

Submission to the Educational Governance Review Consultation Panel

**Saskatchewan Association of
School Business Officials (SASBO)**



January 25, 2017

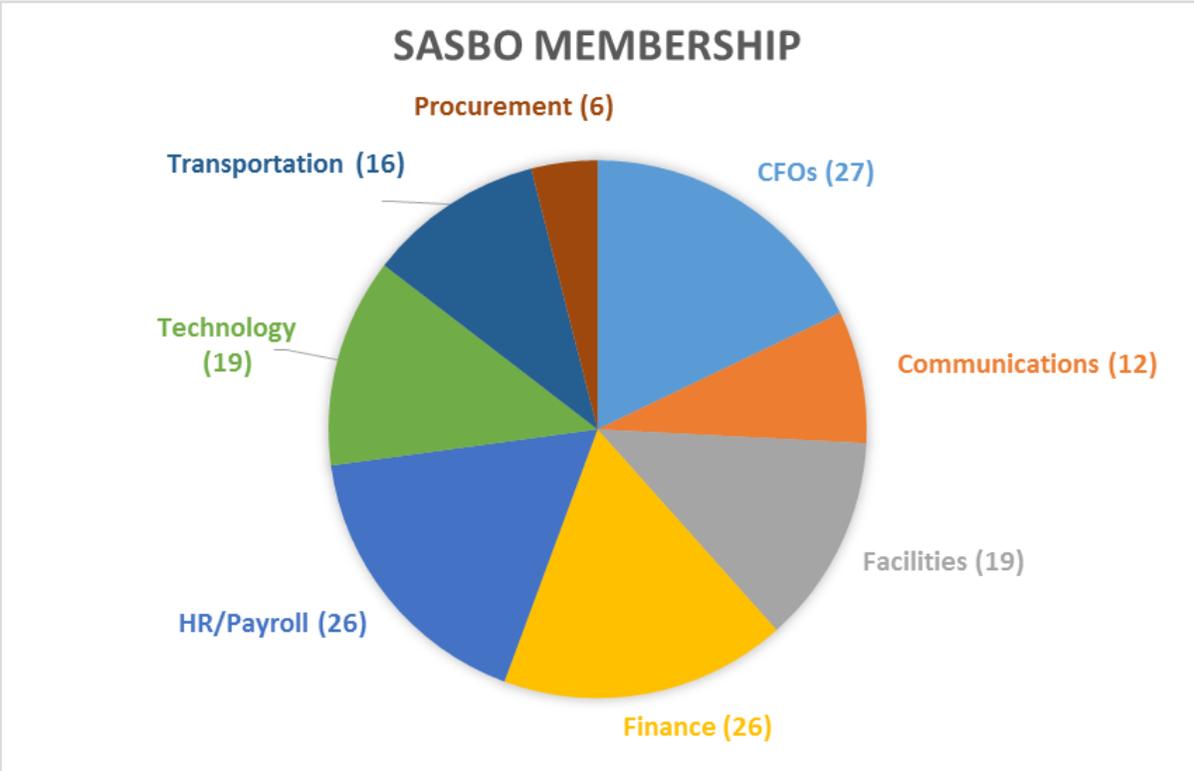
Thank you for the opportunity to present the perspectives of the Saskatchewan Association of School Business Officials (SASBO) to the Consultation Panel on Educational Governance Review.

Who we are

SASBO is the professional association of school business officials in Saskatchewan. Our purpose is to promote effective and efficient administration of school division business operations and management in Saskatchewan and to provide professional development, mentoring and collegial support among our members.

More than 150 SASBO members serve school divisions by leading and managing a variety of business and support functions - finance, human resources/payroll, facilities, transportation, procurement, technology and communications specialists; our eighth group is chief financial officers (CFOs), who supervise some or all of these functions and support Boards of Education.

Our members are located throughout Saskatchewan, from LaLoche to Weyburn, Lloydminster to Yorkton and everywhere in between, across the public, separate and Francophone provincial systems as well as First Nations education authorities.



Our organization dates back to 1945; until the mid-2000s, SASBO was an association only for school division secretary-treasurers, numbering 80+ members at the time of the last round of amalgamations in 2005-2006. Over the past ten years, SASBO has adapted and grown, becoming a larger and more diverse association that is stronger and deeper today. Our association has a unique design and cooperative way of working that respects the contributions each of our functional groups makes to the Pre-K to 12 education system and draws on the knowledge and skills of all our members.

