

Administrative Savings Plan

For Fiscal Year 2016/17 (Year Ending June 30)

INTRODUCTION

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

QUESTIONS?

Contact Ian Aaron at Ian.Aaron@gov.bc.ca or George Farkas at George.Farkas@gov.bc.ca.

CONTACT INFORMATION:

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

GUIDING PRINCIPLES:

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

School districts retiring prior year deficits with agreed upon deficit reduction strategies must include those reductions in the 2016/17 Operating Budget, but not include them in the Administrative Savings Plan. Overall, the budget will be adjusted to pay for the deficit retirement and for the administrative savings target.

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

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

Administrative savings strategies implemented in 2015/16 that are ongoing can be used for 2016/17. One-time savings may be used as a one-time 'bridging' mechanism until ongoing savings are realized. Use of accumulated operating surplus was permitted only for 2015/16 as a one-time bridging option.

TEMPLATE INSTRUCTIONS

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

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

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

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

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

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

If Administrative Savings Plan includes increased revenue from investment income, increased income must be above base amount budgeted for in the 2016/17 Annual Budget.

Administrative savings may go beyond items categorized for financial statement purposes as Programs 1.41, 5.41, and 7.41; as well as Function 4.

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

Shared service type initiatives such as Telus Voice / TSMa Lite, group purchasing, employment practices liability program, public liability and property loss coverage, wellness and absence management, or other similar initiatives are eligible administrative savings initiatives.

Group purchasing strategies should differentiate between: EDCO, ERAC, BCEM and other group purchasing strategies.

School districts retiring prior year deficits with agreed upon deficit reduction strategies must include those reductions in the 2016/17 Operating Budget, but not include them in the Administrative Savings Plan. Overall, the budget will be adjusted to pay for the deficit retirement and for the administrative savings target.

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

REPORTING/ATTESTATION

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

School districts may be required to provide detailed calculations and supporting material to validate the assumptions made in the 2016/17 Administrative Savings Plan. This review may be conducted on-site by a representative of the Ministry of Education.

School districts will be expected to report actual savings achieved, compared to target, for the 2016/17 School Year. This reporting will be due by September 30, 2017.

Administrative Savings Plan
For Fiscal Year 2016/17 (Year Ending June 30)

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

Initiatives	Considerations
Benefits	
Expenses and per diem rates/policy not set out in collective agreements.	Adjustments to policies and rates resulting in savings.
Reduce part-time and job shares.	Can be through attrition or reduction.
Benefit restructuring where not governed by collective agreements.	
Reduced employer contribution amount to the Teachers' Pension Plan.	
Finances	
Cash management <ul style="list-style-type: none"> * Increased interest earnings * Negotiation of more favourable interest rate * Negotiation of more favourable banking charges 	Increased investment income must be above base amount budgeted for in 2016/17 Annual Budget.
Increase international student revenue	Enrolment or fee adjustments – assumptions/ calculations of anticipated enrollment levels must be evidenced-based.
Initiate/expand purchasing card usage	This can be done on an individual, regional or provincial basis (shared service).
Operations	
Travel	Reduce overall budget, increase usage of alternative meeting arrangements
Transportation reduction (rationalization of routes) or user fees	
Discretionary spending — supplies, electronics	As per guiding principles
Infrastructure restructuring	As per guiding principles
Group purchasing (ie. shared procurement) -- Differentiate between EDCO, ERAC, BCEM, and other group purchasing strategies	As per guiding principles
IT / Communications (ie. print management, Telus Voice / TSMA Lite, etc.)	As per guiding principles
Professional fees / services - Reduce contracting costs for various professional services.	As per guiding principles
Legal Services (ie. Employment Practices Liability Program)	
Public Liability and Property Loss Coverage	
WorkSafe BC service provided by SD23 (Central Okanagan)	
Facility consolidation	May include school closures deemed surplus by boards of education
Facility reductions, improvements, efficiencies (grounds, custodial, and maintenance)	As per guiding principles
Facility revenue – rental of facilities	As per guiding principles. Must be consistent with section 85.1 of the <i>School Act</i> .
Energy savings	As per guiding principles

Staffing	
School organization	Organization, calendar, and staff resources.
Overtime reduction	May include realignment to improve efficiency of service delivery.
Salary and wage recoveries not already budgeted	E.g. from union business, WorkSafeBC, Parent Advisory Councils, ICBC etc.
Non-replacement	As per guiding principles
Position elimination	Could be through attrition or reduction.
Exempt staff review	Possible realignment of service delivery to improve efficiency (may be related to reduction of part-time positions or moving to job shares).
Elimination of labour market adjustments where not constrained by Collective Agreement	As per guiding principles
Reduced Replacement Costs through Attendance Management and Wellness programs -- Differentiate between savings derived from participation in BCPSEA-led attendance management and wellness program and the school district's own attendance management and wellness program	As per guiding principles

