

**Chignecto-Central Regional School Board
Education Services/Operational Services Joint Committee Meeting
January 21, 2015**

The Joint Committee Meeting of the Education Services and Operational Services Committees was held in the Board Room at Central Office on Wednesday, January 21, 2015 at 6:00 p.m.

Members Present

Education Services Committee

Vivian Farrell, Chair
Jim Grue
Susan MacQuarrie
Wendy Matheson-Withrow, Vice-Chair

Operational Services Committee

Gordon Anderson, Vice-Chair
Adam Davies, Chair
Keith MacKenzie
Marilyn Murray

Other Board Members in Attendance

Anne Beaver
Ron Marks
David Myles

Margie Nicholson
Mackie Ross
Trudy Thompson, Board Chair

Staff in Attendance

Lynn Blake, Education Services
Jackie Fahey, Coordinator of Health & Safety
Valerie Gauthier, Director of Financial Services
Debbie MacDonald, Recording Secretary

Trish MacKinnon, Nova Family of Schools Supervisor
Allison McGrath, Director of Human Resources
Scott Milner, Director of Education Services
Herb Steeves, Director of Operational Services

CALL TO ORDER

Chair Davies called the meeting to order at 6:00 p.m.

ADOPTION / AMENDMENTS OF AGENDA

Moved by Marilyn Murray, seconded by Keith MacKenzie
THAT THE AGENDA BE ADOPTED.

MOTION CARRIED

APPROVAL OF MINUTES

Moved by Trudy Thompson, seconded by Wendy Matheson-Withrow

THAT THE MINUTES OF THE DECEMBER 17, 2014 MEETING BE APPROVED AS CIRCULATED.

MOTION CARRIED

INTRODUCTION

Chair Davies welcomed everyone to the meeting and advised the meeting was to be an information session. He noted there would be no public questions during the meeting and the public should go through the normal procedures if they have any questions.

EVOLUTION OF THE HUB MODEL

Director Steeves spoke on the timeline of the process. In March 2012 the Board identified all schools within CCRSB to be reviewed using thirteen determining factors that would be applied to data from each school. The data used throughout the process was from the 2011/12 enrolments, enrolments for the past five years, projected future enrolments, school capacity utilization, financials, operating costs and labour expenses. The Identification Reports can be found online under Operational Services Documents which lists and explains the determining factors rationale.

The preponderance of determining factors for Maitland District Elementary, River John Consolidated and Wentworth Consolidated Elementary Schools generally had some common factors which highlighted these schools for further review. Enrollment declines, excess capacity, projected enrolments, operating cost per square foot and wages per student were all common factors. For illustration, the highest wage cost component is predominately from education services. All three schools have an alternate school within a thirty minute drive, a criteria previously developed by the Treasury Board regarding their classification of isolated schools.

In March 2012 the Board decided these three schools would move to the next step for further review; the Impact Assessment (IA). An Impact Assessment report is compiled by staff from Educational and Operational Services with information of the school being considered for closure and the potential receiving school(s). It has become the "guide or reference book" for all the data used throughout the school review process and now with possible hub models. There was a template provided from the Department of Education of what to include in an IA which makes it a very comprehensive report which includes enrolments, costs, educational programming, extra-curricular activities, etc.

As part of the Impact Assessment Report CCRSB asked the three counties if there were any plans for residential, commercial or other development in their areas that could affect enrolment projections, there was no response. As part of the review process a Study Committee was formed and tasked with writing a written response to the Impact Assessment. This included holding a public meeting in October 2012 to gather community input to the response. Once the written responses were submitted, CCRSB held a public meeting in February/March 2013 to give the public an opportunity to provide their input to the Board regarding the IA and Study Committee response

Director Gauthier, Financial Services, presented to the committee and noted the financial information being presented were excerpts from the March 6, 2013 Committee-of-the-Whole meeting when the Board

looked at the Operational Savings. Operational Savings would result by the closing of a school. The savings could be anywhere from a 0.5 to 2 custodian(s) as in the case of River John Consolidated. Operational Savings may also include the operating costs of the building, i.e. fuel, electricity, regular repairs. All these costs are incurred with having an additional school building in the system.