SASBO members work with other education partners to help create the conditions for student success by supporting caring and skilled staff members, getting students to and from school safely, creating welcoming and inclusive learning environments, providing up to date technology and learning resources and engaging parents and communities in public education. CFOs supervise business and support functions and also provide direct support to boards of education by preparing agendas, ensuring legislative requirements are fulfilled, overseeing preparation of high quality board decision items and follow up.

We have a part-time executive director in Phil Benson, an executive that meets several times per year either by conference call or in person, an annual spring conference focused on professional learning and functional group sessions throughout the year that provide forums for sharing best practices and coordinating our efforts across the province. We communicate frequently with our members via email updates, newsletters and phone, have a newly developed strategic plan that aligns with the Education Sector Strategic Plan, updated vision and mission statements and a new tagline – *The Business of Education*. SASBO is one of a network of associations of school business officials across Canada, North America and internationally, and we have access to the resources and experience of these organizations as well.

SASBO's Perspectives on the *Educational Governance Review Report*

The subject of this review is governance. SASBO's role, however, is administration, management and operations - the business of education. As staff, we report either directly or indirectly through the Directors of Education in our school divisions and therefore had to think about what our contribution should be to a governance review.

In preparing our submission, we began as an executive by developing a high level approach, asked for input from the CFO group in a conference call, then summarized the eight points and sent to all members for feedback and comment. Members also worked within their functional groups to provide examples of successful work that we are doing and suggest ideas that might warrant further investigation and analysis. As with any group that has a diverse membership, we did not expect unanimity and received a variety of comments back that we have done our best to incorporate into our submission and will speak to during our presentation.

1. SASBO does not have an organizational position or preference on the governance options presented in the *Educational Governance Review Report*. The role of our members is administrative, not governance – we transport students safely and reliably, process payroll for approximately 24,000 staff each month, maintain and repair over 700 buildings, keep IT systems up and operating, communicate with parents and the public and work with other staff members to contribute to the outcomes and targets for our school divisions and the sector.

2. SASBO can bring the expertise and skill of our members to the implementation phase and help to ensure that decisions are informed by accurate information, good analysis and sound deployment plans. We look forward to working from an administrative perspective to help in any way we can within our areas of expertise. SASBO members bring unique skill sets that complement the skills and abilities of educators – we deliver services that help teachers and other instructional staff do their jobs. We have many examples of successful sector wide work that SASBO members, along with other sector partners and the Ministry, have contributed to in recent years.

Recent examples include:

Name of Working Group	Description of Work
Provincial Funding Review Technical Committee	Worked with Dan Perrins to review all major components of the funding formulas that allocate \$1.8B in provincial funding for Pre-K to 12 education in order to improve equity. The final report will be presented to the Minister of Education shortly.
Transportation Safety Working Group	Following up on the Report of the Provincial Auditor in 2012 on <i>Transporting Students Safely</i> , this group worked with the Ministry to identify key risks to safe student transportation and strategies to address these key risks and assisted in the development of a transportation reporting guideline document to ensure boards and the Ministry receive consistent transportation performance information.
Infrastructure Advisory Committee	This group has a broad mandate to address sector infrastructure issues and assist in the development of Ministry policies relating to the school utilization formula (a key piece of information in prioritizing major capital requests from school divisions), the Major Capital Program Funding Policy, relocatable classroom funding and processes and related facility issues.
Technology Advisory Committees	CommunityNet seeks to achieve economies of scale for service provision and support through common infrastructure. Various technology advisory committees bring technical and business process knowledge from an education perspective.
Operational Efficiencies Committee	The sector-wide Operational Efficiencies Committee is part of the Education Strategic Sector Plan (ESSP) and works to align sector efforts in priority areas.

These working groups are successful in part because they bring school division operational staff with field knowledge to the table with Ministry staff.

