents indicated that reporting requirements impose a significant administrative burden relative to the amount of funding provided. On the other hand, targeting or restricting funding allows government to direct funding to specific purposes or policy initiatives, and to track those expenditures more rigorously where there is a need to do so.

Key Questions

The current review is an opportunity to investigate whether different funding approaches could resolve some of the challenges faced by Boards of Education with respect to flexibility. Questions to explore through the funding model review could include:

- Should the funding model be adjusted to provide Boards of Education with greater flexibility and autonomy in spending? If so, which areas require flexibility, and which areas require more targeted or restrictive approaches?
- Which types of funding should be targeted and/or restricted to support equity of access to educational programs and services across the province and continuous improvement of student outcomes?
- Should the number of grants “outside the block” be reduced, or have fewer restrictions?

Theme 5: Financial Management and Accountability

What We’ve Heard

Strong financial governance and accountability support the education sector goals of enhancing student learning. The current governance structure for Boards of Education leads to a conservative approach to budgeting. This, combined with the timing of funding payments, contributes to increasing accumulated surpluses and cash balances.

“If there is a funding protection component, it should be reviewed in conjunction with districts’ surplus and local capital balances that are accumulating on an ongoing basis.”

– Survey Respondent

Current State

The current funding model and legislative context (e.g. passing a balanced budget) drive school district processes and impact their ability to manage their budgets and plan for the long-term. Variability in the timing of funding means school districts receive some funds later in the school year, and there can be limited ability to add staff or make other longer-term, strategic investments. Unspent operating grants contribute to accumulated surpluses and cash balances, which is an area of concern for the Ministry of Finance and the B.C.’s Office of the Auditor General.

School districts often prepare conservative budgets based on initial enrolment figures, and use an overestimation of expenditures and underestimation of revenues to build a financial cushion. This approach avoids running a deficit, which is not permitted under the *School Act*, helps mitigate the risk of over hiring (beyond funding levels), and ensures that baseline programs continue.

Enrolment changes, particularly prolonged enrolment decline, have led to reduced operating grants for some Boards of Education. However, some Boards of Education have not reduced their operations to match lower levels of enrolment; instead, they use accumulated surpluses to balance their budgets, which means that they may offer a higher level of service to students than some of their counterparts who are also in enrolment decline, but run the risk of annual deficits. Other Boards of Education have made the difficult local decisions required to adapt to the new level of enrolment by generating accumulated surplus or redirecting surplus funds to new programming in anticipation of lower funding levels.

School districts are the only broader public sector entity that can carry forward prior years' accumulated surplus, and to use these funds to balance their current year budget. There was a total of \$300 million in accumulated surplus as at June 30, 2017. While a portion of these funds may be internally restricted (i.e. earmarked by the Board of Education for a specific use), some portion could be repurposed or reinvested by Boards of Education for other purposes.

Additional inequity exists as a result of the varying abilities of school districts to generate supplemental revenue, which leads to differences in educational opportunities across the province (e.g. some districts have extensive facility rental or lease programs, and some are able to attract significant numbers of international students, which generates tuition fee revenue, while other districts without this ability can be disadvantaged in comparison).

Key Questions

The funding model review presents an opportunity to explore these issues further, and to strengthen financial governance and accountability in the education sector. Possible areas of focus and questions may include:

- Should school district spending be monitored throughout the year and allocations adjusted if a surplus is projected? For example, ensure that funding provided is being utilized as intended?
- Should the manner in which funding is confirmed be restructured and flowed to minimize the growth of cash balances?
- Should there be a limit on the amount of accumulated operating surplus that can be carried over from year to year?
- What is the optimal timing for announcing and releasing funds throughout the school year?
- Should the funding model account for school district own-sourced revenues, ensuring equity of educational opportunities for all students, regardless of where they live in the province?

Theme 6: Predictability and Costs

What We've Heard

A model based largely on student enrolment means that funding can be unpredictable. At the same time, certain types of costs are more fixed than others and can often differ widely amongst school districts. This can limit flexibility for Boards of Education when it comes to financial planning and budget management.

“Our current financial forecasts indicate we will be in a deficit situation within the next two years as a result of declining enrolment at our remote schools, and we have very few cost-reducing measures available to address the anticipated funding losses.” – Survey Respondent

Current State

Enrolment can shift amongst school districts, or between public and independent education systems in any given year, which can cause swings in funding. As an example, SD67 (Okanagan Skaha) has seen their annual funding change by +0.3 percent (2015/16), -1.4 percent (2016/17) and +3.0 percent (2018/19). A shift of only a few students in a small community can make planning a challenge in some locations. In addition, as the number of special purpose grants has increased over the past several years, a number of stakeholders have expressed concern regarding the predictability and certainty of funding going forward.

There are some types of costs, such as utility rates and statutory benefits that school districts have little ability to influence. As well, discretionary spending by Boards of Education is limited, as approximately 89 percent of all operating funding is spent on salaries and benefits, which is guided by 60 different local versions of the provincial collective agreement for teachers and 71 collective agreements for support staff and professional associations.

The added effect of restoring class size and composition language as a result of the Supreme Court of Canada decision in late 2016 has further reduced flexibility for Boards of Education in terms of how their schools and classrooms can be organized and staffed. The restored class size and language has impacted the costs to deliver educational services consistent with the terms outlined in the Memorandum of Agreement (MoA) with the BC Teachers' Federation. The number of staff required, and thus the costs of delivering services to students in the context of the MoA, varies amongst school districts.

In addition, school districts have their own local collective agreement with different class size and composition language, they also have different staffing processes and requirements for the determination of services to students with special needs. There are other collective agreement provisions, such as clauses regarding professional development, release time and remote allowances, which can also lead to greater (or lesser) costs amongst school districts that are not directly recognized in the current funding model. Further, while the current model contains an allocation to recognize variances in teacher compensation costs, differing costs for support staff compensation are not currently recognized.

In addition to these factors, Boards of Education in smaller, rural school districts have reported being more sensitive to changes in costs on an annual basis, and often find it more difficult to cope with unforeseen and/or escalating costs such as increased heating costs during a difficult winter, or cooling costs during a hot summer.

