

Memorandum

To: Chair and Members
Administration and Finance Committee

From: Chairperson
Co-Management Team

Date: January 5, 2007

Re: Co-Management Status Report #3

Background

On October 10, 2006, the Minister of Education established a co-management team to oversee the financial affairs of the Dufferin-Peel Catholic District School Board. The co-management process was designed to ensure continued trustee involvement in decisions affecting the Board.

The co-management team was originally intended to be composed of a chairperson, appointed by the Minister, and two trustees nominated by the Board. The chairperson of the co-management team was delegated to assume control over the exercise and performance by the Board of its powers, duties and obligations related to financial and other matters. The trustee members were to assist, advise and work with the chairperson in fulfilling the mandate of the co-management team.

To ensure that the Board is appraised of all activities of the co-management team, and that trustees have an the opportunity to provide advice, the chairperson presents monthly reports to the Administration and Finance Committee and the regular meeting of the Board.

Moving Forward

Returning the Board to a balanced financial position and establishing the conditions for long term stability was originally envisioned as a three stage process. It consisted of:

- 2005-2006 in-year constraints to reduce the forecasted deficit from \$15.1M to slightly over \$2.5 million by August 31, 2006;
- temporary and permanent budget reductions in 2006-2007 designed to lower the board structural deficit to approximately \$5.3M by August 31, 2007; and
- elimination of the structural deficit in the 2007-2008 fiscal year.

The strategy was based on recommendations from:

- a Special Assistance Team appointed by the Ministry of Education when the Board first indicated that it was facing significant financial challenges for the 2005-2006 fiscal year; and

- a Special Advisor appointed by the Minister to assist the Board in developing the second and third stages of the deficit management approach.

I am pleased to report that the constraints introduced in the 2005-2006 budget year allowed the Board to achieve its first stage deficit reduction target. Financial statements show a year-end deficit of \$2.4M.

The majority of the 26 items proposed for the second stage of the deficit management plan have been put in place. Slightly over \$12.5 M in savings are anticipated from strategies implemented to date. In addition, lower than expected utility expenses and a change in strategy for filling Long Term Occasional positions should assist in meeting the original cost reduction targets for 2006-07.

Seven major items, contained in the original deficit management plans, remain to be considered. They include:

- introduction of staggered school hours for more effective use of the transportation fleet;
- reduction of transportation services for “optional attendance” schools and programs;
- development of alternate strategies for literacy support;
- implementation of full day/alternate day kindergarten programs;
- revision of the secondary school staffing model;
- adoption of a new ratio for assigning special education teachers, and
- re-alignment of secretarial and clerical support services.

A number of steps have been taken to support the decision making process related the aforementioned elements of the deficit management plan.

1. Implementation profiles have been developed for each of these proposals. These profiles detail the nature of proposal, the risks involved, the mitigation strategies, implementation timelines and the proposed consultation approach.
2. The opportunity to provide input related to the remaining deficit management proposals has been extended to all affected parties. Meetings between the chairperson of the co-management team and the executive of OECTA Elementary, OECTA Secondary, OECTA Occasional Teachers, DPERWA APSSP, CUPE 1493 and CUPE 2026 were held prior to the Christmas break. Meetings with the two principals’ associations and the middle management association are scheduled for January 8, 2007 and January 9 2007. SEAC will be consulted at its regularly scheduled meeting on January 17, 2006. The meetings were intended to provide an opportunity for each group to share their perspective on:
 - i. Plan B implementation issues;
 - ii. alternatives for deficit reduction; and
 - iii. consultation and information sharing process.

