

SCHOOL DISTRICT NO. 57 (PRINCE GEORGE)

PROPOSED SCHOOL CLOSURES 2010

FAQ 2

(Responses provided by the District Sustainability Committee)

1. What makes up the reduction in costs related to each proposed school closure?

There are three components:

- The school allocation from school organization (these are the funds provided by the district for the operation of the school).
- Custodial staffing.
- Utilities (heat and light). We have used 60% of actual costs, knowing that approximately 40% will be the cost to maintain the closed school.

2. Don't the renovation costs for a building like John McInnis cancel out the cost reductions from changing the building from a junior secondary to an elementary school?

No. The dollars are from two different accounting streams. Renovations, where there are significant costs, would be an annual facility grant project, as would modifications done to upgrade the building to the current building code requirements. Routine modifications would be made using the building maintenance budget. The cost reductions for proposed closures are part of the operating stream. These are dollars that would be saved each year for the foreseeable future, whereas annual facility grant amounts are a one-time-only expense. Annual facility grant projects are considered functional or facility improvements where there is a payback period. For example:

	School X Renovation Cost	School X Closure Cost Reductions
Year 1	\$50,000	\$220,000
Year 2	\$ 0	\$220,000
Year 3	\$ 0	\$220,000
Total	\$50,000	\$660,000

3. What are dual-track supplements?

Dual-track supplements are provided through school organization. They are given to the schools for resources and program support. Each elementary French Immersion school receives \$80,000 as their dual-track supplement.

4. **How can you say there are no costs to shut down and/or move a school?**

Moving the contents of a school from one site to another is done by existing maintenance staff. The work of closing or moving a school becomes the major work of that department for a period of time. The district's maintenance staff includes the following tradespeople: carpenters, groundskeepers, plumbers, electricians, audio visual repair, HVAC (heating, ventilation and air conditioning), equipment repair, furniture repair, mechanic, roofer, millwright, locksmith, receiver/stockman and painters.

Ongoing maintenance of grounds at closed schools will be minimal, as required to meet bylaw requirements.

5. **Your renovation costs seem unrealistic – please explain.**

When we list renovation costs, we usually only include the material cost of the particular job. Most salary costs are not included, because the district's maintenance staff would be available and are certified to meet the many challenges of maintaining and renovating its facilities.

At times, renovation costs of close to one million dollars have been quoted in response to parent questions. In these cases, the cost includes building code upgrades that would be completed in conjunction with the reconfiguration renovations.

6. **I read in the paper that you didn't like any of the ideas put forth by the group of College Heights parents. Why are you being so critical of these good efforts?**

We assume you are referring to the "More with Less" document. A substantial number of the suggestions put forward have already been discussed and, in some cases, costed out by the committee.

Of the 23 recommendations in the document, 11 were currently under discussion and are likely to be implemented in some fashion.

Nine were rejected for reasons connected to the district's contracts with its employee groups, to requirements under the *School Act* or to incorrect analysis of cost ramifications.

Three would require significant discussion with partner groups before any decisions could be made.

All 23 recommendations fall into two categories – district infrastructure or school allocation. None of them address issues related to enrolment decline.

Given the financial challenges we face as a district, we cannot continue to operate buildings that need substantial mechanical and/or maintenance upgrades or that have a considerable number of empty seats. We would rather use educational dollars (operating funds) to provide program options and services to students.

7. **Why don't you sell the central administration office property and move into a closed school? That property on the corner of Ferry Avenue and Highway 16 must be worth millions. You could use that money to keep some schools open.**

The proceeds of such a sale would not be available for operating schools. All proceeds would have to be deposited in a capital account. Ministry of Education regulations would require that 75% of these dollars be applied to restricted capital controlled by the ministry and 25% to local capital. The funds could only be used with the approval of the ministry for a capital (building) project. They could not be used to fund operating accounts. Even if it was possible to use the proceeds in this way, the return would be "one-time" money and therefore would not help us to address long-term structural deficit. Also, the Board must receive Ministry of Education approval to sell the asset, and this permission is unlikely, given the Ministry's current policy regarding the sale of property.

This means that the sale of this property would not help address the district's financial challenge at all.

