

**Review of
Chignecto-Central
Regional School Board
2012–13 Budget**

April 2012

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Introduction and acknowledgements

The Minister of Education sent a letter of appointment on April 12th asking me to review the budgeting practices of the Chignecto-Central Regional School Board, with particular reference to the proposed 2012–2013 budget, and to consider what other options the board may have in regard to meeting its 2012–2013 budget targets. Although I am employed by the province, in the Treasury Board Office, the following comments, observations, views, and recommendations are my own and should not be ascribed to the province or taken to be the province's position in regard to these matters.

As the review was in relation to the board's decisions and process, wherever possible I have used statistics and figures supplied by the board and the methodology applied by the board for analysis in this report. There are other statistics and figures published by the province, other boards, and third parties, but to be consistent with the information which would have been available to the board, I have used their numbers whenever possible.

I would particularly like to acknowledge the board Chair, board members, and board staff who made themselves available in regard to interviews, questions, or information requests without reservation and on very short notice. These individuals provided their responses, thoughts, views, and opinions in a very open manner on a subject that was obviously difficult for them, given their investment in the subject and the process that brought the board to its eventual decisions.

Background

The Chignecto-Central Regional School Board (CCRSB) provides primary to grade twelve (P–12) educational services to students in the Cumberland, Colchester, East Hants, and Pictou County areas of the province. It has roughly 21,000 students, comprising approximately one-sixth of provincial student enrolment. It has a proposed fiscal 2012–2013 budget of \$191.8 million, a reduction of \$1.34 million from its 2011–2012 budget. The board had a reduction of about \$3 million in its provincial funding and calculated its cost of living and wage pressures at an additional \$3.5 million. Its funded enrolment in 2012–2013 is expected to decline by about 350 students from the 2011–2012 enrolment. Provincially enrolment is expected to decline by an estimated 2200 students (1.75 per cent) and funding to the school boards was reduced by 75 per cent of the enrolment decline (1.3 per cent) resulting in overall budget reductions of \$13.4 million for the boards.

The province commenced a “Back to Balance” initiative in 2010 to bring its expenditures back into balance with its revenues. Projections by outside consultants indicated that in the absence of changes the provincial deficit could be expected to reach \$1.4 billion annually by fiscal 2013–2014. A series of actions were undertaken including tax changes, wage restraints, the launch of an Expenditure Management Initiative, and other strategies that are expected to bring the provincial budget back into balance by fiscal 2013–2014. A number of these initiatives impacted the P–12 educational system, including the wage restraints and a decision by the province to not provide CPI increases during this period. These two initiatives were implemented for all departments, agencies, boards, and commissions (ABCs); in this respect the P–12 system was treated the same as other departments and ABCs. In addition it was apparent that enrolment was declining and, therefore, the P–12 system had a declining client base. School boards expressed the view that not all costs were directly linked to enrolment; ultimately the province accepted this premise and reduced educational budgets by 75 per cent of the enrolment decline in fiscal 2011–2012 and 2012–2013.

Boards were provided expected funding levels (targets) in early February, with confirmation to come when the provincial budget was passed in the spring. Boards are required to pass a budget within 60 days of the receipt of their formal funding allocation from the Minister of Education after the provincial budget passes. All school boards commenced their budget process earlier in the year, as the process of reducing staff could trigger certain notice requirements in their various collective agreements, if budget changes could not be encompassed through attrition or other means.

Over the last six years the decline in student numbers in both the CCRSB and the province as a whole has not been matched with an equivalent decline in staffing numbers. This trend has actually been ongoing for 20 years; however, all educational stakeholders indicate that the classroom of today is not the same as the classroom 20 years ago. That said, the degree of change is much less significant over a shorter period of time and the comparisons over the last six years show noticeable changes in the student-teacher ratio and other supports provided to a smaller student body.