Some SASBO members were involved in the 2006 provincial amalgamation of public school divisions and others were have managed through the subsequent implementation years. We can bring the lessons learned and experience gained through that experience, such as:

- Greater and more specific pre-planning prior to implementation.
- More collaborative, structured working groups involving both the Ministry and school divisions, modelled on recent, successful examples of the sector working together.
- Greater definition around organizational and service delivery structures prior to implementation.
- Clearer expectations as to expected savings and rigorous monitoring through the implementation period and more consistency in reporting.
- Culture building is important.
- One result of amalgamation was that school divisions assumed a greater range and diversity of support services, but these additional responsibilities were not always accompanied by the corresponding human and financial resources.

Looking back, the 2006 amalgamation provided SASBO with an opportunity for our own transformational change by restructuring along functional group lines, creating a strong and more diverse association.

We are optimistic about Saskatchewan's K-12 sector! In recent years we can see evidence of greater understanding among school divisions and the Ministry and different parts of the sector working together more effectively and bringing greater consistency to our practices.

- Standardized financial statements among school divisions and a significant decrease in the number of observations noted by the Provincial Auditor (from 22 school divisions in 2013 to five in 2016).
- Standardized annual reports with a common set of academic performance measures and operational data published for each school division.
- Additional financial accountability measures, such as updated public accounts format with improved disclosure; the Legislature's Public Accounts Committee now calls on school divisions.
- A broader definition of risk and a more integrated approach to understanding and managing risk.
- Increases in bandwidth availability in schools, a longstanding and significant issue for schools.
- Process improvements, such as automating the annual Electronic Educator Profile process, saving time and improving accuracy.
- Sharing materials such as procurement templates, policies and procedures among school divisions, saving time and improving consistency.

- Regular information sharing and planning meetings between representatives of the League of Educational Administrators, Directors and Superintendents, the Saskatchewan School Boards Association, the Saskatchewan Teachers' Federation and SASBO.

As a sector there is much more we can do to align our business processes, but as these examples show, the sector is stronger and more aligned than ever.

3. The *Educational Governance Review Report* suggests redefining “the roles of the Minister in the legislation and regulations”. (p 20) The K-12 education system is a partnership between Ministry, boards, staff and local stakeholders, each working within our areas of responsibility but also working interdependently and aligning our efforts. Under any model, governance and administration need to work together – the board sets the direction and staff deliver on the desired outcomes. The system works best when there is a clear understanding of roles and responsibilities and a high degree of trust among the parties. We support a review of the roles of the Minister, boards and administration in *The Education Act* as suggested in the Perrins report, with the objective to simplify, clarify and update roles and responsibilities.
4. The *Educational Governance Review Report* states that the sector will need a greater focus on efficiency, to “enhance the focus on lowering the cost curve, creating enhanced value in the system, and improving services to students through efficiency, shared services and continuous improvement initiatives in keeping with the work already underway in the PLT (centralize business functions such as central IT, financial, HR, payroll, procurement and purchasing” (p. 20).

As context, we note the following:

- Over the period 2011-2012 to 2016-2017, recognized school division operating funding (excluding capital and preventive maintenance and renewal funding) increased by 16.3%, or an average of 2.7% per year.
 - Including preventive maintenance and renewal funding but excluding capital, funding increased by 18.6%, or an average of 3.1% per year.
- Over this same period, enrolments increased by 8.6% or an average of 1.4% per year.
- Over this same period, the Saskatchewan CPI increased by 9.4 points, or an average of about 1.4% per year.

2015-2016 actual spending for all school divisions totalled \$2.1B, of which \$1.6B (75%) was for salaries and benefits (includes cost of preparation time). Of the total \$1.6B in salary spending:

- \$1.1B is for instructional staff (70%)
- The next largest categories are program support (e.g., educational assistants, school-based administration, computer technicians, social workers, psychologists, speech-language pathologists) at \$266M (17%); plant operation and maintenance at \$101M (6%), administration at \$67M (4%) and transportation (excluded contracted transportation) at \$44M (3%) [note this excludes contracted transportation].

The attachments to this submission show this information in chart form.

SASBO members understand the financial challenges facing government and have experience and have expertise in finding efficiencies within our operations. What are school divisions doing?

- Converting to energy efficient infrastructure (e.g., school lighting, technology and buses).
- Fully leveraging the provincial Microsoft, Adobe, Office 365 and Athletics agreements, refining technology hardware standards, using formal tenders, virtualizing servers and storage and centralizing deployment tools for software deployment and user support.
- Developing on-line forms, professional development and video conferencing to reduce processing time and employee travel.
- Developing and accessing provincial tenders for supplies and services such as natural gas, stationary and school supplies, security services, curricular equipment and furniture.
- Consolidating bus routes (while maintaining ride times).
- Holding positions vacant and consolidating functions where there is no direct impact on students.