With a funding model that is not directly aligned to costs, and instead allocates funding largely based on enrolment, there can be a mismatch between service delivery costs and funding levels in some school districts, especially when enrolment changes dramatically year over year. School districts have stated that it can be difficult to increase or decrease costs annually to match funding levels. This can make it difficult for Boards of Education to perform strategic, long-term financial planning, and, in some cases, sustain core programs and services over time.

Key Questions

The funding model review presents an opportunity to investigate whether funding mechanisms can better support long-term budgeting and help school districts deal with fixed and variable costs more effectively. Possible questions to consider in the next phase of work may include:

- How can funding be confirmed earlier or in a multi-year timeframe to support strategic, long-term budget planning?
- Are there mechanisms that could be introduced to the funding model to reduce the fluctuations in funding year over year?
- Should the funding model, or the structure and process supporting the model, be modified to track unexpected cost increases or decreases, so that adjustments can be made if needed?
- Should new mechanisms be considered to equalize the cost differential amongst school districts for items that may be more fixed, such as compensation and staffing levels set by collective agreements?

Theme 7: Geographic, Economic and Demographic Factors

What We've Heard

The rural education review identified that the funding model may not fully recognize the unique needs of rural and remote school districts, or the additional costs to operate and maintain adequate service levels in rural and remote schools.

“Rural communities do not have the economy of scale to adequately offer programs and services to our students. There is a need for increased operating funds for rural schools for staffing and programming.”

– Survey Respondent

“The current funding model doesn't adequately address the issue of the different cost of living in different jurisdictions. Boards in certain geographic areas face challenges in attracting qualified

employees as there is little or no incentive for an employee to move to an area where they will earn the same but have to pay more for housing and other living expenses.” – Survey Respondent

Current State

Approximately 32 percent of students in B.C.’s public K-12 system attend schools located outside of the main urban centres of Greater Victoria, the Lower Mainland and Kelowna areas. There are approximately 140 communities with only one school; these schools tend to be highly integrated in the social, cultural and recreational network of the community.

There are currently several mechanisms of allocating funding to support rural areas. Inside the core operating grant, allocations for geographic supplements direct additional resources toward rural areas while the Rural Education Enhancement Fund, Student Transportation Fund, and the Rural and Remote Workplace Sustainability Fund, are special grants and programs that have been established specifically to support rural school districts. However, the rural education review process identified that challenges remain. Rural districts have expressed that recruitment and retention of staff, inability to provide adequate programming and services, transportation gaps, and school closures are critical issues that could be addressed in a more comprehensive manner through a new funding model.

Many stakeholder survey respondents felt that factors unique to their school district were not captured by the current geographic supplements, particularly in remote and rural areas. Rural districts emphasized factors such as higher costs of providing transportation in geographically-dispersed areas, especially where travel through difficult terrain, such as mountains or bodies of water, is required. Pressures unique to urban districts, such as a higher cost of living and greater competition for qualified resources, were also highlighted. Survey results generally suggest school districts would prefer that the funding mix include a higher weighting towards geographic or region-specific factors than the current model provides.

Key Questions

There is an opportunity to demonstrate through the funding model review that action is being taken to address the specific challenges identified through the rural education engagement process. Questions to be investigated may include:

- What geographic, economic and/or demographic modifiers should be part of the funding model and what weight should they have relative to overall student enrolment?
- Should different funding approaches be established for different groupings or types of school districts (Remote, Rural, Urban, and Metro)?

Next Steps

This discussion paper will serve as the frame of reference for the Independent Review Panel, which will lead the next phase of research and consultation as part of this process. The next phase of work will, include:

- Additional research and data gathering,
- Regional technical working sessions for trustees and senior staff in the spring of 2018,
- Meetings with other stakeholder groups, such as the B.C. School Trustees Association, B.C. School Superintendents Association, B.C. Association of School Business Officers, B.C. Confederation of Parent Advisory Councils, B.C. Principals and Vice Principals' Association, the B.C. Teachers' Federation, and the CUPE B.C. will also be arranged,
- Consultation with other levels of government involved in K-12 education in B.C., including the Department of Indigenous Services Canada and the First Nations Education Steering Committee, and
- An interim reporting out to confirm what the panel has heard to date.

The Chair of the Independent Review Panel will present a final report and recommendations to the Minister of Education in the late summer of 2018 for consideration, and the Ministry will work with the Technical Review Committee to model options going forward.

Once a decision has been made by government, the key features of the new model will be communicated in the winter of 2018/19, with preliminary grant announcements issued under the new funding model in March 2019 (for the 2019/20 school year), including transitional measures (if required).

Boards of Education are encouraged to work with their local stakeholder groups, including parents, to gather their views on how funds should be allocated for K-12 public education, and provide this feedback to the Independent Review Panel in writing. Written submissions and questions about the funding model review can be sent to: k12fundingreview@gov.bc.ca before the end of April 2018.

Supplement to: OPERATIONS POLICY & PLANNING COMMITTEE**Date:** April 17, 2018**Submitted by:** Belinda Scott, Director of Programs and Planning**Item:** **Requiring Action** **Yes** ☐ **No** ☐ **For Information** ☒**Subject:** Earthquake Preparedness and Emergency Management Report

Background:**Emergency Management Procedures**

- The Emergency Management Procedures (EMP) have been updated. The revised procedures were developed by the Vancouver School Board and are being used by the majority of Metro Vancouver school districts.
- The EMP, in a flipchart format, are posted in every classroom and space where students and staff may be located (classrooms, gym, library, etc.)
- Principals, vice-principals, members from maintenance and other managers attended training with Collette O'Reilly on the updated emergency procedures (January 2018). Collette O'Reilly is the Manager, Health, Safety and Emergency Management, Employee Services with the Vancouver School Board.