The Operational Costs are tracked through the SAP financial system. They are not the total costs assigned to a school though can be part of the school costs. There are costs for example to the Directors for the time they put in, but not tracked to the school. To be tracked to a school site costs, it is the actual custodian assigned to the school, not the Property Services foreman or any part of that position. The costs listed in the Impact Assessment are the direct costs that will be saved when the Board no longer operates the building.

Educational Savings comes from various costs as well. With a school there is an assigned principal or part of a teaching principal. Associated administrative allowances for these will be saved when the building is closed. Administrative assistants and noon-hour monitors would no longer be required at that site. A receiving school may not require an additional noon-hour monitor with the ratio of 75 students to one monitor. If there are twenty children at a receiving school and ten more are added and a monitor is already in place where the ratio is 1:75, additional student monitors would not be exceeded, so it is a savings with this position.

However the biggest savings are with the teachers. The number of students going to the various grades of the receiving school(s) in most cases would not exceed class caps or staffing formula. Thus the teacher from the school being closed would not be required at a receiving school. It would assist with the overall reduction in teachers seen by the board, for example through attrition. A teacher would not likely lose a job with a school closure depending on seniority and could be placed elsewhere in the board.

Director Gauthier presented the cost savings for each of the three schools as well as the major maintenance required at the school(s). The Province of Nova Scotia funds CCRSB based on the number of children and that will not change. There will still be the same number of students regardless of how many buildings are in the system. The only part expected to change in a school closure is what is related to the small school factor. It is part of the formula which has to be netted out since the CCRSB will no longer receive that specific funding. The Director noted CCRSB will receive the money in the year of the closure. It would be the following year for the funding to be lost.

Property Services funding is based on 75% of the formula based on the number of children, that part will not change. 25% of the formula is based on the actual square footage in the building. This will change with a school closure as well as losing the small school funding factor. The Impact Assessment savings reflects this with the closure savings stated.

Property Services compiles a list each year called Major Maintenance. The current list identifies every school with 226 potential projects with an estimated cost of over \$25 million. The ones related to the three schools are in the IA. There unidentified or unexpected major maintenance which may occur when a child comes to a school and may need a wheelchair or lift put in the school. In school boards "striking oil is bad." If there is a hydrocarbon impact on the grounds which presents environmental concern this can easily cost \$1.1 million. These are the unknown major maintenance costs with potentially any building. CCRSB has a \$25 million deferred from the maintenance to be addressed over the next decade. The Impact Assessment shows this.

Director Gauthier summarized stating the annual net savings in the identified schools is just over \$540,000 for the annual operational savings of closing the school and combining the children into receiving school(s). The largest savings component will be from education services because the students will be distributed to classes currently not full, no additional teachers will be needed at the receiving school(s). The identified major maintenance costs avoided are \$720,000.

The Director noted the provincial funding requirement of \$581,000 would no longer be required at the sites. If the buildings are closed the province would no longer have to fund the Board in the following years to operate and staff the buildings. The \$540,000 could be redistributed by the province into education using the HOGG formula and distributed through the normal distribution methods. The money will remain in education and CCRSB will get a share. The province does not really “save” but redirect the funds to other programs or initiatives.

Board Chair Thompson asked if the operating cost number should be updated because every year costs go up. Director Gauthier responded the numbers identified by the Impact Assessment have been used throughout the process. To avoid possible confusion, the financial numbers were not updated. It is expected expenses will increase, i.e. heating costs, electrical but the numbers will not that different. The major savings are still from the educational costs.

Director Steeves continued the presentation. All three schools in March 2013 were determined by the school board to be closed. Later it was decided the closure date would be June 2015. He stated during the 2012/2013 school review process, it was first suggested during public hearings that Maitland District Elementary and River John Consolidated be given an opportunity to provide a Hub School Model for their schools. The Board decided to ask Wentworth Consolidated Elementary to have the opportunity to provide a Hub School Model. In May 2013 the concept of hub model continued to evolve at the community level.

