

SCHOOL DISTRICT 63 (SAANICH)

FINANCE, FACILITIES & TECHNOLOGY COMMITTEE

Report to the Board of January 17, 2024

Committee Members:	Trustee Elder, Chair Trustee Hickman Trustee McMurphy
Staff Support:	Jason Reid, Secretary-Treasurer Dave Eberwein, Superintendent of Schools Megan Cimaglia, Director of Finance Rob Lumb, Director of Facilities Cody Henschel, Director of Information Technology
Partner Representatives:	Don Peterson, STA Candice Whitney, CUPE David Mark, SAA COPACS - regrets
Other Attendees:	Chair Dunford, Vice Chair Silzer, Trustee Vandall, Trustee VanWell & Paul McKenzie

Committee Meeting

Tuesday, January 9, 2024

A. PRESENTATIONS AND QUESTIONS

No Items.

B. ITEMS DISCUSSED

No Items.

C. ITEMS FOR RECOMMENDATION

1. Information Technology Refreshed Update

Motion:

The Committee recommends and I, Trustee Elder move,
That the Board seek an early meeting with the Minister of Education & Child Care to discuss among other inflationary cost pressures, the inflationary cost pressures relating to Information Technology.

D. ITEMS FOR INFORMATION

1. Fiscal Forecast
2. SEŠISEJ Childcare Centre Update
3. Electric Bus Update

E. FUTURE AGENDA ITEMS

- 2023/24 Amended Budget (February)
- Budget Process Consultation Plan (February)
- Report from the Budget Advisory Committee (February)
- Risk Management Report (February/March)



REFRESHED

Progress and Challenges - 2024



WHAT WE HAVE DONE

Starting in 2018, we started building a plan to support the school district's educational, operational and strategic goals through technology.

We consulted IBM, our schools and district departments, and then built and presented our plan and started delivering on it.



WHAT WE FACE IN THE FUTURE

While this school year has a focus on infrastructure, our budgets do not allow for all the needs to be addressed in one year. Additionally, by addressing the infrastructure needs, schools are not seeing device upgrades as needed through the RefreshEd program.

As budgetary and inflationary pressure increase, it presents significant challenges to continue delivering the RefreshEd program.

HOW WE STARTED

ITOP (IBM)

- As a means of addressing risk and operational needs IBM outlines \$1.5M spend in the first year, and nearly \$1M in year 2
- Work is done to support an aging thin-client system to bridge into the new Windows world

2019

- We present RefreshEd, which incorporates the Risks and Goals accounted for in the ITOP plan but accounts for a budget less than half of the recommended number from IBM
- Focus on making an impact and addressing risk
- 1100 3-year off-lease windows devices replace thin clients with the goal to replace by the time they are 5 years old



KEEPING SCHOOLS WORKING

REFRESH DEVICES FIRST

One of the difficulties in getting into a refresh program is eliminating the hurdles of large purchases to smooth into 1/5 of devices per year

SCHOOLS ARE USING DEVICES MORE

We implemented increased carts for mobile devices and a district-wide booking system to help schools use devices efficiently

FAIR DISTRIBUTION

Devices are based on student count, with supplemental devices added

WHAT WAS LEFT BEHIND

With devices being refreshed as a priority, it left very few dollars for infrastructure every year.

This infrastructure is necessary to support the devices in use by students, educators and district departments.

Every year we would find a way to maintain and build our network, servers and services as leanly as possible.

While we had a goal of starting to replace the original 1100 devices before they reached 5 years old, we only just started last year. We have nearly 700 to still replace.

BUT IT'S NOT GONE...

When it comes to technology you can't "kick the can down the road." Instead, you continue to amass technical debt until it becomes a burden you just can't push any further.



23/24 INFRASTRUCTURE

PHONE SYSTEM

Upgrading our communication systems

UPS

Protecting our main closets

NETWORK

Upgrading the network to support the new phone system and our future IT needs

SECURITY + SOFTWARE

We now spend over \$300k/year on security and Microsoft licensing

The background is a complex composition of geometric shapes and patterns. It features a grid of squares and triangles in shades of blue, pink, and grey. Overlaid on these are various patterns: concentric circles, parallel lines, and a grid of small dots. A white horizontal line with a circular endcap extends from the left side of the image towards the text.