Chignecto-Central Regional School Board Statistics

	06–07	07–08	08–09	09–10	10–11	11–12	Change since 06–07
Students (funded enrolment)	23,634	23,051	22,779	22,225	21,792	21,384	-2,250
Change		-583	-272	-554	-433	-408	n/a
Teachers (Board budget documents)	1493	1575	1575	1532	1514	1483	-10
Students/teacher	15.8	14.6	14.5	14.5	14.4	14.4	-1.4
IT support, FTEs	18	23	24	22	22	20	+2
Library, FTEs	37.6	37.6	39.5	39.6	39.6	38.1	+0.5
EAs (Hours)	1850	1905	1905	2091	2051	1996	+146
Average Elem. class size	n/a	n/a	21.6	22.2	22.3	21.9	4 year average = 22.0

Chignecto-Central's budget process

The board started its budget process in the late fall of 2011. Board members and staff reviewed their decisions from 2011–2012, reviewed the expected changes in enrolment and expected teacher and other retirements, confirmed which activities were from general funding and which ones were tied to targeted (restricted) funding. Board staff also provided a series of “what if” reductions (2 per cent reduction, 3 per cent reduction, with cost of living, without cost of living, etc.) and how they might impact the board’s operations. The board’s principles were reaffirmed at this time by the board, to provide guidance for its deliberations:

1. The classroom is the most important component of the educational system; it needs supports, but it is the key element.
2. The board needs to provide support for those students who didn’t grasp concepts the first time; these students need rapid and targeted assistance to ensure they don’t fall further behind.
3. The board needs to engage students: to hold their interest and make allowances to reflect that not all students learn in the same way.
4. Elementary is the most critical component; learning or lack thereof at the elementary level is magnified in the higher grades, so it is important to deal with issues at the earliest possible point in a student’s journey.

The board operates a series of subcommittees that work with the applicable staff director in broad areas of the board’s mandate (Finance, Operations, Educational Services, etc.). The various subcommittees spent December and January in deliberations as to how they might make changes in their sphere of operations, with the above noted principles in mind, to help meet the anticipated reductions.

The board also has a set of strategic goals, developed for the September 2010 to June 2013 time period, that were used in conjunction with its principles as it built its budget. The board's strategic goals are

1. To maximize student learning through implementing and supporting effective instruction and assessment practices.
2. To create a safe, supportive, and socially just learning environment for each student in Chignecto-Central Regional School Board.
3. To increase professional learning community practices in the Chignecto-Central Regional School Board.

Formal meetings of the full board on budget were deferred until after receipt of the actual targets, which were ultimately received in early February. A list of scheduled meetings thereafter is attached as an appendix (shown as draft as some dates were moved a day or two reflecting scheduling changes), providing an indication of the degree of consideration that went into the board building its budget.

The actual mechanics, preparation of options, and outline and evaluation of impacts by staff for the board to consider are consistent with those used by any large organization, including the province, when it works through its budgets. It was, without question, a full and thorough budget process.

Major decisions

The board made a number of major decisions that accounted for the bulk of the planned budget reductions:

1. Enrolment decline: the board calculated a reduction of 18 teaching positions directly related to enrolment decline, providing estimated savings of about \$700,000.
2. Secondary teaching reductions: consistent with the board's principle that the elementary level is critical, additional reductions were made in the secondary school staffing formula. These reductions totaled an additional 15 teaching positions, providing estimated savings of about \$640,000.
3. Elimination of adult high school services: the board runs four adult high schools serving 169 students as of September 2011. These are separate schools (i.e., they utilize four additional facilities that need to be maintained) and have a student body composed of a mixture of students who are eligible for the regular P–12 high school system but prefer to attend these separate schools and overage adults who are ineligible to attend the regular system. These services can also be accessed through other channels (regular P–12 system or NSCC's Adult Learning Program, depending on the student's age); however, the board indicates that adult high schools have been successful in assisting students who were not a good fit with the other options available. All but two of the other school boards in the province offer a similar type of program. While there are some recoveries, the board had a net cost of about \$600,000 drawn from their regular P–12 funding to operate these schools in fiscal 2011–2012. As the schools are not part of the board's core (P–12) mandate and operate at a loss, the board has decided to eliminate these schools. Discussions with both the Department of Labour and Advanced Education and the board indicate that both parties have agreed to explore transition options for those students currently enrolled and not graduating in June 2012.

