



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

Friday, April 3, 2009

Dear PAC executive:

I am writing on behalf of the Vancouver Board of Education in regards to the 2009-10 Preliminary Operating Budget Proposals that were released on March 30.

The Vancouver school district is facing a \$7.12-million funding shortfall for the 2009-10 school year. As we are legally required to submit a balanced budget to the provincial government, spending reductions are required. These reductions come on the heels of cumulative decreases over several years, making further cuts difficult.

This board is committed to advocating for our school system so that we have the resources required to meet the learning needs of every student. We are working hard toward that goal, and last week, sent a letter home to parents explaining the situation. We met recently with Vancouver MLAs to brief them on our financial challenges. We are also preparing a questionnaire to be distributed to Vancouver-area candidates to discover their views on public education. Completed questionnaires will be posted on the VSB website before April 21.

We write to you to request your support of our advocacy efforts aimed at realizing an adequately funded school system. To this end, we've provided you with copies of a double-sided handout highlighting the preliminary budget proposals for you to use as a resource when meeting with your school's parents.

To further assist you in examining the budget, we've posted several documents on our website, including the full 2009-10 Preliminary Operating Budget Proposals, a budget brief, the proposals document, as well the press release and backgrounder prepared for the media. Links to the material can be found at www.vsb.bc.ca under the updates section. We encourage PACs to copy and distribute these materials within their neighbourhood to make public education a topic of conversation and an election priority in Vancouver this spring.

Sincerely,

A handwritten signature in cursive script that reads 'P Bacchus'.

Patti Bacchus
Chairperson

cc. Trustees

Chris Kelly, Superintendent of Schools

Brenda Ng, Secretary Treasurer

Board of School Trustees:

Clarence Hansen - Chairperson

Carol Gibson - Vice-Chairperson

Allen Blakey Ken Denike Eleanor Gregory

Sharon Gregson Allan Wong

Shirley M. Wong



2009/10 budget proposals

Vancouver Board of Education
2009/2010 Preliminary Budget Proposals

As we work through this challenging process, it is the goal of this board to minimize the impact on our students and keep reductions as far away from classrooms as possible. But this will be difficult to do - there is no fat to trim in our very lean system.

~Patti Bacchus, Chairperson
Vancouver Board of Education

School District No. 39 (Vancouver) is one of the most diverse and complex of public school systems in Canada, with an annual enrolment of approximately 56,300 students in Kindergarten to Grade 12. Our programs and services address the extraordinary combination of challenge, need, opportunity and potential that exists in every student.

In 2008/2009, the Operating Budget for the Vancouver School Board (VSB) is \$488.1 million. The Ministry of Education provides approximately 90.7 per cent of the operating funding for the VSB. Accordingly, the number of programs and level of service the VSB can offer students depends significantly on the level of provincial funding.

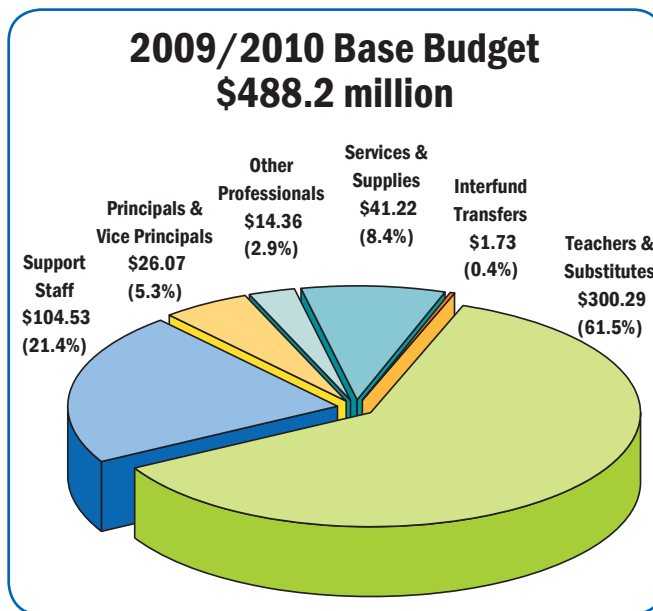
The Vancouver school district is predicting a net funding shortfall of \$7.12 million for the 2009/2010 school year. The net shortfall includes a projected surplus that will be applied from the current year.

Vancouver's funding shortfall is caused by a number of factors, including declining enrolment and a provincial funding formula that does not fund annual cost increases faced by school districts, including: salary increments; increasing employee benefit costs; and inflation.

Trustees on March 30 released the 2009/2010 Preliminary Operating budget plan developed by the District Management Team that proposes steps the school district might take in order to comply with the School Act and submit a balanced budget. The full report is available at vsb.bc.ca under Updates and Budget Process.