**AND IT'S
NOT DONE.**



EVERYTHING HAS A CYCLE

While this year has been focused on infrastructure, we will only be able to replace 1/3 of the needed power backup and protection systems. This exposes over \$100k of our new networking gear to power disruption.

We have not been able to replace any of our aging wireless infrastructure which has doubled in costs. It will now cost \$400-500k to replace.

Copiers around our district are being replaced only when they completely fail, and the manufacturer will no longer repair them. Copiers around the district will cost nearly \$500k. These are currently school-purchased but district managed, including procurement. There is little opportunity for scale with this model.

We are trying with every free dollar to manage the aging projectors and document cameras in use in classrooms every day.

MANUFACTURER SUPPORT

365

Chromebooks will not be supported with updates in the 24/25 school year

685

Windows devices will not be supported with updates in the 24/25 school year

210

iPads will not be supported with updates in the 24/25 school year



WHAT THAT MEANS

The burden of supporting IT infrastructure has changed significantly as time goes on. Security issues are more significant as we have more and more information in our systems and services than before.

The primary way we can keep things safe is ensuring our systems are patched. 2/5 devices are losing support next year.

Because we had to abandon a replacement cycle, we are now up against over \$1.1M in device replacements needed for next year. (2x our regular \$550k replacement costs)

We also have \$300k in yearly software licensing and security costs.

The highest we have ever had budgeted for the program is \$750k



WHAT THAT MEANS

Our budget is also not connected to enrolment, but the cost of computers purchased to a ratio is. Since 2019 increased enrolment requires \$82k more computers to be purchased.

The trend is to move to mobile vs. desktop, which also increases cost.

More devices = more damage.

We have also seen increased staff counts requiring additional laptops (two people part-time = 2 laptops, where 1 full time = 1 laptop.)

BALANCING FUNDS

\$637k

The base cost of licensing and providing replacements to necessary infrastructure

\$750k

Our current funding

133 devices

How many devices can be purchased with the remaining dollars. Refresh calls for 640.



WHAT THAT MEANS

Replacing 133 devices a year means only **665 devices** on a 5-year refresh plan.

We have nearly **1000 devices** for staff in the system today.

Alternatively, to meet our 3210-device fleet, it could also mean a **24-year refresh cycle.**

LAST WE TALKED...

Expectations have shifted and we cannot move backwards - we need to find a way to continue to meet those expectations while maintaining the foundation of technology infrastructure in the district.

Technology is a thread, interwoven through the fabric of our organization. It is not the "thing" but the amplifying effect it has on our learners and staff on their daily experiences in Saanich Schools.

The work we have done as a district in supporting technology with a RefreshEd mindset has increased trust and expectations. The technology people interact with daily is reliable, and exciting

SCHOOLS ARE...

- Purchasing digital resources instead of paper-based resources
- Using digital classroom spaces like Google Classroom and Brightspace
- Using technology to support students with IEPs
- Delivering courses based purely on the use of technology
- Working towards the goals outlined in the district strategic plan



WHAT IF...

If we cannot find a way to manage both responsibly maintaining our infrastructure and our necessary classroom technology while maintaining an adequate ratio of student devices... everyday classroom experiences will be impacted across all schools and all grades.

Program delivery will be more difficult for teachers.

Existing investments in online and digital educational material will not be as reachable by students.