Incident Command and Earthquake Preparedness

- The Incident Command Systems (ICS) uses a team approach to manage critical incidents and provides a framework that outlines what should be done and who should be doing it. School and district responses are managed following unified command structures, which acknowledge the importance of collaborative control and decision-making. It provides a common language so that school district personnel and emergency responders are able to communicate and be understood during a critical incident. (from *Emergency Management Planning Guide for School, Districts and Authorities*)
- Representatives from all school sites and maintenance attended rapid damage assessment training (April 2017). BC Housing's Rapid Damage Assessment Program provides instruction on the process to arrange and deliver damage assessment of wood frame, masonry and concrete buildings following a disaster such as a flood, an earthquake or a windstorm.
- Principals, vice-principals, members from maintenance and other managers attended training with Collette O'Reilly on the incident command systems (ICS) (January 2018).

Incident Command and Earthquake Preparedness Future Steps – Goals**Supplies:**

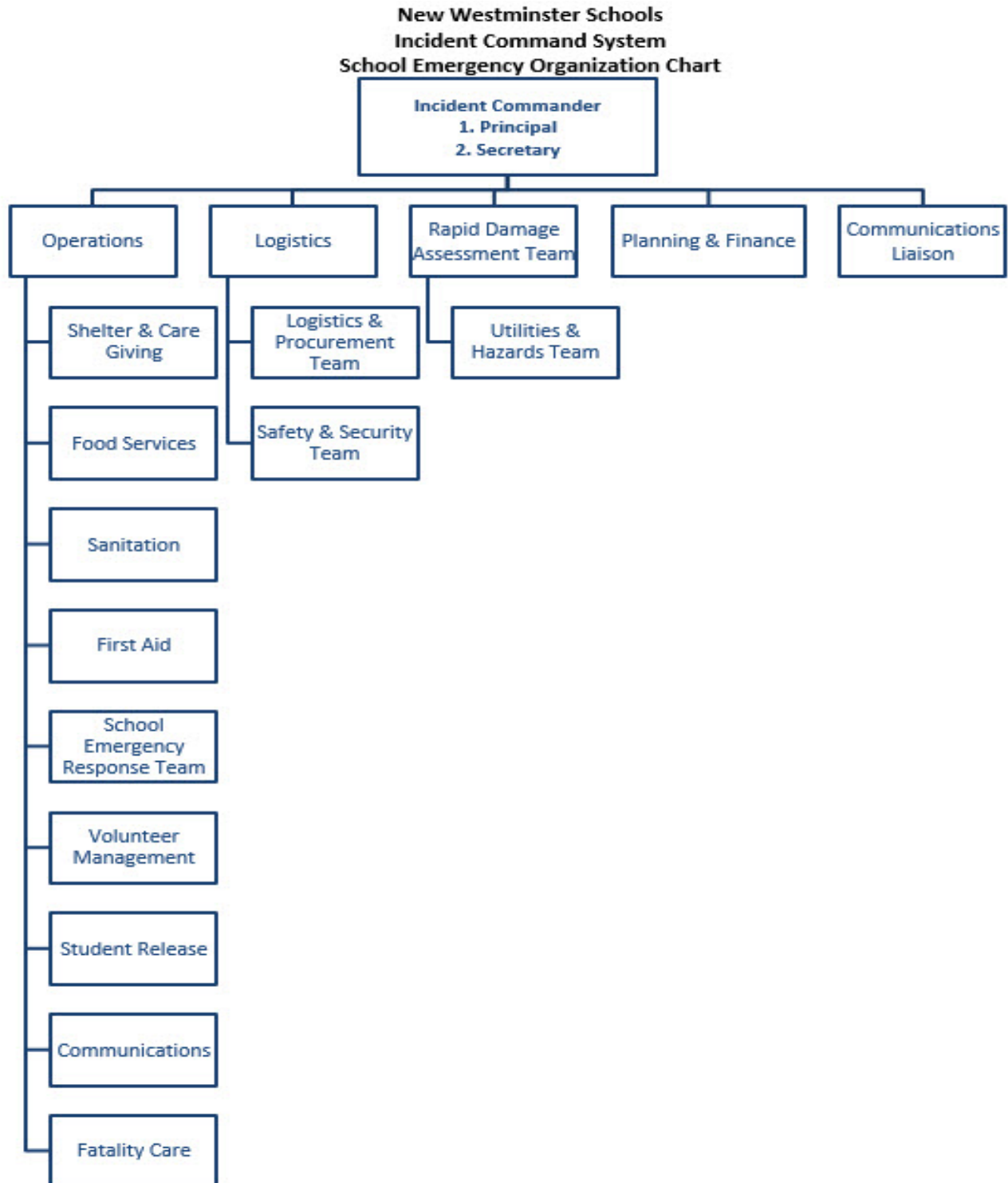
- Assessment of current emergency supplies in the classrooms and office (orange bags) – in progress.
- Update classroom emergency supplies (orange bags) – in progress (to be completed by September 2018).
- Develop a budget and supplies list including recommended emergency outdoor storage containers.
- Propose a budget for approval (2018-2019).
- Research location of containers and site preparation needed.
- Install containers and purchase supplies.

Training:

- Principals and vice-principals review updated emergency management procedures (flipcharts) with staff – in progress.
- Partner with New Westminister Police Department on possible SBT (Scenario-Based Training for a lockdown).
- Ongoing yearly training of staff and administration on emergency management procedures and incident command systems.



Sample incident command system:



Supplement to: OPERATIONS POLICY & PLANNING COMMITTEE April 17, 2018

Date **Sunday, April 1, 2018**

Submitted by: **Michael Ewen**

Item: Requiring Action ☒ For Information ☐

SUBJECT: **Audit Committee**

Background:

Back in November 2016 and again in April 2017 I sent a proposed motion to the Board suggesting the establishment of an Audit Committee.

I still believe that we need to establish an Audit Committee to help oversee the finances of the School Board and am pleased that the Ministry of Education has taken the if out of the equation and has mandated the establishment of Audit Committees.

Recommendation:

THAT the Board of Education for School District No. 40 (New Westminster) establish an Audit Committee based on the BCSTA document AUDIT COMMITTEE SAMPLE TERMS OF REFERENCE.