4. Board office/administration changes: the board is reorganizing its Education Services Branch, which will result in the elimination of 5.5 FTEs and provide savings of about \$200,000. The change initially started as a review of their Family of Schools system (FOS) with an ultimate decision to leave this structure in place and have these staff pick up some other activities currently provided by Regional Board Office staff, leading to the identified reductions.
5. Elimination of library services: the proposed board budget eliminated all library services, providing savings of about \$1,300,000 in fiscal 2012–2013, the single largest reduction in the proposed budget. The board outlined how, although libraries are important, when considered in the context of its principles and strategic goals these services were less important than classroom teachers, providing safe and secure learning environments, etc. As a result—after what appears to have been considerable and often highly emotional discussion—the board decided to eliminate all library services. It considered a number of scenarios that provided partial library services, but in the end went with the complete elimination of these services. This decision directly impacts more than 40 employees and equates to 40 FTEs (some staff are part time).
6. Professional development: the board had a budget of about \$2,700,000 for professional development in 2011–2012. Of this just under \$1,000,000 was constrained by the NSTU collective agreement through joint decision-making powers on these funds. Of the remaining \$1,700,000, about \$800,000 comes via restricted funding from the Department of Education and is not at the discretion of the board. The remaining \$900,000 are discretionary funds allocated by the board; the board has cut this by one-third for a reduction of \$300,000 in the proposed professional development budget for fiscal 2012–2013.
7. Operations, custodial services: the board reduced its custodial services by the equivalent of 15 FTEs (just under 10 per cent), primarily through reduced hours for some staff, providing savings of about \$500,000.

What did the board consider but decide not to do?

The board considered the following other reductions in its final deliberations, which it chose not to implement:

1. Reducing the number of IT support personnel by 3 FTEs (\$113,000); these positions are currently vacant.
2. Reducing its in-school suspension Educational Assistant support by 25 hours per day (\$83,000)
3. Further reducing the number of FTEs providing support for IB programs; it eliminated 2 of 4 positions, retaining the two positions which are directly funded through the new funding formula (\$87,000).
4. Eliminating one Financial Services business manager (\$54,000).
5. Allocating all but \$250,000 of the library reduction. These funds have been held as a contingency for prudence, providing the board some ability to deal with unanticipated events.
6. Adjusting the elementary walking distance and the length of bus runs; while largely done through the use of routing software, these were considered to require considerably more analysis than was possible within the decision time frame and have been held back for review and consideration for potential fiscal 2013–2014 reductions.

The board also has a number of board initiatives that it chose to retain, as part of its review of activities, in light of its principles and strategic goals. The new funding formula provides an allocation for initiatives of this type, which in the case of CCRSB would be about \$2,500,000; the board spends approximately \$5,175,000 annually on these initiatives. The major initiatives of this type are as follows:

1. An early literacy intervention program provides assistance in early grades to struggling readers and augments the Succeeding in Reading Program developed and funded by the Department of Education: the proposed 2012–2013 budget provided levels of support equivalent to about 350 per cent of the base provincial level in this area; additional program costs are in the vicinity of \$1,750,000.
2. The Career Exploration Program, a program similar in nature to the provincial Options and Opportunities program (with a slightly different client group), which is available in a number of board schools that do not have an Options and Opportunities program: this program currently runs in 5 schools and has program costs in the vicinity of \$1,850,000.
3. Intensive math supports, a targeted program that seeks to improve math performance in the 10 schools with the lowest math achievement rates in the board: this program costs about \$175,000/year.
4. A mentoring program to improve teacher skills in math and literacy: this program costs approximately \$525,000 each year.
5. In-school suspension, a program that replaces many out-of-school suspensions, which requires suspended students to attend school (at school students are segregated from their normal environment, supervised by educational assistants, and provided the opportunity to focus on their educational objectives, which helps to reduce the chance that they are further behind academically once the suspension is over): this program costs about \$600,000 per year. All high schools are currently funded in the same manner for this program, regardless of school size.

6. Suspension support program: the board is required, via the Education Act, to make educational provisions to support the academic continuance of students serving long-term suspensions. Chignecto chooses to do this by assigning 3.8 teaching FTEs to support these students. This is not the practice of most boards. This program costs about \$275,000 annually.