STATUS QUO

Fewer student devices

FEWER DEVICES

Schools will find increased challenges

CLASS SCHEDULES

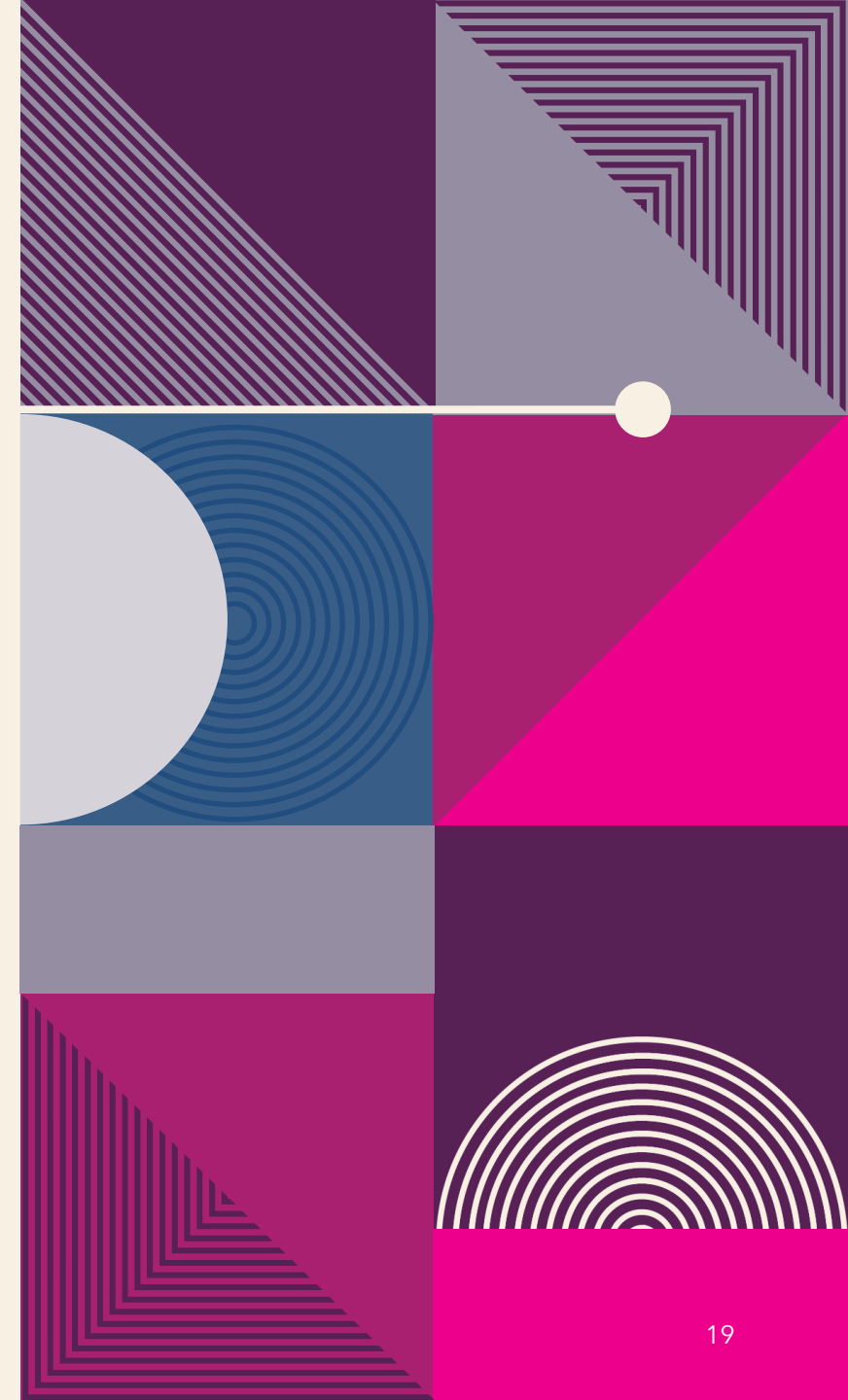
Fewer computers will impact programs that can be offered, so we need to tell schools ahead of scheduling next year's courses

EQUITY

Schools will not lose devices equally; we may need to redistribute devices in a fair way (currently Claremont would lose 37% of their devices)

COSTS

Redistributing computers will require additional tech time over the summer as we only have at most three techs working



INCREASE FUNDING

Match the new costs

FROM WHERE?