2009/2010 Preliminary Budget Proposals totalling \$7.12 million in reductions and transfers

- Reduction of 3.2 per cent or \$1.57 million in administration costs. This amount will be reallocated to offset reductions in the classroom.
- Reductions of two per cent or \$460,000 in supplies and services in schools and non-administrative areas.
- Reduce payment to fully fund accrued employee future benefits by \$440,000.



- Transfer of \$1.5 million from the Local Capital Reserve.

- Net reduction in teaching staff of \$3.15 million or 1.1 per cent. (The net reduction includes \$1.57 million reallocated from administration.)

Recent funding shortfalls

In all but one budget year since 2002/03, the Vancouver School Board has been forced to make significant budget reductions because provincial funding was

insufficient to maintain the existing level of service. During the six-year period ending in 2007/08, the district reduced its operating budget by a net total of \$40.4 million.

The cumulative effect of reductions over this period has made it increasingly difficult to meet the learning needs of all students, which is why trustees are deeply concerned about any further reduction in the capacity of schools.

The funding challenge

The provincial government states education funding is at its highest point in history despite declining enrolments. However, funding levels for Kindergarten to Grade 12 education in B.C. are inadequate to meet the basic, ongoing costs of the system despite declining enrolment.

Ministry of Education per-student base funding has remained relatively unchanged in recent years. The bulk of the funding increases for the past three years has gone to pay for provincially approved collective agreements. Very little of the additional funding has been available to pay for other cost increases faced by school districts or to provide enhanced services.

The current provincial funding formula does not fund:

- salary increments for employees on pay grid systems such as teachers, administrators and other professionals;
- increases in employee benefit costs;
- and inflation on goods and services.

It is estimated these costs will total \$4.34 million in 2009/10.

At the same time, it's predicted 500 fewer students will enrol in Vancouver schools next year. (Fewer English-as-a-second-language and international students are also expected.) The decrease in regular enrolment is less than one per cent of the district's total enrolment, however, it would result in a net drop in funding of \$2.9 million. This is problematic because a portion of school district costs, such as facility operations and maintenance, school administration and district administration are fixed and do not vary with small changes in enrolment.

To illustrate the funding challenges school boards face, Vancouver trustees will be developing a "needs" budget alongside the compliance budget school districts are obligated to submit under the School Act. The needs budget will identify how much annual funding is needed to not only maintain, but improve public education. The public will be able to provide feedback on proposals for the compliance and needs budgets through a series of public meetings during the month of April.

Public consultation

March 30, 5:30 p.m.

VSB Education Centre boardroom

Plenary meeting of committees III and V to receive 2009-10 Preliminary Budget Proposals;

April 8, 5:30 p.m.

VSB Education Centre boardroom

Plenary meeting of committees III and V for stakeholder input on budget proposals;

April 14, 7 p.m.

Mount Pleasant Elementary (2300 Guelph St)

Committee-of-the-Whole meeting for input from the general public on budget proposals;

April 21, 5:30 p.m.

VSB Education Centre boardroom

Revised budget proposals released during a plenary meeting of committees III and V;

April 28, 7 p.m.

VSB Education Centre boardroom

Committee-of-the-Whole meeting for input from the general public on revised budget proposals;

April 29, 5:30 p.m.

VSB Education Centre room 400

Plenary meeting of committees III and V for stakeholder input on revised budget proposals;

April 30, 7 p.m.

VSB Education Centre boardroom

Special Board meeting for trustees to consider any further budget revisions and approve and adopt the 2009-10 Operating Budget by-law (Compliance Budget) and the 2009-10 Needs Budget.

Vancouver School Board's Education Centre is located at 1580 West Broadway

Have Your Say

Vancouver Board of Education trustees value your opinion and invite you to make your views known so that a budget can be developed that takes into consideration your input. Those who wish to speak at the April 8/14 and April 28/29 meetings, please register by calling 604-713-5080 no later than two working days before the meeting.

Written submissions must be received by mail, fax or e-mail no later than:

- April 6, 2009 for the 2009/2010 Preliminary Budget Proposals; and
- April 27, 2009, 10:00 am, for the 2009/2010 Revised Preliminary Budget.

Send to the Vancouver Board of Education, Attn: Administrative Coordinator, Secretary-Treasurer's Office, 1580 West Broadway, Vancouver, BC, V6J 5K8, or send by fax to 604-713-5049, or e-mail to budget2009_10@vsb.bc.ca

Please note: All submissions to the Board are considered to be public documents. The Board, therefore, reserves the right to make any submissions available to the public.



budget brief

Vancouver Board of Education Preliminary 2009/2010 Operating Budget

School District No. 39 (Vancouver) is one of the most diverse and complex of public school systems in Canada, with an annual enrolment of approximately 56,300 students in Kindergarten to Grade 12. Our programs and services address the extraordinary combination of challenge, need, opportunity and potential that exists in every student.