Observations

1. Budgeting process: The board engaged in a highly structured (and in some cases facilitated) process to reach its outcomes. The final budget decisions were not reached lightly and were reached in the expectation that no additional funds would be provided. Programs (adult high school and library services) were eliminated through a form of “program review” and eliminated to avoid other outcomes, which were deemed by the board to be more detrimental to student achievement.
2. Interpretation of principles: The board appears to have been somewhat rigid in its interpretation of its principles. For example, if classroom teachers are deemed to be more important than library staff in outcomes, is this really an all or nothing view? Does every library staff person have to be eliminated before any classroom teachers? Or should the value of library services in contributing to student learning be recognized, therefore looking at a more balanced approach between library and classroom staff?
3. Class size: Discussions with board members and staff indicate that while there was an emphasis on protecting the classroom, particularly at the elementary level, there was no analysis provided outlining whether these classes were indeed larger or smaller than in recent years. Figures subsequently provided by the board show that initial 2012–2013 elementary class sizes would be smaller than the average of the last four years. In other words, historically acceptable class sizes could be maintained with fewer elementary teaching resources than the board planned to utilize.
4. Reading supports: the board is proud of its early reading supports and, as noted above, provides significantly greater supports than the levels provided by the province. The board receives funds for local initiatives, and it has chosen to deploy some of these resources in this area, which is well within the intent of the funding rationale. While the board should be complimented for its efforts in this area, there is no evidence that the board engaged in discussion around the reading success encouraged by the widespread availability of library resources and staff for all students, relative to the level of resources applied to early reading interventions for specific students.

5. Minister's budget instructions: The board, while extremely focused on its goals and principles, did not adequately take into account the principles and direction provided by the Minister in her budget instructions (copy of letter attached, see appendix). The Minister was clear that adjustments were to be made, to the greatest extent possible, through attrition. The board does not appear to have fully considered this. Discussions with board members indicate that it was not a central consideration in their discussions. In effect, the strong focus on individual programs led to the opposite of the Minister's guidelines in the case of library staff.
6. Adult high school: The board does not receive an allocation for adult high school programs from the Department of Education. The board spends about \$700,000 (on an annualized basis) more than it receives in revenues for the provision of adult high schools. Adult high schools are not part of the board's primary mandate (although they are consistent with this mandate). It is reasonable for the board to conclude, given the changes in its financial position, that this is a non-core service available through other avenues and that it should withdraw from this area to concentrate on its core mandate, especially when other viable options are available for these students.
7. Library services: The board receives an allocation of about \$3,800,000 for the provision of library services. The board spent about \$2,000,000 on library services in fiscal 2011–2012. In this respect the board is consistent with the other boards, as none of them spend as much on library services as they are allocated under the funding formula. The board currently provides one of the highest levels of library support among the school boards (\$97/student versus a provincial average of \$82/student). When constrained, and considering all of its financial and educational requirements, an adjustment to this level of support for library services is reasonable. The complete removal of library services, however, is not consistent with its peer group (the other school boards) or the province's view on whether library services are a desired component of the P–12 system. The fact that library services are a component in the funding allocation formula and that neither their inclusion or funding level was questioned by any board in the recent funding formula review is an acknowledgment that they should be part of system, albeit the precise level may vary from board to board. As stated previously, there does not seem to have been a point when the board stepped back and considered how the various components (classroom size, early intervention supports, and library services), when considered collectively, support the progress of its students in reading. There are multiple options around the provision of these services at a

lower level (general reductions at all sites, concentration on secondary schools, concentration on elementary schools, etc.) each of which have their pluses and minuses. The board should consider which option would be most consistent with its learning objectives—as well as provincial priorities—and budget resources accordingly.

8. Administrative reductions: The board cut administrative expenses by 20 per cent in fiscal 2011–2012. It proposes additional reductions in fiscal 2012–2013, including school improvement, community educational coordinator, and community programmers. These functions have been picked up by its family-of-schools structure and other avenues. Administrative reductions planned for fiscal 2012–2013 are approximately \$900,000 (an additional 10 per cent on top of last year’s 20 per cent reduction).

9. Special education: Board members and board staff expressed a concern that there are enormous challenges in providing for special education needs, particularly for those students at the high-needs end of the spectrum. The board routinely spends more on special education services than the amount provided by the funding formula; as a result, other areas receive less than their allocation. The board felt, to quote one board member, “morally and ethically” constrained in making some budget decisions in its efforts to balance overall student needs and the resources required to support its special education student population.