There's no new dollars and budgets are tight. It needs to be found within the system.

FAILURES REMAIN

Some of our oldest machines are failing at a high rate. One model has failed over 50% this year.

RISK REMAINS

Funding the RefreshEd program fully will help long term, but in the short term not all machines can be replaced. Some windows machines might remain unpatched.

COSTS

\$1.2M

* No capital grant opportunities

INCREASE + ADDRESS

Remedy the missing refresh of devices

REFRESHED

We can address the two-year refresh bubble and regain our device refresh pacing

SUPPORT

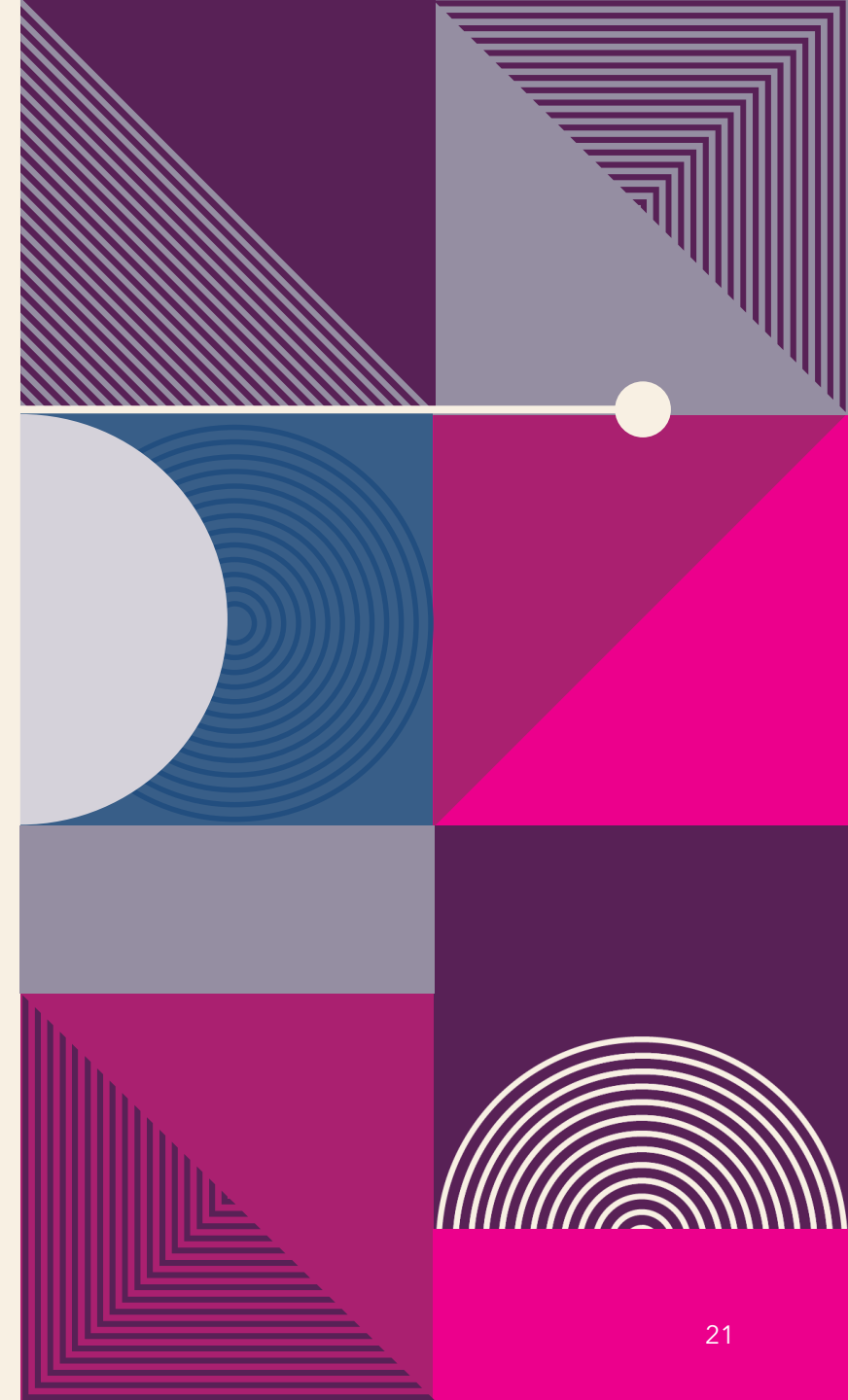
Our classrooms and buildings remain well supported and resilient to change and attacks

TRUST

Trust has been diligently built over time. This will help us maintain that.