What more can we do? Some possibilities that might warrant investigation and analysis include:

- Government buys extended benefits coverage for 11,000+ employees and the education sector does the same for 24,000+ employees. Could we get better prices and/or services if we worked together?
- All school divisions seek to recruit and hire staff who are representative of the populations we serve. Could we work together to increase the size of the pool?
- All school buses are required to be maintained to provincial standards at all times and to pass a formal comprehensive inspection annually. Could we invite partnerships with First Nations in busing operations?
- All school divisions have their own transportation guidelines around ride times, walk zones, and safety training. Could we pursue provincial guidelines?
- All school divisions develop and deliver professional development for their staff. Could we pursue common curricula for staff professional development, using the best of available materials and find alternative, less expensive ways to deliver?

In the current structure, one of the challenges is capacity within the sector to needed to investigate and implement possibilities such as these and others. This leads to consideration of the structural changes suggested in the Perrins report.

5. The *Educational Governance Review Report* suggests that the sector “Implement an entity to drive sector-wide operational efficiencies, something similar to 3SHealth, with division participation mandated” (p 21).

SASBO agrees that organizational support to encourage and/or mandate group ventures has the potential to better position school divisions to take advantage of the economies of scale that a 24,000 person, \$2.1B a year sector can achieve. The table below provides a high level look, coordinated by SASBO’s functional group directors, at the potential benefits and challenges of moving to some form of shared services in each of our functional areas.

Potential Shared Services Area	Benefits	Challenges
Payroll	<ul style="list-style-type: none"> • Potential for efficiencies through a consolidated approach to payroll administration • Provincial agreement in place for teachers • Immediate access to sector data • Potential to redeploy staff to higher value functions 	<ul style="list-style-type: none"> • Multiple collective agreements for support staff (31) plus non-unionized staff, personal services contracts for out of scope staff and 28 LINC agreements for teachers add complexity • Need to coordinate related pieces such as absence management/sub placement applications (unique to education sector)
Human Resources	<ul style="list-style-type: none"> • Potential for efficiencies in transactional HR functions (e.g., benefits administration, new employee set up, leave administration) • Potential to redeploy staff to higher value functions 	<ul style="list-style-type: none"> • Labour relations, recruitment and staffing need a personal approach with local knowledge; these services need to be deployed locally • Potential negative impacts on workplace culture and employee morale
Finance	<ul style="list-style-type: none"> • Potential for efficiencies in accounts payable processing (invoices, employee travel claims) • Potential to manage tuition billings for First Nations students who reside on First Nations land at the federal-provincial level • Potential to redeploy staff to higher value functions such as internal audits 	<ul style="list-style-type: none"> • Consistency in policies and procedures • Geographic distances (e.g., find a common technology solution) • If processing units become too large, there is a risk of diminishing returns

Potential Shared Services Area	Benefits	Challenges
Information Technology	There are many good practices at the division and sector level to build on and the Saskatchewan Educational Technology Consortium (SETA) is already in place. A selected summary of possibilities is presented below.	
<i>Move to a common, cloud based platform</i>	<ul style="list-style-type: none"> • Potential for fewer local servers and storage arrangements • Education offerings are inexpensive 	<ul style="list-style-type: none"> • Adequate and consistent bandwidth • Data security and access protocols and controls
<i>Common, central student information system (SIS) and student cumulative files</i>	<ul style="list-style-type: none"> • Potential for improved data management, reporting and more timely data to support movement of students 	<ul style="list-style-type: none"> • Adequate and consistent bandwidth • Data security and access protocols and controls • Development and training costs • Consensus on approach
<i>Province-wide disaster recovery site</i>	<ul style="list-style-type: none"> • Potential for efficiencies and additional security 	<ul style="list-style-type: none"> • Adequate and consistent bandwidth
<i>Common help desk</i>	<ul style="list-style-type: none"> • Potential for efficiencies and to redeploy staff to higher value work 	<ul style="list-style-type: none"> • Cost of new infrastructure • Diversity of applications • Training and on-site support for users needs to be deployed locally
<i>Sector-wide applications, both educational and business related (e.g., student permission/fees, reading applications, security software, help desk software, virtualization software, school messenger, library, financial and HR applications)</i>	<ul style="list-style-type: none"> • Potential for reduced costs and standardized training • Potential for access to a wider array of applications 	<ul style="list-style-type: none"> • Consensus on a narrower range of products • Development and training costs • Training and on-site support for users needs to be deployed locally
<i>Sector-wide hardware purchases</i>	<ul style="list-style-type: none"> • Potential for bulk purchasing savings 	<ul style="list-style-type: none"> • Consensus on a narrower range of products
<i>Sharing IT solutions</i>	<ul style="list-style-type: none"> • Potential for efficiencies and to redeploy staff to higher value work 	<ul style="list-style-type: none"> • Consensus on approaches
<i>On-line professional development resource site</i>	<ul style="list-style-type: none"> • Potential for access to a wider array of resources 	<ul style="list-style-type: none"> • Adequate and consistent bandwidth • Consensus on approaches