BCSTA 'FINANCIAL HEALTH TOOLKIT ' MATERIALS

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AUDIT COMMITTEE SAMPLE TERMS OF REFERENCE

Purpose

The Audit Committee (the “Audit Committee”) is a committee of the whole of the Board. The purpose of the Audit Committee is to ensure compliance with the financial provisions of the *School Act* and Regulations and provide independent oversight to the Board in the areas of financial reporting, external audit, internal controls, internal audit, risk management, compliance matters and other responsibilities that are delegated to the Audit Committee by the Board.

AUDIT COMMITTEE POWERS, STRUCTURE AND OPERATIONS

1. Powers of the Audit Committee

In carrying out its functions and duties, the Audit Committee has the power to:

- (a) With the prior approval of the Board, retain counsel, accountants or other professionals to advise or assist the Audit Committee.
- (b) Meet with or require the attendance of the Board’s staff, internal or external auditor or legal counsel or representatives from a reporting entity of the Board at meetings of the Audit Committee, and require such persons or entities to provide any information and explanation that may be requested.
- (c) Where the Audit Committee determines it is appropriate, meet with the Board’s external or internal auditor, counsel, accountants or other professionals, without the presence of staff.
- (d) Require the Board’s internal or external auditor to provide reports to the Audit Committee.
- (e) Have access to all records of the Board.

2. Composition of the Audit Committee

The Audit Committee will be comprised of three members, including two trustees of the Board as appointed by the Board and one external community member appointed by the Board, who may be as recommended by the Selection Committee.

The majority of Audit Committee members will be trustees of the Board.

3. Eligibility for Appointment of Persons who are not Trustees of the Board

A person who is not a trustee of the Board member may be appointed to and serve on the Board's Audit Committee only if he or she:

- (a) Is a Canadian citizen who is 18 years of age or older and a resident of British Columbia.
- (b) Has accounting, financial management or other relevant business experience that would enable him or her to understand the accounting and auditing standards applicable to the Board.
- (c) Is not an employee or officer of the Board at the time of appointment.
- (d) Does not have a conflict of interest at the time of appointment.
- (e) Is not an undischarged bankrupt or a person who would be disqualified under the *School Act* or any other enactment from being nominated for, being elected to or holding office as a trustee of the Board.
- (f) Was identified by a trustee of the Board or by the Selection Committee as a potential candidate for appointment to the Audit Committee.

A person has a conflict of interest if his or her parent, child or spouse is employed by or an officer of the Board.

4. Selection Committee

A selection committee (the "**Selection Committee**") will identify persons who are not trustees of the Board as potential candidates for appointment to the Audit Committee by the Board.

The Selection Committee shall be composed of,

- (a) The superintendent
- (b) A member of senior management
- (c) The chair of the Board or a trustee of the Board designated by the chair

5. Chair of the Audit Committee

At the first meeting of the Audit Committee in each fiscal year, the members of the Audit Committee will elect the chair of the Audit Committee for the fiscal year of the Board from among the members appointed to the Audit Committee.

If at any meeting of the Audit Committee the chair is not present, the members present may elect a chair for that meeting.

6. Term of Appointment

The term of office of each member of the Audit Committee shall be determined by the Board upon appointment of the member. The term of office of a member of the Audit Committee who is a trustee of the Board will not exceed four years or the trustee's term of office as a trustee of the Board. The term of office of a member of the Audit Committee who is not a trustee of the Board will not exceed three years.

A member of the Audit Committee may be reappointed for subsequent terms.

An individual who is not a trustee of the Board may not be appointed to the Audit Committee more than twice unless:

- (a) The position has been advertised for at least 30 days.
- (b) After the 30 days, the Selection Committee did not identify any potential candidates.

When the term of a member of the Audit Committee expires, the member may continue as a member until a successor is appointed or the member is reappointed.

7. Meetings

The Audit Committee will meet at least three times in each fiscal year at the call of the chair of the Audit Committee, and at such other times as the chair considers advisable.

Each member of the Audit Committee who is a trustee of the Board shall have one vote. A member of the Audit Committee who is not a trustee of the Board shall be a non-voting member. The Audit Committee will make decisions by resolution. In the event of a tie vote, the chair is entitled to cast a second vote.

A majority of the members of the Audit Committee constitutes a quorum for meetings of the Audit Committee.

The chair of the Audit Committee will ensure that minutes are taken at each meeting and provided to the members of the Audit Committee before the next meeting.

8. Codes of Conduct

Any code of conduct of the Board that applies to trustees of the Board also applies to members of the Audit Committee who are not trustees of the Board in relation to their functions, powers and duties as members of the Audit Committee.

9. Remuneration and Compensation

A person shall not receive any remuneration for serving as a member of the Audit Committee. The Board will establish policies respecting the reimbursement of members of its Audit Committee for expenses incurred as members of the Audit Committee.

10. Declaration of Conflicts

Every member of the Audit Committee will, when he or she is appointed to the Audit Committee for the first time and at the first meeting of the Audit Committee in each fiscal year, submit a written declaration to the chair of the Audit Committee declaring whether he or she has a conflict of interest.

A member of the Audit Committee who becomes aware after his or her appointment that he or she has a conflict of interest will immediately disclose the conflict in writing to the other members of the Audit Committee.

If a member or his or her parent, child or spouse could derive any financial benefit relating to an item on the agenda for a meeting, the member will declare the potential benefit at the start of the meeting and withdraw from the meeting during the discussion of the matter and shall not vote on the matter.

If no quorum exists for the purpose of voting on a matter only because a member is not permitted to be present at the meeting because of the conflict, then the remaining members will be deemed to constitute a quorum for the purposes of the vote.

If a potential benefit is declared, a detailed description of the potential benefit declared will be recorded in the minutes of the meeting.

11. Reporting

The Audit Committee will report to the Board annually, and at any other time that the Board may require, or the Audit Committee may consider appropriate, on the Audit Committee's performance of its duties. The report will include:

- (a) A summary of the work performed by the Audit Committee since the last report.
- (b) The results of any review conducted by the Audit Committee and any findings and recommendations of the Audit Committee to the Board.
- (c) An assessment by the Audit Committee of the Board's progress in addressing any findings and recommendations that have been made by the internal or external auditor.
- (d) A summary of the matters addressed by the Audit Committee at its meetings.
- (e) The attendance record of members of the Audit Committee.
- (f) A written report evaluating the Audit Committee's performance.
- (g) Any other matter that the Audit Committee considers relevant.