8. **Why does the student transportation budget increase from \$89,000 to \$180,000 between 2010-2011 and 2011-2012? And to \$465,000 by 2014-2015?**
9. **And why does the utilities budget increase from \$26,000 to \$53,000 between 2010-2011 and 2011-2012? And to \$136,000 by 2014-2015?**

Both of these costs have an annual inflationary increase in percentage terms. For example, the district's transportation contract provides for an annual adjustment equal to the consumer price index at July 1. If year one was the baseline year and there was a two percent increase, the cost would be \$89,000. In year two, the district would need another \$91,000 to pay those same costs. Compared to the baseline year, the difference is \$180,000, and so on until 2014.

See the chart on the next page.

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Compound Increase in Transportation, Electricity and Natural Gas

Budget for Contract Bussing - 2009-2010	\$ 4,462,000						
2% increase for 2010-2011	89,000	89,000	89,000	89,000	89,000	89,000	89,000
Budget for Contract Bussing - 2010-2011	<u>4,551,000</u>						
2% increase for 2011-2012	91,000		91,000	91,000	91,000	91,000	91,000
Budget for Contract Bussing - 2011-2012	<u>4,642,000</u>						
2% increase for 2012-2013	93,000			93,000	93,000	93,000	93,000
Budget for Contract Bussing - 2012-2013	<u>4,735,000</u>						
2% increase for 2013-2014	95,000				95,000	95,000	95,000
Budget for Contract Bussing - 2013-2014	<u>4,830,000</u>						
2% increase for 2014 -2015	97,000						97,000
Budget for Contract Bussing - 2014 -2015	<u><u>\$ 4,927,000</u></u>						
		<u>\$ 89,000</u>	<u>\$ 180,000</u>	<u>\$ 273,000</u>	<u>\$ 368,000</u>	<u>\$ 465,000</u>	
Budget for Electricity 2009-2010	1,220,000						
Budget for Natural Gas 2009-2010	1,460,000						
	<u>\$ 2,680,000</u>						
1% increase for 2010-2011	26,000	26,000	26,000	26,000	26,000	26,000	26,000
Budget for Electricity and Natural Gas 2010-2011	<u>2,706,000</u>						
1% increase for 2011-2012	27,000		27,000	27,000	27,000	27,000	27,000
Budget for Electricity and Natural Gas 2011-2012	<u>2,733,000</u>						
1% increase for 2012-2013	27,000			27,000	27,000	27,000	27,000
Budget for Electricity and Natural Gas 2012-2013	<u>2,760,000</u>						
1% increase for 2013-2014	28,000				28,000	28,000	28,000
Budget for Electricity and Natural Gas 2013-2014	<u>2,788,000</u>						
1% increase for 2014-2015	28,000						28,000
Budget for Electricity and Natural Gas 2014-2015	<u><u>\$ 2,816,000</u></u>						
		<u>\$ 26,000</u>	<u>\$ 53,000</u>	<u>\$ 80,000</u>	<u>\$ 108,000</u>	<u>\$ 136,000</u>	

10. **Did you consider any other alternatives to moving all French Immersion students into the John McInnis Junior Secondary School building?**

Yes. We examined a number of alternatives both before the report was written and after receiving public input. Here are a few of the options considered?

- a) Leave French Immersion in three elementary schools and one middle school. Place restrictions on enrolment in French Immersion Kindergarten in all three schools beginning in April 2010.
- b) Use the currently closed Gladstone Elementary School as the site for all district French Immersion Kindergarten students.
- c) Use Gladstone as a site for Kindergarten from the following elementary catchment areas: College Heights, Southridge, Malaspina and Vanway.
- d) Leave all primary (K-3) French Immersion students in Austin Road, College Heights and Spruceland. Move all intermediate (4-7) French Immersion students to the John McInnis building.
- e) Leave primary (K-3) French Immersion students in Austin Road and College Heights. Move intermediate (4-7) French Immersion students from those schools and K-7 French Immersion students from Spruceland into the Lakewood Jr. Secondary building.
- f) Leave all primary French Immersion students in Austin Road, College Heights and Spruceland. Move all intermediate French Immersion students to the Lakewood building.
- g) Move all French Immersion students from Kindergarten to Grade 9 to the John McInnis building. Retain Grades 10-12 French Immersion at Duchess Park Secondary.
- h) Move all French Immersion students from Kindergarten to Grade 9 to the Lakewood building. Retain Grades 10-12 French Immersion at Duchess Park Secondary.
- i) Leave a French Immersion program in the Hart, but move it to Heather Park. Move the French Immersion programs at College Heights and Spruceland to either John McInnis or Lakewood.
- j) Move all French Immersion students, by area, to a rural school setting – Buckhorn, Hixon, Nukko Lake, Shady Valley or Salmon Valley.

