

**From:** [Government of British Columbia](#)  
**To:** [info@bccpac.bc.ca](mailto:info@bccpac.bc.ca)  
**Subject:** AMPLE FUNDING BUT MORE LEADERSHIP NEEDED FROM SCHOOL BOARD  
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NEWS RELEASE

For Immediate Release  
2010EDUC0069-000666  
June 4, 2010  
Ministry of Education

AMPLE FUNDING BUT MORE LEADERSHIP NEEDED FROM SCHOOL BOARD

VICTORIA - The comptroller general, in her role as special advisor, has concluded that the Vancouver board of education's current financial circumstances could have been avoided had the board appropriately managed its resources.

"The comptroller's report confirms that the VSB has the resources to deliver a sound education program for their students but that poor board governance, lack of strategic planning, and missed opportunities for savings have contributed to the board's current financial situation," said Education Minister Margaret MacDiarmid. "I am troubled that the board's governance practices have led to poor choices that have diverted millions of dollars from the classroom."

The comptroller general's report concludes that the VSB is in a strong cash position and has a substantial accumulated surplus. It also identifies up to \$11.8 million in additional revenue and cost-savings opportunities that could be realized in this school district.

The report confirms issues in the following areas:

1. Budget Management - The VSB is in a strong cash position. Despite management advice to support longer-term decision-making, some of the board's choices have created significant budget pressures of about \$8 million this year.
2. Savings and Revenue Opportunities - Additional savings are achievable. Up to \$11.8 million additional revenue and cost-savings opportunities have been identified, including more opportunities for shared services.

3. Surplus School Space - Excess space is not being maximized. VSB could achieve up to \$5.7 million in annual savings by closing and consolidating schools.

4. Board Duties and Responsibilities - The board focuses on advocacy at the expense of stewardship of the district. The board must focus on fulfilling responsibilities for education services and limit advocacy activities, noting the appropriateness of using district resources to fund advocacy work is highly questionable.

5. Board Competency - Trustees have not demonstrated that they have the management capacity to effectively govern the district. Consistent concerns about the ethical and organizational culture at the VSB were strongly evident, as was the perceived lack of trust between the board and district management.

6. Strategic Planning - The board's lack of a long-term vision and plan has led to short-term decisions that are not in the district's best interest, including the board's involvement in day-to-day operations rather than long-term planning of the district, finances and assets.

"This report gives us a great deal to think about - not just regarding Vancouver's financial management issues, but also governance issues and shared services in districts right across the province," said MacDiarmid. "There are 60 school districts doing business in 60 different ways. This report points out there are ways to find savings through shared services, and we are committed to pursuing these opportunities so that savings can be directed to the classroom."

The special advisor undertook this review to assist the Vancouver board of education in meeting its obligations under the School Act, to ensure education dollars are maximized and see that savings are redirected to the benefit of students.

During the review process, the special advisor's staff conducted interviews with school trustees and stakeholders, as well as management and staff from the Ministry of Education and Vancouver school district. The special advisor's team also examined budget documents, legislation, agreements, plans, reports, voluntary submissions from citizens and stakeholders, and other supporting materials, and consulted with other Canadian jurisdictions.

Vancouver's operating funding will increase to an estimated \$443.1 million next year, with enrolment estimated to drop by a further 108 students. Since 2000-01, enrolment in Vancouver has declined by more than 3,000 students, while operating funding has increased by an estimated \$85.2 million.

The report is available at:

[http://www.bced.gov.bc.ca/pubs/2010-06\\_special\\_advisor\\_report.pdf](http://www.bced.gov.bc.ca/pubs/2010-06_special_advisor_report.pdf).

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A backgrounder follows.

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#### BACKGROUND

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#### COST-SAVING AND REVENUE OPPORTUNITIES FOR VSB

The special advisor's report confirms that a focus on short-term decisions at the expense of long-term sustainability has led to missed opportunities, ineffective budgeting and excessive spending and committee costs. The comptroller general has identified the following items in her report.

Board choices leading to budget challenges

- \* Maintaining rental leases at artificially low rates - \$1.5 million in potential annual revenue.
- \* Using one-time funding for ongoing expenditures - \$3.29 million.
- \* Concessions from union that would have addressed lost productivity at \$975,000 per year - \$2.4 million in potential savings.
- \* Providing non-core education services - \$3.24 million.

\* Five schools identified by management for closure, savings of \$1.68 million per year.

#### Savings and Revenue Opportunities

\* Eliminate or consolidate some of the 5,796 excess school spaces

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\$5.7 million per year.

\* Transfer continuing education from leased to owned facilities - \$532,000 per year.

\* Contract out three non-teaching cafeterias - \$189,000 per year.

\* Increase child-care lease rates to non-profit rates - \$1.4 million per year.

\* Further opportunities:

o Increase building rental rates

o Expand distributed learning and international student programs

o Explore alternate use of excess district-owned properties

o Pursue collective agreement concessions

o Pursue further shared services with other districts

#### Excessive Committee Costs

\* Staff costs for attending and preparing for board and committee meetings are estimated at \$800,000 to \$1 million over a 16-month period.

\* Additional committee costs - \$31,000 for catering and \$4,000 for paper.

\* Communication costs to support advocacy work for the board.

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