12. Minutes

The minutes of the Audit Committee meetings will accurately record each decision reached by the Audit Committee. The secretary treasurer, or such other person as may be designated by the Audit Committee will keep the minutes of the proceedings of all meetings of the Audit Committee. The minutes will be distributed to the Audit Committee members with copies to the superintendent, the external auditor and others as directed by the Audit Committee.

13. Audit Committee Performance

On an annual basis, the Audit Committee will assess its performance in fulfilling the duties and responsibilities set out in this Terms of Reference.

The assessment will review the performance of the Audit Committee, as well as the contribution and participation of the individuals that comprise the Audit Committee. The evaluation may be a self-assessment or may involve facilitation or review by an external party.

14. Orientation and Education

All members of the Audit Committee will be provided with an orientation to the Audit Committee's duties and functions upon appointment and be offered financial literacy training.

DUTIES OF THE AUDIT COMMITTEE

15. Financial Reporting Processes

The Audit Committee has the following duties related to the Board's financial reporting process:

1. To review the Board's financial statements, including:
 - a. Relevant accounting and reporting practices and issues.
 - b. Complex or unusual financial and commercial transactions.
 - c. Material judgments and accounting estimates.
 - d. Any departures from accounting principles that are applicable to the Board.
2. To review, before the results of an annual external audit are submitted to the Board:
 - a. The results of the annual external audit.
 - b. Any difficulties encountered during the external auditor's work, including any restrictions or limitations on the scope of the external auditor's work or on the external auditor's access to required information.
 - c. Any significant changes the external auditor made to the audit plan in response to issues that were identified during the audit.

- d. Any significant disagreements between the external auditor and the superintendent and/or secretary treasurer and how those disagreements were resolved.
3. To review the Board's annual financial statements and consider whether they are complete, are consistent with any information known to the Audit Committee members and reflect accounting principles applicable to the Board.
4. To recommend, if the Audit Committee considers it appropriate to do so, that the Board approve the annual audited financial statements.
5. To review all matters that the external auditor is required to communicate to the Audit Committee under generally accepted auditing standards.
6. To review with the external auditor material written communications between the external auditor and the superintendent or secretary treasurer.
7. To ask the external auditor about whether the financial statements of the Board's reporting entities, if any, have been consolidated with the Board's financial statements.
8. To ask the external auditor about any other relevant issues.

16. Internal Controls

The Audit Committee has the following duties related to the Board's internal controls:

1. To review the overall effectiveness of the Board's internal controls.
2. To review the scope of the internal and external auditor's reviews of the Board's internal controls, any significant findings and recommendations by the internal and external auditors and the responses of the Board's staff to those findings and recommendations.
3. To discuss with the Board's senior management the Board's significant financial risks and the measures management have taken to monitor and manage these risks.

17. Internal Audit

The Audit Committee has the following duties related to the Board's internal auditor:

1. To review the internal auditor's mandate, activities, staffing and organizational structure
2. To make recommendations to the Board on the content of annual or multi-year internal audit plans and on all proposed major changes to plans.

3. To ensure there are no unjustified restrictions or limitations on the scope of the annual internal audit.
4. To review at least once in each fiscal year the performance of the internal auditor and provide the Board with comments regarding his or her performance.
5. To review the effectiveness of the internal auditor, including the internal auditor's compliance with standards for internal auditing.
6. To meet on a regular basis with the internal auditor to discuss any matters that the Audit Committee or internal auditor believes should be discussed.
7. To review with the superintendent and secretary treasurer and the internal auditor:
 - a. Significant findings and recommendations by the internal auditor during the fiscal year and the responses of the management to those findings and recommendations.
 - b. Any difficulties encountered during the internal auditor's work, including any restrictions or limitations on the scope of the internal auditor's work or on the internal auditor's access to required information.
 - c. Any significant changes the internal auditor made to the audit plan in response to issues that were identified during the audit.

18. External Auditor

The Audit Committee has the following duties related to the Board's external auditor:

1. To review at least once in each fiscal year the performance of the external auditor and make recommendations to the Board on the appointment, replacement or dismissal of the external auditor and on the fee and fee adjustment for the external auditor.
2. To review the external auditor's audit plan, including:
 - a. The external auditor's engagement letter.
 - b. How work will be coordinated with the internal auditor to ensure complete coverage, the reduction of redundant efforts and the effective use of auditing resources.
 - c. The use of independent public accountants other than the external auditor of the Board.
3. To make recommendations to the Board on the content of the external auditor's audit plan and on all proposed major changes to the plan.
4. To review and confirm the independence of the external auditor.

5. To meet on a regular basis with the external auditor to discuss any matters that the Audit Committee or the external auditor believes should be discussed.
6. To attempt to resolve any disagreements between the superintendent and/or secretary treasurer and the external auditor about financial reporting.
7. To recommend to the Board a policy designating services that the external auditor may perform for the Board and, if the Board adopts the policy, to oversee its implementation.

19. Risk Management

The Audit Committee has the following duties related to the Board's risk management:

1. To ask the Board's superintendent, secretary treasurer, internal auditor and external auditor about significant risks, to review the Board's policies for risk assessment and risk management and to assess the steps the superintendent and secretary treasurer have taken to manage such risks.
2. To perform other activities related to the oversight of the Board's risk management issues or financial matters, as requested by the Board.
3. To initiate and oversee investigations into auditing matters, internal financial controls and allegations of inappropriate or illegal financial dealing.

20. Compliance Matters

The Audit Committee has the following duties related to the Board's compliance matters:

1. To review the effectiveness of the Board's system for monitoring compliance with legislative requirements and with the Board's policies and procedures, and where there have been instances of non-compliance, to review any investigation or action taken by the superintendent and secretary treasurer or other persons employed in management positions to address the non-compliance.
2. To review any significant findings of regulatory entities and any observations of the internal or external auditor related to those findings.
3. To obtain regular updates from senior management and legal counsel regarding compliance matters.