Options

The board should reconsider the complete removal of library services; this requires it to find additional reductions to offset the reinstatement of some library services. After review of the board’s budget process and operations, the following avenues are presented as alternatives for the board to consider for additional funding reductions.

Admin reduction, IT support	\$75,000	2 (vacant NSGEU)	The board has two vacant IT support positions; removal of these two positions would return overall IT support levels to the 2006–2007 levels (18 FTEs) – current needs are higher for IT services per student, but there are fewer students.
Admin reduction, FOS (Family of schools)	\$225,000	3 (2 NSTU, 1 NSGEU)	<p>Chignecto and Halifax are the only two boards that use subsystem supervisors. This is entirely related to the size of the boards; the smaller boards have the schools interact directly with the board office. Chignecto uses a system of 4 FOS, down from 5 in the past. Each FOS has a supervisor and program specialist, financial, and admin supports to support and coordinate board initiatives within a defined geographical area. Chignecto and Halifax are structured differently—Halifax centralized, Chignecto decentralized—but the overall levels of supports are similar.</p> <p>The board evaluated its FOS structure and decided to leave the existing 4 subsystems in place, rather than go down to 3 subsystems. It decided instead to remove certain board office administrative staff and transfer these responsibilities to the FOS staff, some of which were related to their local areas (community ed) and others (international student coordination, for example) which were assigned to one FOS supervisor, but with board-wide responsibilities.</p>

Admin reduction, one business manager	\$55,000	1 (excluded)	Originally reviewed by board but retained due to concerns about service to schools.
Property services, adjustments for TCA funding	\$250,000	Nil	<p>The board identified \$1,000,000 of key property projects. While in previous years the board funded all repairs, a change was made in the 2012–2013 budget process whereby projects that qualified as Tangible Capital Assets (TCA, typically projects of \$150,000+) are now submitted to and, subject to provincial prioritization, funded by the province.</p> <p>The Radon ventilation at Thorburn Consolidated, included in the board’s property services priority list, was also submitted to the department as a TCA repair projects (as a TCA project it ought not to have been included on the regular board priority list); it has been approved under that program and can now be removed from the regular priority list.</p> <p>The board also has a submission for building envelope rehabilitation (\$240,000) at Central Colchester in its TCA submission (this project is approved for funding under that submission). The board also includes a roof replacement for this school in its list of board property projects (correctly shown, if treated as a stand-alone project). Combining these as one project in the TCA ask would remove an additional \$120,000 from the property priority list.</p> <p>These two opportunities drop property services needs from \$1,000,000 to \$700,000. Allowing some provision for unanticipated work, a one-time reduction of \$250,000 could be made.</p> <p>The board had no way of knowing which submissions would be approved through the TCA process. Also, there is no guarantee of a similar match between the funded TCA projects and the board project list next year, so the board should return to its normal base \$1,000,000 in property services funding next year.</p>

Board initiatives, in-school suspension	\$85,000	Approx. 5 (NSGEU)	The board provides 125 hours/day of educational assistant (EA) time for support of its “in-school” suspension program. This is a local program that provides in-school supervision for suspended students (via EAs), giving students an opportunity to focus on their academic requirements while on suspension. The program currently provides equal levels of support for all high schools. Tailoring the number of EA supports to actual school usage (larger schools typically have a higher requirement) was presented in the board budget deliberations as a way to save 25 hours/day; this equates to about 5 FTEs (a 20 per cent reduction).
Board initiatives, suspension support	\$40,000	1 (NSTU)	The board currently provides 4 NSTU FTEs to supervise long-term suspensions (to minimize the academic impacts of the suspension as per section 64-1-s of the Education Act). These supports are provided in other ways in other boards (correspondence courses, etc.); the board could reduce the overall level of support, while still providing greater supports than the norm and be consistent with one of their key priorities.
Board initiatives, reading mentors	\$140,000	3.5 (NSTU)	The board has early reading supports as one of its key priorities. In addition to the Succeeding in Reading supports (9 FTEs) provided by the department, additional in-school (21.65 FTEs) and literacy/mentoring (12 FTEs) supports are provided to schools and students. If in-school supports were left as is and mentors were reduced to the same level as the math mentoring levels (8.5 FTEs), the board could reduce 3.5 FTEs and still support its goal of encouraging both math and literacy development.
Board initiatives, early reading supports	\$320,000	8 (NSTU)	The board’s 2012–2013 budget includes 21.65 FTEs, over and above the 9 provided by the department to support early reading intervention, bringing them to about 350 per cent of the base support level funded by the province. Reducing this level of support by 8 FTEs would still leave the board early reading intervention at 250 per cent of the level of provincial supports provided. This would provide funds to allow the board to bring reading and library supports to all of the students in the board, encouraging a balance in the provision of reading opportunities for its students.