It became increasing apparent the Board needed guidelines outlining the requirements for consideration of a hub school model. The province as part of the review of a school closure process indicated these would be within the new process. In July 2014 the Department of Education issued *Guidelines and Criteria for a Hub School Model to Guide the Use of School Space*. It has become the principal and guiding document used by the Board with potential Hub School Model proposals.

According to provincial *Guidelines and Criteria*, a Hub Model means:

“The reasonable and sustainable use of a public school space for purposes other than delivering the public school program that does not impede the delivery of the public school program, is financially and operationally viable, and is supported through a strong business case from the community.”

A school board must evaluate and determine if a Hub model proposal is suitable. Primary consideration in evaluating a Hub model proposal is its value to support student learning not only at the school site, but across the school board. A school board would only consider proposals that meet minimum requirements of *Guidelines and Criteria*.

The document provides criteria and guidelines for preparing and evaluating hub model proposals. For example, a proposal must clearly demonstrate that a hub model will result in no increase to capital or

operational costs to the school board, or the Province, as compared to the school board's original plans for the school. The proposal must allow school boards to achieve cost savings.

A proposal from the community should demonstrate, over the proposed period of use of a school building, the following: source of funding, evidence the proposal funding has been or will be secured prior to final agreement and evidence of financial viability and sustainability of proposal including sufficient cash flow for a Hub Model operation.

Proposals must indicate anticipated modifications required at the facility, including their costs. The proposed use of building must be in accordance with the *Education Act*, school board policies, relevant legislation, building codes and relevant process & procedures. A school board should only consider proposals meeting minimum requirements as described in the provincial *Guidelines and Criteria*.

On July 28, 2014 Director Steeves and Superintendent Clarke met with representatives from the three hub committees, distributed the guidelines and criteria along with an initial interpretation of them. The provincial document states there would be a formal eight month period for communities to develop and formalize a proposal prior to its submission. The committees were asked to provide a formal letter with their intent to submit a hub model proposal and this was for all three school buildings. The eight month period started on July 28, 2014 with a submission date no later than March 31, 2015.

CCRSB decided in June 2014 to form a joint Educational and Operational Services Committee in regard to the Hub School Model proposals. This would include discussions regarding various aspects of the Guidelines and Criteria along with meetings with Hub committees to provide information and answer questions. Hub committees have had the opportunity to provide regular progress updates, ask questions and receive feedback at joint meetings on October 21, 2014 and December 17, 2014.

At the public Board Meeting of October 8, 2014 the board determined by motion that the three Hub committees in River John, Maitland and Wentworth, be informed that the operational and capital cost savings indicated in the September 2012 impact assessments for the three respective schools would need to be included within the funding source of their respective Hub Model School proposal along with the recognition of any additional cost pressures during the term of a building use agreement. Further there was agreement that the Joint Committee be empowered to make decisions and provide direction, on behalf of the Board, to Hub committees based on provincial *Guidelines and Criteria*.

The next stages of the hub proposal process include:

- Hub Committee presentations – February 17, 2015
- Hub proposal submissions - by March 31, 2015
- Proposal evaluation by an evaluation team- April and May 2015
- Recommendation to elected Board - June 2015

Director Milner presented the draft document of the *Chignecto-Central Regional School Board Hub Submission Format and Scoring Table* to the Joint Committee. The document is intended to be used as a guide with the proposal process, submission format for potential hub model communities, and the evaluation criteria the Chignecto-Central Regional School Board will follow in reaching a conclusion.

The Director highlighted several pages within the document. He noted the document was still in draft form and with Committee agreement at the meeting the final document can be forwarded to the three hub

committees and put on the CCRSB website. It was noted this is not the first time this information has been available. The evaluation process is taking the criteria and guidelines released in July 2014 and distilling and organizing it in a way that provides different information in a common language for understanding of the criteria. There is some new information of how the evaluation may occur though the content is directly from the provincial guidelines and criteria.

The Director began with the Table of Contents on page two and noted it shows a “bird’s eye” view of what is in the document. Sections 1-5 are important sections. It is a reorganization of what was presented previously to the board members. Direction made to the references in small print found throughout the document following particular statements. These are references to the actual pages of the *Guidelines and Criteria for a Hub School Model to Guide the Use of School Space* from the Department of Education and Early Childhood Development.