School District No. XXXXX
Administrative Savings Plan
For Fiscal Year 2016/17 (Year Ending June 30)

Category	Item #	Description of Strategy	2016 - 2017				
			Salaries & Benefits	Services & Supplies	Other Expense Categories	Revenue Programs	Total
Benefits	B1	Funding for Higher Benefit Cost for Teacher EHB Plan	\$ 40,000	\$ -	\$ -	\$ -	\$ 40,000
	B2	Reduced Employer Contribution Amount for Teachers' Pension Plan	\$ 140,000	\$ -	\$ -	\$ -	\$ 140,000
Finances	F1	Interest on Deposit with Ministry of Finance	\$ -	\$ -	\$ -	\$ 100,000	\$ 100,000
	F2	Reduction in Bank Charges	\$ -	\$ 16,500	\$ -	\$ -	\$ 16,500
	F3	Increased International Student Revenue	\$ -	\$ -	\$ -	\$ 37,500	\$ 37,500
Operations	O1	Public Liability and Property Loss Coverage	\$ -	\$ 17,500	\$ -	\$ -	\$ 17,500
	O2	Mechanical Upgrades at Two Schools	\$ -	\$ 22,000	\$ -	\$ -	\$ 22,000
	O3	Reduced School Clerical Overtime	\$ 10,000	\$ -	\$ -	\$ -	\$ 10,000
	O4	TOC Usage - Internal Professional Development Coverage	\$ 175,000	\$ -	\$ -	\$ -	\$ 175,000
	O5	Energy Saving Initiatives	\$ -	\$ 60,000	\$ -	\$ -	\$ 60,000
	O6	Signing onto the Provincial Telus Voice / TSMA Lite Services Program	\$ -	\$ 20,000	\$ -	\$ -	\$ 20,000
	O7	Reduce Purchasing Costs through Group Purchasing - EDCO	\$ -	\$ 15,000	\$ -	\$ -	\$ 15,000
	O8	Reduce Purchasing Costs through Group Purchasing - ERAC	\$ -	\$ 10,000	\$ -	\$ -	\$ 10,000
	O9	Route Management Software	\$ 50,000	\$ 40,000	\$ -	\$ -	\$ 90,000
Staffing	S1	Salary and Wage Recoveries	\$ 200,000	\$ -	\$ -	\$ -	\$ 200,000
	S2	Reduced Replacement Costs - Attendance Management and Wellness	\$ 150,000	\$ -	\$ -	\$ -	\$ 150,000
	S3	Reorganization of Mail Distribution	\$ 7,500	\$ -	\$ -	\$ -	\$ 7,500
	S4	School Organization	\$ 30,000	\$ -	\$ -	\$ -	\$ 30,000
	S5	Elimination of Vice-Principal Position	\$ 108,000	\$ -	\$ -	\$ -	\$ 108,000
Total Savings and Increased Revenue Identified			\$ 910,500	\$ 201,000	\$ -	\$ 137,500	\$ 1,249,000
Administrative Savings Target						\$ 1,100,000	
Sufficient Administrative savings to Achieve Target						Yes	

Send Administrative Savings Plan to SDFR@gov.bc.ca

Due: June 30, 2016

School District No. XXXXX
Administrative Savings Plan
For Fiscal Year 2016/17 (Year Ending June 30)

Category	Item #	Description of Strategy	2016 - 2017				
			Salaries & Benefits	Services & Supplies	Other Expense Categories	Revenue Programs	Total
Benefits	B1	Funding for Higher Benefit Cost for Teacher EHB Plan The District is one of the districts in the Province that experienced a higher extended health and benefit cost when our teachers chose to convert to the new Provincial EHB plan. We recovered a cheque in June 2015 from BCPSEA for reimbursement of that higher cost in the amount of \$98,000. We will receive a similar cheque from BCPSEA in 2016-17. A conservative amount to support an administrative savings plan for F2017 is \$40,000.	\$ 40,000	\$ -	\$ -	\$ -	\$ 40,000
Benefits	B2	Reduced Employer Contribution Amount for Teachers' Pension Plan As a result of the 2014 Actuarial valuation of the Teachers' Pension Plan, our District is able to reduce the amount of our contribution to the Teachers' Pension Plan.	\$ 140,000	\$ -	\$ -	\$ -	\$ 140,000
Benefits	B3					\$ -	\$ -

Benefits

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

Category	Item #	Description of Strategy	2016 - 2017				
			Salaries & Benefits	Services & Supplies	Other Expense Categories	Revenue Programs	Total
Finances	F1	Interest on Deposit with Ministry of Finance Our District plans to increase our utilization of the Ministry's Central Deposit Program. We plan to increase our average balance by \$5 million. For future years a similar amount is expected to be realized.	\$ -	\$ -	\$ -	\$ 100,000	\$ 100,000
Finances	F2	Reduction in Bank Charges Due to a renegotiation of our banking agreement, we have been able to limit our banking fees to EFT fees only at a monthly cost of \$270. Our budget for F2017 was originally set at \$20,000. The new arrangement will save about \$16,500 annually.	\$ -	\$ 16,500	\$ -	\$ -	\$ 16,500
Finances	F3	Increased International Student Revenue The district has averaged a 75 FTE international student enrolment over the past 4 years. Increasing tuition by \$500 per student per year will result in increased revenue of \$37,500.	\$ -	\$ -	\$ -	\$ 37,500	\$ 37,500