Program, adjust main elementary schools to equivalent staffing levels	\$120,000	3 (NSTU)	Generally board elementary schools have run with a staffing level of just over 16 students per teacher in the school (not in each classroom). Most schools are at this level. If the remaining ones were adjusted to this standard level, the board could eliminate 3 to 6 teaching FTEs (depending on the approach taken, costing assumes an adjustment of 3).
Program, adjust elementary staffing levels to mirror average class sizes over the last 4 years	\$320,000	8 (NSTU)	Elementary class sizes in the board were 21.6 in 08–09, 22.2 in 09–10, 22.3 in 10–11, 21.9 in 11–12, or on average 22.0. They are projected to be about 21.7 in 12–13. Maintaining this average would result in a reduction of 8 teaching positions.

The Minister’s guidelines to boards requested that reductions be made through attrition to the greatest extent possible. About 10 additional NSTU retirements are anticipated above and beyond the current planned reductions. Some of these could be used (depending on the action chosen and the teacher and position qualifications) for the adjustments outlined above. The board made a concerted effort to protect elementary schools to the greatest extent possible and focused on secondary school reductions. As a result, it is at risk of a mismatch between the positions available and the individual teacher’s qualifications. The areas for possible consideration above are primarily in the elementary sector to be consistent with the attrition guideline in mind. That being said, reductions have also been selected in areas where minor changes could be made, which are consistent with the board’s views on the importance of elementary education and consistent with the board’s provision of a quality education in recent years.

Conclusions

The board has a well thought-out and technically sound budget process. The degree of analysis, the background information provided by staff, the identification of options, and the framework in which these options are considered by the board is professional, well defined, and based on clearly defined principles and goals. In general the decisions made by the board seem reasonable and understandable in the context of a declining enrolment environment. The board made concerted efforts in both fiscal 2011–2012 and 2012–2013 to protect the classroom and to target administrative savings, both of which are consistent with priorities espoused by the province.

The board does not, however, appear to have looked at decisions over a longer time period than a comparison to the previous year. Between 2006–2007 and 2011–2012, board figures show that the board has reduced 50 fewer teaching positions over the years than would have been expected due to enrolment decline. That it did not reduce teaching staff when it had resources available shouldn't be a surprise. However, when faced with reduced funding levels, the areas that had grown in recent years were not reviewed in the larger context. Class sizes at the school level are largely unchanged over this period. This board and others speak regularly and publicly about protecting the classroom; they have done so. The growth in teacher levels in this board over the last few years is almost entirely in mentors (math and literacy) and early reading intervention, yet minimal reductions have been made in this area.

Ironically, given the interest in the proposed library reductions, the board actually increased library resources in 2008–2009. They increased at a time when many of the additions were being made to literacy and math supports but, in essence, were deemed to have less value when the time came for reductions. Overall some of the reduction decisions in the proposed 2012–2013 budget appear to have missed a step—the step that considers what was important in recent years and whether the relative importance of those items have changed. These are not necessarily absolutes but generally, particularly in a large system, a matter of degree. The complete removal of library services seems inconsistent with the board's views from a few years ago, inconsistent with the other boards, and inconsistent with the (given its allocation in the funding formula) province's views. The focus on elementary classes and rationale are understandable and

consistent with the board's principles and goals, but seem to have gone beyond its own views of even a year or two ago, in terms of just what is an acceptable class size for the elementary level. While correct or not, the impression is that a reduction of less than half a student per elementary class is more valuable than almost half of a library system. That may or may not be the board's view, but there is no evidence that the decision was considered in that light.