3. Specific communities directly affected by the deficit reduction proposals have been invited to meet with the chairperson of the co-management team. Preliminary discussions have been held with the chair and past chair of the St. Sophia CSAC. A meeting with the full executive is scheduled for January 25, 2007. Arrangements are being made to hold a similar meeting with the Executive of the Holy Name CSAC prior to the January meeting of the Board.
4. All previous presentations to Committees and Board on the remaining elements of the deficit reduction plan are being reviewed.
5. Program department staff has been requested to develop a multi-faceted assessment-based approach to support literacy initiatives in the system. A report on the issue will be brought forward to the Faith and Program Committee in February 2007.
6. Staffing Committees have been requested to explore opportunities for cost containment that may exist within existing collective agreements for the 2007-2008 academic year.
7. Meetings have been held with the senior staff of the Toronto Catholic DSB to determine whether the recommendations of their Special Assistance Team provide any further opportunities for efficiencies at the Dufferin-Peel Catholic DSB.
8. Discussions continue with the senior staff of the Peel District School Board on issues of mutual concern in the implementation of the deficit reduction plan.
9. A ministry review of the integrated transportation system serving students at DPCDSB has begun. This review will determine whether additional efficiencies in transportation services can be introduced over the coming years. A preliminary report is expected towards the end of January, 2007.

The results of these investigations, consultations and discussions will inform the final plan for restoring financial stability at the Board. The report, which will be presented to the January 30, 2007 meeting of the Board, will:

- provide an overview of the financial challenges faced by the Board;
- detail the progress made to date in deficit reduction efforts;
- report on the results of consultations with affected parties;
- outline the proposals that will be adopted to eliminate the structural deficit;
- establish timelines for their implementation; and
- propose consultation strategies for the implementation process.

Ensuring ongoing financial stability involves more than deficit reduction. Provision must also be made for structures and processes which support sound management and responsible stewardship. The report will also detail the changes required in these areas to ensure continued organizational success.

Correcting the Record

At its December 12, 2007 meeting the Board declined the Minister's invitation to nominate trustees to the co-management team. The preamble to the motion indicates that the rationale for doing so was the failure by the chair of the co-management team to consult with trustees.

For the record, all decisions taken before December 12, 2006 were either:

- recommended to the co-management chair by the Board through the regular committee process, or
- implemented after a report was provided to committee and/or Board for discussion and advice.

Since the minutes of committees and Board provide the official record of the co-management process, I have requested that the minutes reflect these facts.

Co-Management or Supervision?

At its December 12, 2007 meeting, the Board also requested that the Minister to change the title of the co-management team chairperson to "supervisor". While I appreciate the political motivation involved in the motion, the traditional supervision model would not serve the long-term interests of the Board.

The current decision making process is not traditional supervision. If that model were in place:

- all matters affecting the operation of the Board would be decided by the supervisor;
- committees would cease to function;
- the board would meet only to consider denominational issues;
- there would be no opportunity for trustees to bring their views to the table;
- community input would be directly to the supervisor, sitting as Board;
- honoraria and expenses would be revisited to correspond to the reduced responsibility of trustees; and
- the director and staff of the board would report directly the supervisor;

Co-management, on the other hand, is a collaborative process which seeks to ensure that trustees play a meaningful role. Committees continue to consider all matters within their purview. The Board decides all matters over which it has control and makes recommendations to the co-management team on the remainder. All deficit reduction proposals are brought to committee and Board for consideration and advice. Normal operational processes continue. In addition, trustees, had they chosen to do so, would have had the opportunity to influence the nature and content of matters coming to the Board for discussion and advice.

The objective of the current process is to ensure that the Board emerges not only more financially stable but also as a healthy organization ready to deal with future challenges. Therefore, despite the refusal to participate in the co-management team and the supervision request by the Board, the essential features of the co-management process will continue.

Decisions

All financial recommendations made by the Board to the Co-management team at its December 2006 meeting have been approved. Revised estimates for the 2006-2007 fiscal year were also approved for submission to the Ministry of Education.

Plan B originally envisioned a second-term introduction of a later start time for Holy Name of Mary Secondary School and staggered school hours for 6 elementary schools. These changes would have saved approximately \$225,000 in transportation costs. As there was insufficient time to adequately consult with the parents of the schools affected and to mitigate implementation issues, this proposal has been delayed.

Norbert Hartmann
Chairperson,
Co-Management Team