Director Milner reviewed the Table of Contents as well as the items listed in the Appendices. He stated the intent of the document is for the Board to finalize the document and as soon as it has been agreed and draft removed, copies of the document will be available.

Director Milner continued with his presentation and advised all the hub school model proposals received would be put online if possible. He suggested however if there is information of confidential nature, example of finances or a hub business plan, it may not be placed online. The proponents should ideally provide a redacted copy for public viewing along with a complete document for scoring and distribution.

The next discussion involved the composition of the Evaluation Team. The proposed team would consist of the Directors of Educational Services, Financial Services, Human Resources and Operational Services as well as the Manager of Purchasing who would chair the committee and be a non-voting member. He noted the inclusion of an External Financial Advisor.

Board Member MacQuarrie stated she recalled there was general consensus for the Evaluation Team to have board member representation. She stated she is not sure how the current team was established, but is really disappointed by its makeup. She stated there should be Board Members on the committee since Board Members were left out of the whole process.

Director Milner responded on the role of Board Members within the process in that all Board members having availability to attend joint committee meetings and the final proposal submissions. Once the evaluation team completes their work a recommendation(s) will be made to the Superintendent of Schools. The recommendation(s) would be presented by the Superintendent to the Board for final discussion and decision.

Board Member MacQuarrie stated she does not think it is fair to the hub schools that they do not have Board representation when the proposals are being evaluated. She noted she understands it will come to the full board but questioned whether the proposals come to the Board if a proposal is rejected. She stated she feels there should be Board Members on the Evaluation Team.

Chair Davies noted when the proposals are submitted by the end of March, they will be quickly available to all Board Members. The Evaluation Team will be doing their work and Board Members will also look at all the proposals as soon as they become available. The Board will have an opportunity to have a full

discussion when the recommendation(s) are made by the Superintendent and have the ability to ultimately accept or reject the recommendation(s).

Board Member MacQuarrie added the Board Members should have an opportunity to comment by being on the Evaluation Team. There may be an aspect of the proposal one of the Directors will speak on and this is the opportunity for a Board Member who may be in contact with the hub school committee to speak on behalf of the committee. This should not happen at the board table.

Board Member Anderson stated he was not under the impression that Board Members would be on the Evaluation Team.

Board Vice-Chair MacKenzie noted it could be a real problem if Board Members were on the Evaluation Team. A Board Member would have input both with the Evaluation Team and later at the full Board Meeting.

Board Member Murray informed the committee after being a Board Member for seventeen years she has come to many meetings with an idea of how things should go, but after listening to discussions of other members at the board table, she has changed her mind. She feels the Evaluation Team should be allowed to do their work and then the Board Members will see the full proposals. There will be an opportunity for discussion once the recommendation(s) are presented by the Superintendent.

Board Member Nicholson asked if Board Members can ask questions of the Evaluation Team. Director Steeves responded that should be possible.

Board Member Matheson-Withrow noted she is happy with the Evaluation Team and agrees that Board Members should not be part of the Evaluation Team. She likes the idea the people looking at the proposals will look at them equitably and without personal opinions. The weighting may change if a Board Member were on the Evaluation Team providing additional input for one proposal over another proposal. She concurred with Board Member Murray the full board is the place where the proposals will be defended and debated.

Board Chair Thompson agreed with Board Member Matheson-Withrow. She stated Board Members will need to have the information presented to them at the same time. A Board Member would have an added advantage when the full board meets, if they were part of the Evaluation Team.

Board Member MacQuarrie added she was disappointed Board Members were not on the committee to develop the guidelines. A lot of people that developed the guidelines are going to be on the Evaluation Team and sees it as a conflict of interest. "Board Members represent the public, why couldn't they be on the committee?"

Board Member Farrell stated she sees the point that Board Member MacQuarrie is making and it may give the Board something to think about. She continued to say she has no problem with Board Members not being on the Evaluation Team for the same reasons other Board Members mentioned. It is important that all Board Members receive the information at the same time when they will be voting on something as important as the proposals.