Board members expressed frustration at the lack of connection and communication, at the political level, between the elected boards and the government. They expressed some frustration at the province's parameters in how they should approach the 2011–2012 budget, but felt that it was preferable to the limited guidance provided for the 2012–2013 budget, where they felt they were to a large extent operating in a vacuum. Their perception of a lack of guidance at the provincial level or of a common approach at the board level left them, in some cases, surprised at the reaction to their decisions. While they appear to consider themselves as advocates for the educational system and as a result not supportive of budget reductions, they acknowledged that it was highly probable that education budgets would continue to decline in light of declining enrolment, as the province brings its finances back into balance. In this respect they articulated a view that a broader dialogue would be beneficial in terms of what this smaller and more affordable system should look like.

In summary

1. The board should reconsider its library reductions and how it may fund reinstatement of a level of service consistent with the other boards. The board should do this in a manner consistent with its own priorities in regard to the appropriate mix of service levels for elementary, junior, and senior high. In fiscal terms, to be consistent with the other boards, assuming the board wishes to make at least some reductions in this area, reducing library spending to the provincial average (\$82/student) would require the board to find replacement savings of about \$900,000. Reducing spending to the low end of the spectrum (67 per cent of the average) would require replacement savings of about \$500,000 in fiscal 2012–2013. A series of options totalling \$1.63 million have been outlined, in the context of the board's budget process and principles, suggesting where alternate savings may be found.
2. The board's decision to cancel its adult high school program is unfortunate but logical and consistent with its principles, mandate, and financial situation. There are other avenues available for these students.
3. The board has been consistent in its approach to the province's priorities of reducing administration and protecting the classroom to the greatest extent possible.
4. The board does not appear to have stepped back to consider how the balance of its principles, strategic goals, and decisions in the 2012–13 budget looks in relation to what it chose to do in earlier years or to consider the trade-offs between possible decisions (relative elementary class sizes versus the library system, for example).
5. The board does not appear to have fully taken into account the Minister's guidance to use attrition as the avenue for reductions to the greatest extent possible. That said, it has only limited room to make further adjustments in teacher numbers to offset other reductions, and some layoffs of non-teaching staff are probable.

6. The province should consider, in future years, being more prescriptive in where boards should seek to find reductions should they be required. Alternatively, the province may wish to engage in a broader dialogue with the boards as to what a smaller system should look like as enrolment decline levels out, then allow boards to make their decisions within that framework.

Budgeting is a blend of art and science: the board's science is very good, but its art needs some additional consideration and reflection.

Doug Stewart
April 23, 2012

Appendix A

Priorities/Budget Schedule – Board and SMT 2012–2013 (Edited)

February 1, 2012	Status Quo Budget (10:30 am)	Directors
February 8, 2012	Status Quo Budget/Cost Pressures (10:30 am)	Directors
February 14, 2012	Status Quo Budget/Cost Pressures	Senior Management
February 15, 2012	Status Quo Budget/Cost Pressures/Cost Reductions (10:30 am)	Directors
February 21, 2012	Status Quo Budget re: Human Resources	Human Resources Committee
February 22, 2012	Status Quo Budget re: Education Services	Educational Services Committee
February 22, 2012	Status Quo Budget re: Operational Services	Operational Services Committee
February 27, 2012	Budget Workshop #1	Board Budget PD Session
February 28, 2012	Status Quo Budget/Cost Pressures/Cost Reductions	Senior Management
February 29, 2012	Status Quo Budget/Cost Pressures/Cost Reductions/NSTU Reductions (10:30 am)	Directors
February 29, 2012	Status Quo Budget re: Financial Services	Financial Services Committee

Note: The following dates are dependent on receiving our funding profile from the province