11. **I understand you have a financial challenge, but don't close our school – we love it! Just cut the “fat” from the district.**

While not questions, these are, by far, the most frequently heard comments.

We recognize that students, parents and communities value their neighbourhood or regional area schools. It is rewarding to hear high regard for the learning environment created by school staff.

Ministry funding is provided “per pupil.” This means that our school district does not receive funding to keep buildings open.

Developing options for the closure and reconfiguration of schools in the district was a complex task. The committee approached it in the context of the financial and educational implications of inaction. The following criteria were considered:

- a) School size should allow for a suitable range of educational options and supports.
- b) Cost savings should be anticipated in each case.
- c) Schools should be consolidated into larger buildings and these buildings should be filled as close to capacity as possible.
- d) There should be sufficient building capacity to meet the anticipated space requirements of full-day Kindergarten and the provincial plan for a pre-Kindergarten or early learning program.
- e) Buildings in better condition should be retained. Not only do they offer a better physical environment, but they have lower ongoing capital costs.
- f) Building capacity over time should lead to the elimination of portables.
- g) Students are best served both fiscally and educationally in a district configured K-7 and 8-12, as it means that students face only one building transition – the move from elementary to secondary school.

In times of surplus, Boards of Education in our district have increased program or service options for students, lowered class sizes and supported choice. In addition, surplus funding in any year has been pushed forward to the next year to offset financial challenges on the horizon. In this way, all existing program and choice options are retained, even in times of challenge.

While we don't believe that “fat” is a technical term, we do believe that it usually means anything and anyone not directly connected to the classroom. Boards of Education in this district have always tried to keep cost reductions

away from the classroom. This has meant that infrastructure costs have always been reduced first. Last year, in preparation for the 2009-2010 school year, \$2.2 million in cost reductions were made in the area of infrastructure. The District Sustainability Committee (DSC) proposal for 2010-2011 is to reduce infrastructure costs by a further \$2 million.

Part of the fat we need to cut is the excess space the district is maintaining in under-utilized facilities. This means school closures could be part of the fat reduction program you have suggested.

12. What does it mean to schools when you take \$2 million from class size and allocations?

The DSC recommendations include \$2 million in cost reductions from infrastructure, \$3 million from school closures and \$2 million from class size and school allocations. This would meet the \$7 million funding challenge for the 2010-2011 school year.

This means a reduction of \$147 per student, K-12, for school organization. Here is a sample of the projected reductions for a variety of schools:

School	Reduction to school org. allocation
Shady Valley	\$-47,199
Hixon	-60,074
Buckhorn	-69,100
Blackburn	-82,825
Foothills	-121,016
Quinson	-131,790
Vanway	-136,914
Mackenzie Sec.	-177,190
Spruceland	-218,306
College Heights El	-287,530
D.P. Todd	-357,747
Duchess Park	-613,072
PGSS	-674,915

Note that some schools may have surplus funding carried over from previous periods that can be used to offset any deficit, at least in the first year.

These dollars will have to be found by the school principal by making reductions in the following areas:

- Regular instruction (increasing class size to provincial levels – this may reduce or eliminate electives for which there is not a great demand)
- Instructional support (principal and vice-principal administrative time, librarians, learning assistants, counsellors, support teachers, music/band prep, ESL/ESD teachers, etc.)
- Non-instructional support (teacher assistants, office clerical, library clerical, youth care workers, supervision assistants)
- Operating supplies and capital (paper, telephone, furniture, computers, classroom supplies, etc.)
- Staff replacement (consultation, release time, replacement of staff on sick leave)

As you can imagine, this will have an impact on schools. There will be less choice and support for students next year as compared to that available in the current year.

DSC /wd
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