COSTS

\$1.7M (\$1.2M base + 1 extra year of devices refreshed \$550k)





THANK YOU

	Prior Year Actual 2022	Prior Year Actual 2023	Amended Budget	Current Budget	Revenue/ Expenditures to November 30, 2023	Projected Revenue and Expenditure	Variance From Budget	Notes
Revenue								
621 Consolidated Revenue Grants	(76,549,164)	(76,627,629)		(85,601,284)	(25,989,793)	(85,601,284)	-	
627 Indig. Northern Affairs Canada (INAC) Recovery	3,079,193	3,190,534		3,190,534	957,160	3,190,534	-	
629 Other Ministry Of Ed Grants <i>includes Pay Equity, Ad hoc MOE grants, Grad adult funding, Labour Settlement Funding</i>	(1,135,484)	(4,077,807)		(2,396,235)	(240,546)	(2,396,235)	-	
629 Classroom Enhancement Fund (CEF)	(8,912,124)	(11,142,827)		(12,005,931)	(3,060,282)	(12,005,931)	-	
630 Federal Grants <i>French Odyssey Grant, Jordan's Principle</i>	(39,492)	-		(30,000)	-	(30,000)	-	
641 Other Ministry Grants <i>ERASE Grant</i>	(183,610)	(181,545)		(89,833)	(10,460)	(89,833)	-	
645 Instructional Cafeteria Revenue	(184,506)	(247,679)		(68,000)	(86,892)	(86,892)	18,892	
646 Local Education Agreements/Direct Funding Indig.	(2,723,698)	(3,192,947)		(3,190,534)	(957,160)	(3,190,534)	-	
647 International and Out of Province Students	(5,738,618)	(6,559,217)		(6,847,678)	(6,249,831)	(6,847,678)	-	Note 1
649 Misc. Fees & Revenues <i>includes ad hoc grants received, recovery revenue from shared services, funding from municipalities</i>	(497,986)	(529,491)		(277,187)	(175,719)	(277,187)	-	
651 Community Use Of Facilities	(30,242)	(43,595)		-	(47,085)	(47,085)	47,085	
659 Other Rentals & Leases	(380,542)	(415,440)		(403,500)	(253,693)	(403,500)	-	
660 Exchange (Gain) Loss	(1,207)	-		-	6,458	6,458	(6,458)	
661 Interest On Short Term Deposits	(204,761)	(782,868)		(650,000)	(425,712)	(915,712)	265,712	
662 Appropriated Surplus <i>(prior years carry forward amounts)</i>	-	-		(1,358,605)	-	(1,358,605)	-	Note 2
672 Student Fees/Certifications	(108,010)	(63,077)		(50,000)	(43,450)	(50,000)	-	
Total Revenue	(93,610,251)	(100,673,588)	-	(109,778,253)	(36,577,005)	(110,103,484)	325,231	
Expenses								
105 Salaries - P/VP	4,781,071	4,929,172		5,245,399	2,047,849	5,266,268	(20,869)	
111 Salaries - Teachers <i>(incl. POSR)</i>	40,715,557	41,098,476		44,667,072	13,543,967	44,677,872	(10,801)	
307 - Teacher remedy	1,639,055	1,473,693		2,389,665	412,041	2,389,665	-	
Teacher remedy unspent					-	-	-	
122 Salaries - Support Staff <i>(incl. In Service and First Aid)</i>	8,541,427	8,574,110		9,467,041	3,250,667	9,281,041	186,000	Note 3
123 Salaries - Other Professionals	3,223,078	3,415,751		3,661,769	1,374,404	3,686,986	(25,217)	
131 Salaries - Educational Assistants	5,409,004	6,001,108		7,006,769	1,613,865	6,781,343	225,426	Note 4
143 Support Staff Replacement Costs	636,057	556,417		496,700	301,584	494,367	2,333	
146 Teacher Replacement Costs	3,473,416	3,996,096		3,960,646	1,221,656	4,377,473	(416,827)	Note 5
	68,418,665	70,044,823	-	76,895,060	23,766,033	76,955,015	(59,955)	
200 Benefits	16,612,271	17,876,595		18,321,463.19	5,345,079	18,303,354	18,109	
	16,612,271	17,876,595	-	18,321,463	5,345,079	18,303,354	18,109	
Services & Supplies								
Services	4,823,714	5,134,765		5,164,616	1,980,710	5,164,616	-	
Pro-D & Travel	457,956	572,033		845,197	213,498	845,197	-	
Rentals & Leases	137,659	157,541		182,000	66,083	182,000	-	
Dues & Fees	385,591	304,967		363,228	253,543	363,228	-	
Insurance	187,184	208,047		237,000	207,979	237,000	-	