March 3, 2012	Budget Workshop #1 (STORM DATE)	Board Budget PD Session
March 5, 2012	Budget Workshop #2	Board Budget PD Session
March 6, 2012	Status Quo Budget/Cost Pressures/Cost Reductions/NSTU Reductions	Senior Management
March 7, 2012	Board Budget Discussion	Committee-of-the-Whole
March 20, 2012	Status Quo Budget/Cost Pressures/Cost Reductions re: Human Resources	Human Resources Committee
March 20, 2012	Status Quo Budget/Cost Pressures/Cost Reductions re: Education Services	Education Services Committee
March 28, 2012	Status Quo Budget/Cost Pressures/Cost Reductions re: Operational Services	Operational Services Committee
March 28, 2012	Status Quo Budget/Cost Pressures/Cost Reductions/NSTU Reductions	Directors
March 28, 2012	Status Quo Budget/Cost Pressures/Cost Reductions re: Financial Services Budget Workshop #2	Financial Services Committee Special Budget Meeting – Full Board
April 3, 2012	Status Quo Budget/Cost Pressures/Cost Reductions/NSTU Reductions	Senior Management
April 4, 2012	Options for Balancing Budget	Financial Services Committee Special Budget Meeting – Full Board
April 11, 2012	NSTU Staffing Complement	Public Board
April 17, 2012	Review of Draft Committee Budget – Human Resources	Human Resources Committee
April 17, 2012	Review of Draft Committee Budget – Education Services	Education Services Committee
April 18, 2012	Review of Draft Committee Budget – Operations Services	Operational Services Committee
April 25, 2012	Review of Draft 2012–2013 Budget	Financial Services Committee
May 2, 2012	Reviewing of Draft Revenues & Expenditures 2012–2013	Committee-of-the-Whole (In Canada)
May 9, 2012	Final Budget Review and Budget Approval	Public Board

Appendix B

(Minister's letter to the board)



NOVA SCOTIA

Education
Office of the Minister

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February 10, 2012

Ms. Trudy Thompson, Chair
Chignecto-Central Regional School Board
60 Lorne Street
Truro, NS B2N 3K3

Dear Ms. Thompson:

As a former classroom teacher and now Minister of Education, I care deeply about ensuring our children receive a high quality education. It's a goal we all have in common and is something we need to work together to achieve.

Government understands this has been a challenging year for the education system. Yet, despite these challenges our students are benefitting from the most per student funding and smallest class sizes in a generation. It's something we should all be proud of and it is something the province is committed to building on.

Nova Scotia is also fortunate to have dedicated teachers and a strong support staff in school boards that are supporting student success. The province was also proud to release Kids and Learning First: a plan to help every student succeed. This plan outlines the provinces vision of education in Nova Scotia and brings with it an additional \$6.7 million in new money that will help pay for the new and expanded programs targeted in the plan.

However, we must also continue to deal with the challenge of declining enrolments while doing our part to help bring Nova Scotia back to balance. Together we must begin to look at ways to do things differently. The status quo is no longer an option if we are to ensure a stable future and strong education system.

I want to thank you for the good work you and your boards have done to work within the budget and still continue to provide our students with the educational support they deserve.

The province's partners in health and higher education have already been asked to begin to prepare for a 3 per cent reduction for next fiscal year. Those partners have begun the work to find savings while renewing their commitment to improvement.

In that regard, school boards should develop their budgets around a target of a 1.3 per cent (or \$13.4 million) reduction in the overall provincial grant for 2012-13. Like all other government departments and publicly funded organizations, you will be required to manage wage growth and inflationary related costs. As in every year, funding changes for individual school boards will vary.

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When planning your adjustments and changes needed to adapt to the declining enrollment, your board should build its budget within the following parameters:

- Any teacher and support staff reductions must be achieved through attrition, to the greatest extent possible.
- If not already achieved in the 2011-12 budget, Boards should continue to plan for a 50 per cent reduction in board consultants by 2013-14.
- The 15 per cent reduction in administration from last year is to be maintained.
- Autism consultants are not to be part of the 50 per cent reduction.
- The Provincial funding allocation for students with special needs will increase from \$125.7 million to \$137.9 million. This is 100 per cent restricted.
- As requested by boards funding will move from restricted to unrestricted for the following areas:
 - Literacy Improvement Initiative
 - Physical Education/Graduation Credit
 - Program- Literacy & Mathematics Mentors
 - CSAP – Literacy & Mathematics Mentors
 - School Libraries
 - Options and Opportunities
- Class size cap for primary to grade 3 will be maintained, however, Boards have the flexibility to adjust the cap by up to 2 additional students per class to ensure the best distribution for students.
- Boards are not to utilize the textbook credit as a means to reach their funding reduction.

It's important to recognize that we all have a role to play and must join together to do our part to ensure our focus remains on our students. I hope today's meeting has presented us with an opportunity to gain a better understanding of the challenges and opportunities facing us, and I look forward to working with you in the weeks and months ahead. I know that by working together we will continue to put kids and learning first.

Sincerely,



Ramona Jennex
Minister of Education