4. To obtain confirmation from the Board's superintendent whether all statutory requirements have been met.
5. To recommend to the Board the establishment of a code of ethical conduct, periodically review and recommend to the Board updates to the code, and ensure that management has established a system to enforce the code.

Supplement to: OPERATIONS POLICY & PLANNING COMMITTEE

Date **Sunday, November 13, 2016**

Submitted by: **Michael Ewen**

Item: Requiring Action For Information

SUBJECT: **Audit Committee**

Background:

We need to establish an Audit Committee to help oversee the finances of the School Board. In the past decade we have had 4 different Secretary-Treasurers. In the first 3 situations we started off great for a couple of years, but then something happened and we ended up in unanticipated deficits or surpluses. Deficits or surpluses not authorized by the Board.

In **June 2012** we ended the year with an **unanticipated** Unrestricted Operating **Deficit** of **\$2,790.052**

In **June 2013** we ended the year with an **anticipated** Unrestricted Operating Deficit of **\$4,898,109**, if the Board and the new Secretary-Treasure had not acted when we did the deficit had been projected to be \$5.6 million.

In **June 2014** we ended the year with an **unanticipated** Unrestricted Operating **Deficit** of **\$813,400**. The Board did not authorize, nor did it have any knowledge that we were recovering \$4 million of our deficit our that year.

In **June 2015** we ended the year with an Unrestricted Operating **Surplus** of **\$749,348**, and I am not sure how much of that was anticipated and how much was unanticipated, but I do not believe that the Board made the decision to make the \$1.6 million savings in that one year.

In June 2016 the School Board ended the year with a Unrestricted Operating Surplus of \$1,365,020 (that is the total of last years surplus of \$749,348 and this years surplus of \$615,672). In addition the Board has a Board restricted Contingency Fund of \$500,000). That 2015 - 2016 Surplus of \$615,672 was will within the expectations of a \$400,000 surplus that the Board was anticipating.

We seem to be back on track and on the track now.

But I do not think that the Board has the necessary expertise to review the work of the Secretary-Treasurer. We accept the Secretary-Treasurer's information as correct and accurate but we have no ways of ensuring that the information is correct and accurate.

In the recent Milburn Report on the VSB Recommendation R#14

The NWSB create an Audit Committee, including in the membership of the committee external experts to provide recommendations on various strategies, financial situations, risk management scenarios, and other complex issues.

Recommendation:

THAT the Operations Policy and Planning Committee recommend to the Board of Education for School District No. 40 (New Westminister) that the Board of Education establish an Audit Committee, Chaired by a Trustee, of external experts to provide recommendations on various strategies, financial situations, risk management scenarios, and other complex issues.

Supplement to: OPERATIONS POLICY & PLANNING COMMITTEE

Date **Monday, April 17, 2017**

Submitted by: **Michael Ewen**

Item: Requiring Action For Information

SUBJECT: **Audit Committee**

Background:

Back in November 2016 I sent a proposed motion to the Board suggesting the establishment of an Audit Committee. I have included much of what I said at the time here, but since then events have overtaken us, and we are now directed by the Ministry of Education to establish Audit Committees.

I still believe that we need to establish an Audit Committee to help oversee the finances of the School Board and am pleased that the Ministry of Education has taken the if out of the equation and has mandated the establishment of Audit Committees.

In the past decade we have had 4 different Secretary-Treasurers. In the first 3 situations we started off great for a couple of years, but then something happened and we ended up in unanticipated deficits or surpluses, deficits or surpluses **not authorized by the Board**. Despite receiving ongoing monthly reports on the state of our finances the Board was really not in control of our finances from 2012 - 2015.

In **June 2012** we ended the year with an **unanticipated** Unrestricted Operating **Deficit** of **\$2,790.052**

In **June 2013** we ended the year with an **anticipated** Unrestricted Operating Deficit of **\$4,898,109**, if the Board and the new Secretary-Treasure had not acted when we did the deficit had been projected to be \$5.6 million.

In **June 2014** we ended the year with an **unanticipated** Unrestricted Operating **Deficit** of **\$813,400**. The Board did not authorize, nor did it have any knowledge that we were recovering \$4 million of our deficit our that year.

In **June 2015** we ended the year with an **unanticipated** Unrestricted Operating **Surplus** of **\$749,348**, and I am not sure how much of that was anticipated and how much was unanticipated, but I do not believe that the Board made the decision to make the **\$1.6 million savings** in that one year.

In **June 2016** the School Board ended the year with a Unrestricted Operating **Surplus** of **\$1,365,020** (that is the total of the June 2015 surplus of \$749,348 and the June 2016 surplus of \$615,672). In addition the Board has a Board restricted Contingency Fund of \$500,000). That 2015 - 2016 Surplus of \$615,672 was well within the expectations of a \$400,000 surplus that the Board was anticipating.

We seem to be back on track and on the track now.

But I do not think that the Board has the necessary expertise to review the work of the Secretary-Treasurer. We accept the Secretary-Treasurer's information as correct and accurate but we have no ways of ensuring that the information is correct and accurate.

The Auditor General of BC has suggested and the BC Deputy Minister of Education has directed that all School Boards are to establish Audit Committees.

Recommendation:

THAT the Board of Education for School District No. 40 (New Westminister) direct that the Superintendent report to the May Operations Committee on a proposed process, including timelines and composition for the establishment of an Audit Committee.



Background

On April 4th the financial health working group established by the Ministry of Education released a document entitled "Expectations of Boards of Education – Financial Governance & Accountability" along with supporting toolkits to enhance financial accountability practices in the K-12 Public education sector.

At the April 25th 2017 Regular Board Meeting the board requested a report on a proposed process, including timelines and composition for the establishment of a Board Audit committee.

Process and Composition.