She added Board Members are very fortunate to have the input now with the proposal evaluation process. However, she would like to propose, as far as the Evaluation is concerned, that it seems to be weighted more to the financial side. Although the financial side is very important and the criteria points out finances are very important, she feels having an external person from the community who may not have any particular expertise may be an advantage to the whole team.

Board Member Matheson-Withrow commented to Board Member Farrell's point. Ms. Matheson-Withrow stated according to the discussion on the composition of the Evaluation Team, the addition of a financial person is important because the proposals will be presented in a business case format. This expertise would be needed to evaluate the business cases in their entirety and to look them more from a business model. "It is the way we have asked the communities to present their proposals." Further, she asked if there is a place on the Evaluation Team to have someone from the Department of Education be represented.

Board Member MacQuarrie stated she agreed with Board Member Farrell and would like to see someone on the Team with fresh eyes. The Evaluation Team is made up of paid staff that, in her opinion, brought the potential school closure to the table. There needs to be more outsiders. Why have the Evaluation Team? Why not have the Board Members as the Evaluation Team?

Board Member Murray agreed with Board Member Matheson-Withrow. CCRSB is just the first "out of the gate" with the hub model consideration. She agreed having someone in attendance from the Department of Education, not as a voting member, but to have input and knowledge may be beneficial.

Board Member Marks stated he is not in favour of anyone from the Department of Education sitting on the committee. This is the Board's job, its responsibility. If CCRSB wants them to take this over he is sure they would do so. He further stated his opinion is the Board does the job it was put here to do, can do it, and do it well.

Director Milner continued with his presentation of the evaluation process. The proposals must first meet all of the minimum requirements in order for the evaluation process to continue. The first review of a submitted proposal is to ensure all the information required as a minimum is actually present in the document. The minimum requirements are directly stated from the DoE criteria. At this stage there is no actual value or weight being placed on the quality of a submitted proposal.

He noted the input received, including from the joint committee, has been reviewed and the evaluation score adjusted. The next items he provided were Phase One and Phase Two of the evaluation process and the weighting of proposal components. Provided all the minimum requirements have been completed the process will proceed to the next phase. The two phases are evaluated as per the scoring table in the document. The total proposal will be evaluated on a score of 100.

The first phase will score a maximum of 50 points or be worth 50%. This will be scored by the Evaluation Team without looking at the financial information. Phase One must score 40 or more in order to proceed to Phase Two. Phase Two includes Educational, Operational/Regulatory and General Components.

Phase Two comprises the evaluation of the Financial Components, Appendices and Overall Suitability. Together these represent a total of 50% of the overall rating. Upon evaluation completion, a proposal must have a met an 80% threshold to be recommended to the Superintendent.

Board Member Marks asked to confirm if the proposal does not total 40% in the first phase, the process does not continue. Director Milner confirmed.

Board Member Farrell noted if there is a big gap in a proposal it should be picked up long before it comes to the final submission to the evaluation team and pointed out to the Hub Committee members and adjusted accordingly.

Director Milner stated this is the reason we have increasingly been requesting more detailed information that is more to the point about the submissions. At the next meeting the hub committees' presentations or draft submissions should be very detailed. In fact, it may be considered asking the proponents for a draft of their presentation or whatever information they can provide prior to the next meeting. Directors Milner and Steeves would review the information with their colleagues and may be able to provide formative feedback to the groups at that time including reference to the scoring table.

Board Chair Thompson noted the Board would need to have the information very defined before the March 31st deadline or it would be too late to provide comments or feedback.

Board Member Ross asked about the weighting on the education side. For example, if the proposed business is a tattoo parlor, would this be considered on its artistic merit. He doesn't see a business plan with the financial aspect having the biggest weighting in the proposal. If there were five proposals for Maitland are they all accepted or are we looking for one cooperative.

Director Milner responded within the criteria it talks about if there are many proponents within an application, they can be consolidated and it would be their responsibility to do so but in fact there could be competing proposals.