Potential Shared Services Area	Benefits	Challenges
<i>Sector-wide video conferencing capability</i>	<ul style="list-style-type: none"> • Potential to save on travel time and expense 	<ul style="list-style-type: none"> • Sector-wide commitment
Procurement	<ul style="list-style-type: none"> • Potential to regionalize to achieve cost reductions but maintain responsiveness to the diversity in the sector • High potential items include furniture, buses, purchasing cards 	<ul style="list-style-type: none"> • Risk of reducing competitive environment with full centralization • Different divisions have different needs
Facilities	<ul style="list-style-type: none"> • Potential for bulk purchasing savings 	<ul style="list-style-type: none"> • Services need to be deployed locally
Transportation	<ul style="list-style-type: none"> • Potential for greater consistency in transportation policies and practices (e.g., walk zones, ride times, safety programs, driver training, software) 	<ul style="list-style-type: none"> • Diversity of circumstances within the sector means one size will not fit all • Need capacity to manage transportation locally
Communications	<ul style="list-style-type: none"> • Some potential for provincial communications (e.g., student attendance, provincial initiatives) 	<ul style="list-style-type: none"> • Need capacity to communicate locally (e.g., school closures, bus cancellations, school events)

We believe there is potential to regionalize/share/make more consistent certain aspects of our business and support functions, but do not believe that “centralization” is the answer. We must retain the capacity to *deploy certain services locally and directly to students and staff*.

The *Educational Governance Review Report* references 3S Health as an example, but this is not the only organizational model available. SASBO members can help to research the possibilities to find other structures or build our own. The structure is key, to ensure a balance between greater sector coordination and efficiency while retaining local service deployment. Our members emphasized repeatedly that any organizational changes must be well thought out, analyzed, planned and implemented in an organized, step by step manner.

Prior to committing to any changes, a complete financial analysis of each line of business would need to be completed to validate the efficiencies or savings that can be reasonably expected, and an ongoing process put in place to monitor and report on actual savings achieved. This should include baselines for volumes, costs and current service levels, a rigorous method to redesign business processes and eliminate non-value added activities, and a clear indication of the future state.

As a final comment, we note that SASBO members provide business services in the context of education and while we are fully supportive of finding further efficiencies, we are also driven by the best educational interests of students. There are circumstances in which the best approach for students might not be the most efficient approach.