In order to be compliant with the expectations outlined by the Ministry, the Board has two options it may wish to consider:

- 1. Revise the terms of reference for the Operations Policy and Planning Committee to include the duties appropriate to an Audit committee. The Operations Policy and planning committee already undertakes several of the functions that are normally assigned to an Audit committee.*
Or
- 2. Establish through policy a new committee that includes non-voting external individuals that are independent of the Board of Education. The non-voting members would be selected based on specific business and accounting expertise.*

With either option it will be necessary for the board to review and update its current policies on committee structure to insure they are in accordance with the recommendations outlined in the toolkit provided by the ministry. In addition, if the board would like to pursue option #2 a recruitment and selection process for external members will need to be undertaken.

Timelines

The expectations outlined by the Ministry of Education's working group set a June 2018 deadline to have a functioning Audit Committee in place. However, it would be advisable for the Board to begin this work immediately and plan to begin a review of policy, committee structure, work plan, and terms

of reference in September 2017. If the Board chooses to proceed with establishing a new committee staff can prepare a qualified list of potential external members for the board's consideration over the summer.

Other Financial Accountability Expectations

In addition to The Recommendations on Audit committees, the Financial Health Working Group made several recommendations. These included recommendations on:

- 1. Budget Monitoring and Reporting – requires quarterly budget reporting and forecasting.*
- 2. Surplus Policy – requires a policy on the use and reporting of accumulated surplus.*
- 3. Capacity Building for Trustees & Superintendents – requires access to training on a regular basis.*
- 4. Audit Committee & Internal Audit – requires assessing the merits of an Audit committee.*
- 4. Financial Statement Discussion and analysis – requires FSD&A be provided with audited statements.*
- 5. Strategic Planning – Requires that a strategic plan be produced.*
- 6. Risk Management – Requires the completion of a comprehensive risk assessment.*

The Expectations document is attached for the Board's consideration. The Board may wish to incorporate a review of some or all of these other expectations into any process undertaken to establish an Audit committee or it may wish to address them as separate items.

Respectfully,

Kevin Lorenz
Secretary-Treasurer

Supplement to: OPERATIONS POLICY & PLANNING COMMITTEE**Date:** November 13, 2016**Submitted by:** Michael Ewen**Item:** **Requiring Action** **Yes** ☒ **No** ☐ **For Information** ☐**Subject:** Public Engagement in the School District**Background:**

We have had some challenges regarding engaging our public. Typically at School Board meetings and our Committee meetings we get between 0 - 4 members of the public.

Recently the Board has discussed restricting Trustee attendance at both School PAC and the District DPAC meetings, to only those times that the PAC or DPAC request an elected Trustee. This may or may not be a good idea, but I think that the Board should review the work that the City of New Westminster has done on engaging the Public,

"The City recognizes the need to respond to the demand for high quality public engagement—not as a nice-to-have—but as a central component of how the City does business and delivers services to community members."

and develop our own strategies to better engage our communities.

In the past, the School District has had:

Community based committees:

- Education
- Social Responsibility
- Finance
- Operations

District Advisory Committee (DAC):

DAC was comprised of representatives from various schools in the district, as well as representatives from a variety of local organizations interested in making a contribution to public education in New Westminster:

- *Some of the organizations participating in DAC during this time included the West End Residents' Association, Douglas College, the Hyack Society, the New Westminster Multicultural Society, and the Presbyterian Church, among others;*
- *The central goal of DAC was to provide a range of perspectives reflected through the diversity of its membership to the school district with respect to its ongoing educational and operational programs and services;*

- *An additional goal of DAC was to review draft policies of the school district as well as to explore new initiatives for the Board's consideration;*
- *A key determinant in the formation of DAC was a desire on the part of the school district to forge closer and stronger relationships with its community partners which would lead to a stronger, more robust and vibrant school district.*

(From a Backgrounder from Superintendent John Woudzia Feb 9, 2010)

The Community based committees were not very successful and after they struggled with quorum issues they were amalgamated into Education and Social Responsibility and Finance and Operations. Once again they struggled with quorum and were eventually dropped to be replaced by different variations of our current structures, Board public Committees, with flexible rules to allow and encourage public participation.

For many years the School Board also had a District Advisory Committee. The committee was a board based committee composed of members of the public, members of the parent community and members representing a wide base of community organizations (including the Labour Council, Chamber of Commerce and service organizations). The purpose of the Committee was to review School Board policy initiatives.

I think that before the Board makes any decisions about District engagement we should discuss with our community and education partners how we might better engage them.

Recommendation:

THAT the Operations Policy and Planning Committee recommend to the Board of Education for School District No. 40 (New Westminster) that the Board establish an education partner and community Task Force to review the current School Board public engagement and make recommendations to the Board on how to improve our engagement with the public.

Supplement to: OPERATIONS POLICY & PLANNING COMMITTEEDate Sunday, November 13, 2016Submitted by: Michael Ewen

Item: Requiring Action X For Information

SUBJECT: Duty to Document Policy**Background:**

Duty to Document is the concept of providing and preserving the full reasons for decisions that are made by public bodies.

For decades public bodies have relied on minutes of meeting to keep track of what was done and “institutional memory” to remember the **why** it was done. In this world of Freedom of Information we have seen develop cultures of destruction of documents and an increasingly oral culture so that information does not have to be put down on paper or in documents, thus keeping the information from the public, obviously forgetting that it is the public’s information and it is the public that we serve, both as elected officials and as administration.

Elizabeth Denham is the former **Information and Privacy Commissioner for British Columbia**. In October 22, 2015 she released a report called, **ACCESS DENIED: RECORD RETENTION AND DISPOSAL PRACTICES OF THE GOVERNMENT OF BRITISH COLUMBIA**. In that report she stated,

“Access to information rights can only exist when public bodies create the conditions for those rights to be exercised. Government must promote a culture of access, from executive leadership to front-line employees. If they fail to meet this obligation, the access to information process is rendered ineffective.

Democracy depends on accountable government. Citizens have the right to know how their government works and how decisions are made. The *Freedom of Information and Protection of Privacy Act* (“FIPPA”) enshrines this right, promoting openness, transparency and above all accountability of government activities.