Director Steeves stated the guidelines and criteria will be used in future hub model proposals. He stated the goal is to evaluate each proposal equitably. He reiterated what Director Milner stated on the evaluation process and being informed from Board Members they did not want the proposals to be evaluated solely on finances. The Board does not want to be influenced initially by the financial statements in the proposals. Is it a good proposal? Is it good educationally and support the goals of the CCRSB? Does it complement our school? Is it good for the community? If the evaluation team rates Phase One as a good proposal with a threshold of 80% then Phase Two would include how well the proposal and business plan is supported financially.

Board Member Marks stated he finds the process very interesting and to go back to the comments made on conflict (conflict of interest). He noted you have to really stretch to find it not a conflict when the evaluation team scores the proposals. He understands the conflict but does not know a better way of doing it. As school board members it is important to be aware there is a conflict and to do the best it can.

Board Member MacQuarrie asked Director Steeves if the most important thing is for these hub committees to cover all the cost savings for CCRSB, why even bother with Phase One. She sees it as a waste of time because if everything is good with Phase One, which it will be from looking at the proposals, she can't imagine any of the committees are going to reach what we have put on them as far as cost savings. Why bother with Phase One and Phase Two?

Director Steeves stated Phase One is because the process is based on a generally-accepted procurement process for services. It has been clearly stated previously from the committee members that the proposals should not be judged by the financials first, it should start by being judged by other aspects of the proposal such as the educational components.

Board Member Matheson-Withrow stated we have to remember all of the hard work done on the proposals. It is not just about these specific proposals, it is about every other proposal the Board will be looking at in the future. There could be times when there is more than one from a community. At that point, to evaluate beginning with Phase One, it may be the determining factor in two different proposals because the financials are both the same. The format is valid not just for now but for the future as well.

Board Member Farrell added she likes the educational aspects in Phase One. She understands the financials have to be met but once the committee puts in a proposal they cover all topics, but, if the finances were in the first phase and it didn't meet the criteria then the educational components would not be getting any attention. So it is important to have education first. On the topic of conflict of interest she feels the more we get into this process the more we can see. "Obviously it is not going to be perfect. The hub school concept is an evolutionary process the province is starting now and we will work through it and do the very best we can. We will show the communities we want to help and that we have participated and did our best."

Board Member Marks asked about the scoring and if the proponents do not score at least 80% in Phase One, the process will stop and Phase Two will not be looked at. He stated that he would like to see both phases scored and it does not matter whether education or finance is first because it all has to come into the Evaluation Team at the same time.

Board Member Ross stated if we close a school and education was higher than finance, the communities would be upset. We know education is 100% within the Board.

Board Member Matheson-Withrow noted that students within CCRSB will get a valid education in any of our schools. She noted one school should not score higher in a proposal because they would be getting a better education.

Board Member MacQuarrie asked if CCRSB has changed its thoughts on the time period the hub committees would have to cover the costs.

Director Steeves stated there has been no change in the time period. The hub committees will be responsible to cover all the costs and would need to show in their proposal how they plan to cover these costs.

Director Steeves suggested with the earlier discussion on the possible conflict of interest that the word "bias" might be a better word than "conflict". Board Member Marks agreed the word "bias" may be more appropriate.

Board Chair Thompson advised that she would like to see Phase One and Phase Two removed and to evaluate the entire proposal and keep the weightings.

Board Member Ross complimented staff on the incredible amount of work done with the process.

Director Milner reviewed the remainder of the document.

Vice-Chair MacKenzie asked the Directors for their reasoning on the document being scored by Phase One and Phase Two. Director Milner responded that there were many comments for the scoring of the proposals not to be all about the financial requirements, so they put the general components and the education first so they would be looked at before the financial component. It is also a very common tendering practice for example with consulting services.

Director Steeves commented that the phases could be combined. If the financials are evaluated first then the rest of a proposal may not need to be looked at. By combining phases, a proposal will be evaluated in its entirety.

Moved by Trudy Thompson, seconded by Marilyn Murray

THAT THE DOCUMENT BE ACCEPTED WITH THE EVALUATION PROCEDURE TO BE CHANGED FROM TWO PHASES INTO ONE COMPLETE EVALUATION.

MOTION CARRIED.

The meeting was adjourned at 8:15 p.m.