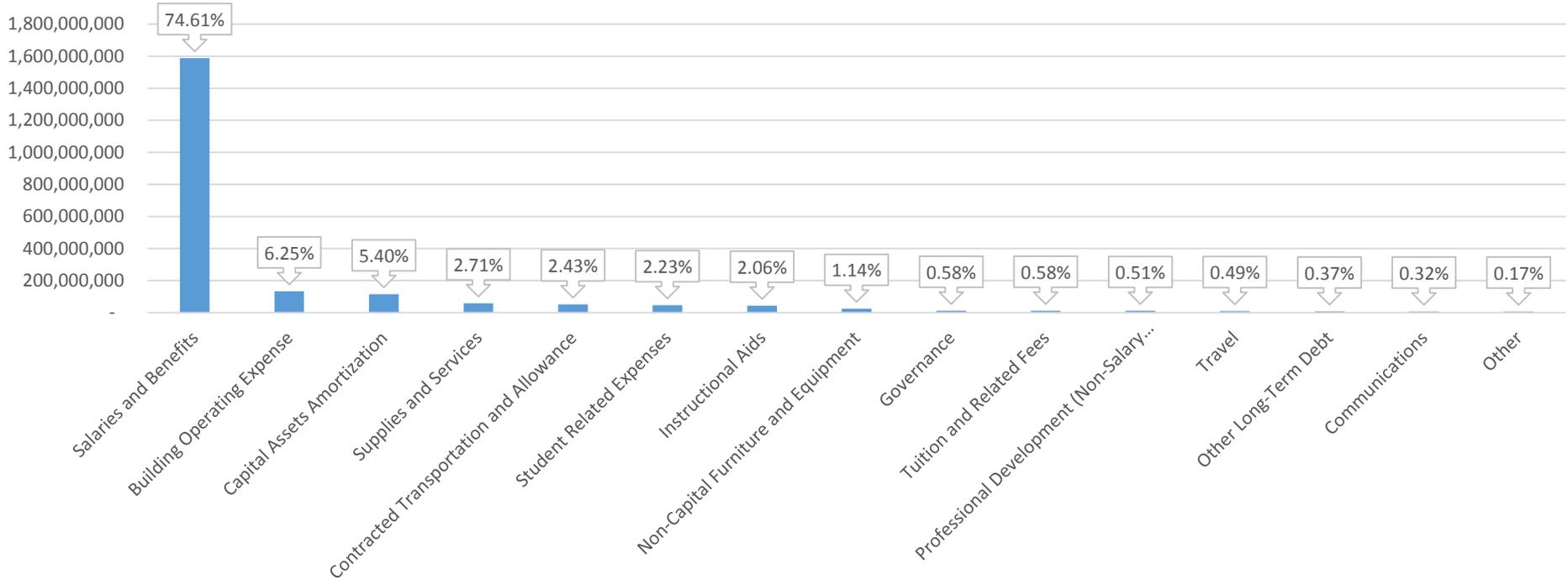
6. The *Educational Governance Review Report* suggests the establishment of a new Education Quality Council, to “focus on measurement of education system performance, including student outcomes, to monitor progress of the ESSP toward the Plan for Growth 2020 targets.” (p 21) Conceptually, SASBO supports rigorous, objective and consistent performance measurement and reporting. Again, there would be various options for organizational structures and whatever changes are considered must be well thought out, analyzed and planned to ensure that performance data is timely, rigorous and actionable and avoid duplication with other parts of the sector.
7. The *Educational Governance Review Report* suggests standardizing “administrative costs, including consideration of a provincial pay grid for out-of-scope positions and standards for the number of central office staff in relation to school-based staff.” Conceptually, SASBO supports consistency within our sector. One size will not necessarily fit all and equity requires that both similarities and legitimate differences be recognized in staffing levels and compensation structures. The term benchmarking might better describe what the sector should work towards. Again, whatever changes are considered must be well thought out, analyzed and planned.

As a professional association, SASBO is concerned about the impacts of any potential structural changes, and particularly school division amalgamation, on our members and association. The uncertainty within the sector is unsettling. SASBO members are skilled, dedicated and hard-working employees who give their best. Just ten years after the last restructuring, many are again worried about their jobs and livelihoods. If any future changes in governance or school division structure impact administrative staff, we encourage careful planning to ensure the changes are sustainable and progressive and that human resource management processes are respectful and fair.

We offer these comments respectfully, from our perspective as administrative staff, in an effort to contribute to continuous improvement in the Pre-K to 12 education sector and build on our past shared work. We hope that future changes will be driven not by immediate financial objectives, but by what is best for students.

Thank you for the opportunity to present on behalf of SASBO!