Citizens can only exercise access rights when proper record keeping and retention is followed and the law providing access to records is respected. This requires that government:

- appropriately create records;
- understand and respect the distinction between a transitory record and a non-transitory record;

- preserve all records that are potentially relevant to an access request once the request is received;
- respond in an open, accurate and complete manner to access requests; and
- dispose of records only where there is legal authority to do so.

In this increasingly complex world I believe that we have a duty to be much more transparent and much more forth coming, not just informing the public about our decisions, but the reasons for those decisions, and the options that were considered.

In late August 2016 I went over to Victoria to meet with the Deputy Commissioner of Office of the Information and Privacy Commissioner. I went over as an individual Trustee and made it clear to those that I met with that I was acting as an individual Trustee, and that I was preparing information to take forward to the New Westminster Board of Education to propose developing a Duty to Document policy. They are very willing to help the Board of Education develop a **Duty to Document policy**. They suggested that we could look at a couple of different areas that already have some Duty to Document policies. They suggested both New Zealand's Public Records Act (<http://records.archives.govt.nz>) and the New South Wales' State Records Act (<https://www.records.nsw.gov.au/recordkeeping>). Both of these Acts require public offices and their local authorities to create and maintain "full and accurate records" of the activities of the office or activities.

As well the Government of Canada, in its **Policy on Information Management** (<http://www.tbs-sct.gc.ca/pol/doc-eng.aspx?id=12742>) states,

6. Policy requirements

6.1 Deputy heads are responsible for:

6.1.2 ensuring that decisions and decision-making processes are documented to account for and support the continuity of departmental operations, permit the reconstruction of the evolution of policies and programs, and allow for independent evaluation, audit, and review;

This is all about access to the reasons for decision making and making that information available to the public that we serve. I see this as happening in two ways. The first way I am proposing is that we alter our proposed Board Policy by requiring staff to present information in writing, in the form of Backgrounders, in our packages prior to our meetings. In a different document that I have forwarded to Trustees I proposed altering Policy 7 **Board Operations**, by adding a **Duty to Document and Inform** section before decisions are made, requiring,

Policy 7

BOARD OPERATIONS

6. Notice and Agendas

6.3 (1) Duty to Document

All items on the Board agenda **must** be accompanied by a Backgrounder

- (1) outlining what the purpose of the agenda item is,
- (2) outlining options for the Board consideration, and
- (3) making a recommendation for the Board



All presentations must be attached to the Board agenda when it is distributed. If presentations are not attached, the presentation will be postponed.

No decisions can be made by the Board without proper and full written documentation. The Board Chair and Vice-Chair are responsible for ensuring that the proper documentation is attached to Board meeting agendas when they are distributed.

No verbal reports, material or items may be added to Board meeting agendas without the unanimous consent of the Board.

To move forward on such a policy the Board would need to determine what areas we would expect and apply such a process. It could be all areas and all items for Board decisions or it could be specific areas and items that the Board deems most important for the historic record and for public information. Once the Board has determined what areas need to be documented then I would be prepared to bring forward the Policy amendment that is noted above.

Recommendation:

THAT the Operations Policy and Planning Committee recommend to the Board of Education for School District No. 40 (New Westminister) that the Board develop a Duty to Document Policy on the Duty to Document Board decisions and retention of School District decision making records, and that the Board determine what areas and/or what items should be specified in such a policy.

December 4, 2017

Kevin Lorenz
Secretary Treasurer
The Board of Education of School District 40 (New Westminster)
811 Ontario St.
NEW WESTMINSTER BC V3M 1C4

Dear Kevin Lorenz:

**Re: Policy or Issue Consultation;
The Board of Education of School District 40 (New Westminster)
OIPC File F17-72466**

This is responding to your November 20, 2017 letter to A/Commissioner Drew McArthur regarding guidance or resources on the creation of a duty to document policy. The A/Commissioner has asked that I respond to your inquiry.

At this time, this Office does not have guidance about what information public bodies should include in their duty to document policies.

The main purpose of a duty to document is to enable a public body to have the records it needs to function on an evidentiary basis. A duty to document also has the secondary effect of supporting citizens' access to information rights and public bodies' ability to respond to requests by helping to ensure that records are created and available.

In 2016, the government passed duty to document amendments in the *Information Management Act* (IMA), amongst other concerns, such as adequate document disposal. However, not all of these amendments are in force yet. Once the enabling regulations are in force, we anticipate that they will result in clear directions for government bodies included under that statute on how and when to create records.

At this point, these directions will not apply to your public body. However, it has been a position of this Office that all public bodies should be subject to a requirement to document their business activities, and the directions issued by government could be a good reference for your public body.

The precedents for requirements to create records are largely found in other jurisdictions, particularly in Australia and New Zealand. In these jurisdictions, the requirement to create records is tied to other considerations in the lifecycle of a record. In other words, where there is an expectation that a public body will retain a record (i.e. there is a class or designation within a retention schedule for that type of record) there

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is an expectation or requirement that those records are created. This is why the duty to document in other jurisdictions is sometimes referred to as the need to “create and capture” records.

A useful guide about how to create and capture records is available from the Queensland Government, and is retrievable at: <https://www.forgov.qld.gov.au/decide-what-capture-and-how>.

In terms of how the duty to document works or applies in a school setting, I recommend viewing the Archives and Records Management policy for the State of Victoria’s Department of Education and Training. That policy can be found at: <http://www.education.vic.gov.au/school/principals/spag/governance/Pages/archives.aspx>

A duty to document does not need to be onerous. The focus is not on the creation of more records, but rather on the creation and retention of the right records. The creation and retention of documents will depend on the business needs of public agencies and community expectations.

The policy should aim to cover information that documents or supports the public body’s organization, policies, procedures, transactions or operations. These elements are vital to enabling the public body to track and retain evidence of transactions and decisions that may be subject to, among other matters, financial audits or legal challenges.

If you have any questions, please feel free to contact me at (250) 953-4195 or by email at cgillespie@oipc.bc.ca.

Sincerely,



Christopher Gillespie
Policy Analyst