Projection for Discussion Purposes - Actual Results May Differ From Projected

Prepared by Megan Cimaglia

	Prior Year Actual 2022	Prior Year Actual 2023	Amended Budget	Current Budget	Revenue/ Expenditures to November 30, 2023	Projected Revenue and Expenditure	Variance From Budget	Notes
Supplies	2,879,215	3,344,988		6,073,433	1,533,639	5,073,433	1,000,000	
Utilities	1,484,676	1,606,658		1,572,435	374,126	1,572,435	-	
	10,355,995	11,328,999	-	14,437,909	4,629,578	13,437,909	1,000,000	Note 6
Total Expenses	95,386,931	99,250,417	-	109,654,433	33,740,690	108,696,278	958,154	
Transfer from operating for purchase of capital assets	1,035,089	1,641,865			-	-	-	
Transfer to local capital for asset replacement reserve	109,982	116,820		123,820	-	123,820	-	
(Surplus)/Deficit	2,921,751	335,514	-	0	(2,836,315)	(1,283,385)	1,283,385	
					Opening Contingency Reserve	(2,300,838)		
					Estimated School and District Carry Forwards	1,000,000		
					Estimated Closing Contingency Reserve	(2,584,223)		

Amended Budget is the February *Amended Annual Budget*, which is being prepared for Board approval expected on February 14, 2024.

Current Budget is the current working budget.

Certain comparative figures have been restated to conform with current year's presentation

Variance comments:

Note 1 - International tuition revenue is currently budget at 262 FTE.

Note 2 - Appropriated surplus consists of:
\$522,701 District Activities Carry Forward
\$252,928 School Activities Carry Forward
\$1,384,307 Budget Appropriation

\$2,159,936
(801,331) Funding Growth - Reduced Appropriation

1,358,605

Note 3 - Support Staff salaries positive variance is due to hiring lag for vacant positions and unpaid time off taken by staff.

Note 4 - Education Assistant (EA) salaries positive variance is due to several factors:

- Hiring lag in deployment of EA funding.
- Estimated continued understaffing due to inability to consistently fill all EA positions.
- EAs taking unpaid time off.
- All positions are budgeted at the continuing rate of pay, but about 10% of positions are staffed with temporary employees who earn \$1.43 less per hour.

Note 5 - Teacher Replacement Costs negative variance is due to higher than budgeted use of sick and emergency leave.

Supplemental employment benefit top up is predicted monthly at the average of what we paid over the last fiscal year. This is a significant source of uncertainty in the forecast as payments vary significantly month to month based on number of leaves and timing of receipt of paperwork from staff.

Note 6 - Assumption made in preparing this forecast is that departments and schools will spend their services and supplies budgets as allocated, other than the following:
(\$1,000,000) expected school and district carry forward