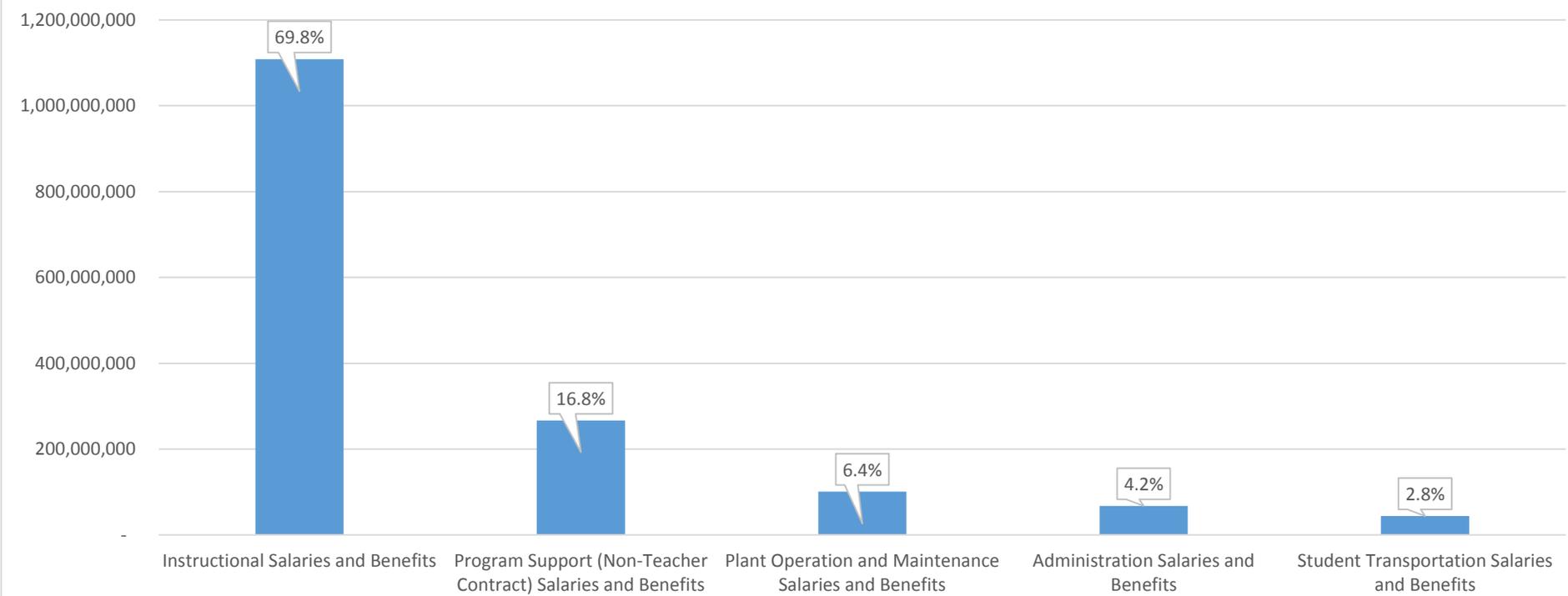
2015-2016 School Division Expenses By Category



Salaries and Benefits	1,588,093,224
Building Operating Expense	133,123,985
Capital Assets Amortization	114,851,164
Supplies and Services	57,770,150
Contracted Transportation and Allowance	51,744,411
Student Related Expenses	47,440,709
Instructional Aids	43,859,718
Non-Capital Furniture and Equipment	24,294,160
Governance	12,331,884
Tuition and Related Fees	12,278,740
Professional Development (Non-Salary Costs)	10,914,551

Travel	10,473,874
Other Long-Term Debt	7,933,065
Communications	6,860,713
Grant Transfers	3,570,364
Allowance for Uncollectible Taxes	1,298,237
Loss on Disposal of Tangible Capital Assets	719,202
Short-Term Debt	507,287
Contaminated Sites	233,711
Write Down of Tangible Capital Asset	85,321
Total	2,128,384,470
Other	6,414,122

2015-2016 School Division Salaries and Benefits by Category



Instructional Salaries and Benefits	1,108,791,895
Program Support (Non-Teacher Contract) Salaries and Benefits	266,640,847
Plant Operation and Maintenance Salaries and Benefits	101,051,275
Administration Salaries and Benefits	67,459,849
Student Transportation Salaries and Benefits	44,149,358
Total	1,588,093,224

Goods and Services	\$	%
Supplies and Services	57,770,150	
Contracted Transportation and Allowance	51,744,411	
Student Related Expenses	47,440,709	
Instructional Aids	43,859,718	
Non-Capital Furniture and Equipment	24,294,160	
Total	225,109,148	10.6%