



Vancouver Board of Education

School District No. 39

BOARD OF SCHOOL TRUSTEES

1580 West Broadway

Vancouver, B.C. V6J 5K8

Telephone: 604-713-5000

Fax: 604-713-5049

via email and mail post

March 4, 2016

The Honourable Mike Bernier
Minister of Education
PO Box 9045, Stn Prov Govt.
Victoria BC V8W 9E2

Dear Minister Bernier,

Re: 2016/17 Operating Budget and Accumulated Surplus

Over the past couple of weeks there has been significant media coverage pertaining to the projected \$24.38 million shortfall the Vancouver Board of Education (VBE) is facing in the 2016/17 Operating Budget. Consistent with other districts in the province, this shortfall was announced following the tabling of the BC 2016 Provincial Budget which did not contain any financial relief for school districts. In fact, the recommendations from the Select Standing Committee on Finance and Government Services, which indicated support for additional funding for the K-12 public education system, were ignored in the provincial budget.

Recently you were quoted in the media as saying "The Vancouver School Board started this school year with a large accumulated operating surplus of over \$24 million". While the quote is technically correct as reported on our June 30, 2015 Audited Financial Statements, the point you failed to report is that the Annual Budget submitted for the 2016/17 school year reported that \$13.8 million of that \$24 million would be used to help balance that year's budget. Further, the remaining funds were restricted surplus and are not available to fund the projected 2016-2017 funding shortfall.

You were also quoted referencing the Ernst and Young audit concluded last year. While there are many recommendations contained in the audit that the VBE has supported and is working to implement, what was missing in your comments was recognition that the district surplus is within the 2-4% of Operating Expenses suggested. The quote was misleading to the public as it suggests we have the financial resources to balance the projected 2016-17 \$24.38 million budget shortfall.

.../2

Board of School Trustees:

Mike Lombardi – Chairperson

Janet Fraser – Vice-Chairperson

Joy Alexander Patti Bacchus Fraser Ballantyne

Penny Noble Christopher Richardson Stacy Robertson Allan Wong

Minister of Education
March 4, 2016
Page 2

Previous Ministers of Education have made similar comments about our surplus and the reported surpluses of other school districts on their Audited Financial Statements, without placing the surplus amount in operational context. The VBE has communicated this information to the Ministry of Education staff. Your staff is aware of these financial obligations, so we can only assume that the statements are being made for political purposes.

We are requesting that as Minister of Education you refrain making such comments to the media as they are confusing and misleading to our public who have placed their trust in our Board to manage the system.

Yours truly,

A handwritten signature in black ink, appearing to read "Mike Lombardi". The signature is fluid and cursive, with a large initial "M" and "L".

Mike Lombardi
Chairperson

cc: VBE Trustees
Scott Robinson, Superintendent of Schools
Russell Horswill, Secretary Treasurer
Vancouver MLAs
Vancouver Media