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Category	Item #	Description of Strategy	2016 - 2017				
			Salaries & Benefits	Services & Supplies	Other Expense Categories	Revenue Programs	Total
Operations	01	Public Liability and Property Loss Coverage The District will participate in the Ministry-sponsored Public Liability and Property Loss Coverage. We estimate this will save us \$35,000 annually. First year of implementation may only be 50% of the annual savings expected in future.	\$ -	\$ 17,500	\$ -	\$ -	\$ 17,500
Operations	02	Mechanical Upgrades at Two Schools The district anticipates reducing its natural gas consumption at two of its schools by completing boiler replacements. The work will be completed at both sites by end of 2015. The projects are being funded by grants from Fortis BC and local capital. The savings have been adjusted for the number of months of actual savings.		\$ 22,000			\$ 22,000
Operations	03	Reduced School Clerical Overtime Overtime is paid at double time as per the collective agreement with support staff. Productivity gains to reduce overtime can be realized as part of our strategy to consolidate all school bank accounts with the district's central banker and have a bonded courier pick up school deposits and bring them to the central bank. School-based clerical staff would no longer be required to take time from their daily schedules to bring deposits to their current bank, allowing for more time to complete daily tasks and reduce the need for overtime. The annual estimated savings from this strategy (net of courier costs) is \$10,000.	\$ 10,000				\$ 10,000
Operations	04	TOC Usage - Internal Professional Development Coverage Move internal professional development, workshops, and seminars to days outside of school sessions. This will limit TOC call outs for coverage. TOC rate \$338/Day.	\$ 175,000				\$ 175,000
Operations	05	Energy Saving Initiatives The district will be very aggressive in its energy savings efforts. Through participation in the BC Hydro Energy Manager program as well as through equipment upgrades and behavioural changes, the district expects to reduce its electricity use by 750,000 kilowatt hours in F2017. Savings shown are net of estimated BC Hydro rate increases.		\$ 60,000			\$ 60,000
Operations	06	Signing onto the Provincial Telus Voice / TSMa Lite Services Program In 2013 the District signed onto the Telus Voice / TSMa Lite program. The projected annual savings we expect to receive from this program are \$20,000, comprised of \$11,000 in voice savings and \$9,000 in cellular savings.		\$ 20,000			\$ 20,000
Operations	07	Reduce Purchasing Costs through Group Purchasing - EDCO Increase use of group purchasing through EDCO in order to reduce costs.		\$ 15,000			\$ 15,000
Operations	08	Reduce Purchasing Costs through Group Purchasing - ERAC Increase use of group purchasing through ERAC in order to reduce costs.		\$ 10,000			\$ 10,000
Operations	09	Route Management Software Implemented use of route management software and GPS to schedule and manage bus routes, drivers, and maintenance workers.	\$ 50,000	\$ 40,000			\$ 90,000

Operations

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Category	Item #	Description of Strategy	2016 - 2017				
			Salaries & Benefits	Services & Supplies	Other Expense Categories	Revenue Programs	Total
Staffing	S1	Salary and Wage Recoveries The District receives salary and wage recoveries from various sources that it does not budget for. These recoveries come from union business, WorkSafeBC, ICBC and others. Over the last three years the average of these recoveries has been \$373,900. A conservative estimate for F2017 to support a savings plan would be \$200,000.	\$ 200,000				\$ 200,000
Staffing	S2	Reduced Replacement Costs - Attendance Management and Wellness The District has hired a Health and Wellness Coordinator who has developed a "Wellness Program" that is intended to reduce our absenteeism costs by taking a pro-active approach to addressing absences earlier. This work will be complimented by the BCPSEA-led Attendance Management and Wellness Program. Annual savings are estimated to be \$150,000. We estimate an equal amount of savings are derived from our own program and the BCPSEA-led program.	\$ 150,000				\$ 150,000
Staffing	S3	Reorganization of Mail Distribution Currently the district provides daily mail services to schools both between schools and the district office and the schools and the post office. This service is being streamlined and will result in the reduction of 5 hours per week.	\$ 7,500				\$ 7,500
Staffing	S4	School Organization District-wide adjustments in support staff hours to create parity in support services across all school sites.	\$ 30,000				\$ 30,000
Staffing	S5	Elimination of Vice-Principal Position Due to a retirement and the combining/reallocation of duties of several positions, this position was discontinued.	\$ 108,000				\$ 108,000

Staffing