

Woodward, David K FIN:EX

This is Exhibit "IT" referred to in the

Affidavit of Brian TaylorSworn before me at Vancouver BCThis 5th day of May 2010A Commissioner for taking Affidavits
within British Columbia

From: Crowther, Murray FIN:EX
 Sent: Monday, November 26, 2001 9:12 AM
 To: Woodward, David K FIN:EX
 Cc: Jani, Andy FIN:EX; Brazier, Heather M FIN:EX
 Subject: RE: Service Plan - Indirect FTE's - teacher layoff

The key to the layoff issue is the wage settlement assumption

There are 56000 FTE's in the K-12 system... a zero budget increase should mean that for each wage rate percentage increase there will need to be an equal, offsetting, percentage reduction in the wage (FTE) base... If the rate increase exceeds attrition, (assumed to be 3% p.a.) there will need to be layoffs, as opposed to simply reductions handled through attrition... therefore a 3/3/3 rate increase will result in 3/3/3 staff level reduction (5000 FTE's at no cost). and a 4/4/4 rate increase will result in reductions of 6600 FTE's with a severance cost for these incremental 1600 FTE reductions of \$50 million, (using the gov't severance cost of \$32k per FTE).

On the operating cost side, annual expenses are approximately \$400 million. If CPI is 2%, this will result in the need for further staff reductions of about 100 per year, (300 over the three years) to pay for the additional \$ 8million annual increase in operating costs. Using the attrition assumption of 3% p.a. these additional 300 FTE reductions will incur severance costs (about \$10 million).

Therefore, in total, for a 3/3/3 rate increase, my guess would be about 5300 FTE reductions with a \$10 million severance cost.

-----Original Message-----

From: Woodward, David K FIN:EX
 Sent: Saturday, November 24, 2001 5:38 PM
 To: Crowther, Murray FIN:EX
 Subject: FW: Service Plan - Indirect FTE's - teacher layoff

fyi

-----Original Message-----

From: Jani, Andy FIN:EX
 Sent: Thursday, November 22, 2001 1:49 PM
 To: Brazier, Heather M FIN:EX
 Cc: Woodward, David K FIN:EX
 Subject: FW: Service Plan - Indirect FTE's - teacher layoff

pls see email below which went to Hon Christy Clark this afternoon.
 pls let me know if additional info is required.
 thx

Andy Jani
 Treasury Board Staff
 Phn: 387-9049
 Fax: 387-9054

-----Original Message-----

From: Anderson, Barry D EDUC:EX
 Sent: Thursday, November 22, 2001 1:35 PM
 To: Clark, MLA, Christy LASS:EX; Nelson, Tera L EDUC:EX; Dosdall, Emery EDUC:EX
 Cc: Jani, Andy FIN:EX; Sullivan, Teresa EDUC:EX; Sinnemann, Christina EDUC:EX; Bondurant, Flint EDUC:EX
 Subject: Service Plan - Indirect FTE's

Andy Jani and I met this morning, and can reconcile the numbers we discussed at our morning meeting.

9.3
1. The budget now shows a projected reduction, of 6300 FTE's, not 7500 as this morning's document showed. There was a correction to the budget which did not make it through to the service plan. My apologies for the oversight.

2. Treasury Board contends there will be few layoffs because of normal rates of turnover and retirements in the teaching force. That said, circumstances will vary from district to district. Also, districts will probably attempt to reduce the number of support staff in favour of retaining teachers. I would be surprised if there were not significant numbers of layoffs in at least some districts.

3. The budget reductions will be impossible to achieve without changes to the contract.

4. Parents are apt to notice significant reductions in service levels. These may be offset, or partially offset, by more effective use of staff. (For example, Achilles argues that the cost of class size reductions in grades K-3 can be offset by reduced need for remedial aid later in childrens' school careers).

In sum, Treasury Board staff and we agree on the estimated number of reductions, and on the probability that there will be far fewer layoffs than reductions.

We also agree that there will be noticeable service reductions and alterations as a result of the downsizing.

Barry