In 2008/2009, the Operating Budget for the Vancouver School Board (VSB) is \$485 million. The Ministry of Education provides approximately 93.7 per cent of the operating funding for the VSB. Accordingly, the number of programs and level of service the VSB can offer students depends significantly on the level of provincial funding.

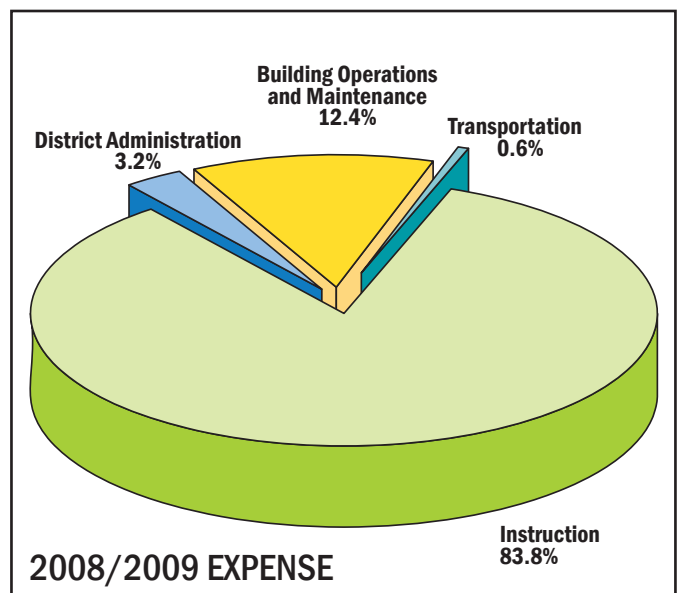
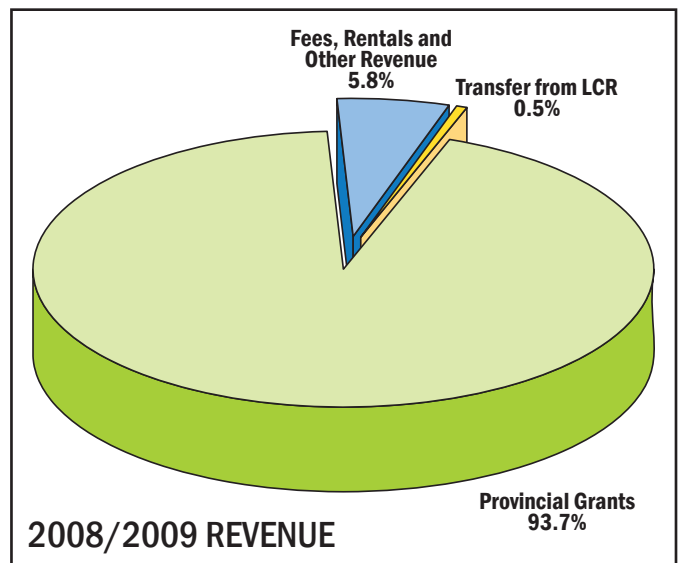
In terms of expenditures, 83.8 per cent of VSB costs are directly related to the provision of instruction to students. This includes salaries and benefits for teachers, school administrators, school and student support staff and the cost of related supplies and services. The cost to operate and maintain school district facilities represents 12.4 per cent of expenditures.

Overall, 91.5 per cent of all VSB expenditures are salary and benefit costs. Only 8.5 per cent represent expenditures on supplies and services.

VSB at a glance

- 109 schools and seven adult education centres
- 56,300 students
- 5,400 FTE employees
- Approximately 30 per cent of students have unique needs (ESL, Aboriginal or special needs)
- Operating budget of \$485 million

2008/2009 Operating budget



Provincial Funding

- Recent funding increases have been to pay for provincially approved collective agreements
- Current provincial funding formula does not cover:
 - salary increments
 - employee benefit cost increases
 - inflation

These cost increases total \$4.3 million for 2009/2010
- Forecasted decline in enrolment will result in lower funding
- Projected funding shortfall of \$7.3 million for 2009/2010 Operating Budget
- Without increased provincial funding, significant reductions to existing programs and services will be necessary
- Trustees will submit a “Needs” budget for 2009/2010

The provincial government states education funding is at its highest point in history despite declining enrolments. However, the current funding formula for Kindergarten to Grade 12 education in B.C. is inadequate.

Ministry of Education per student base funding rate has remained relatively unchanged in recent years. The bulk of the funding increases for the past three fiscal years (starting in 2005/06) has gone to pay for provincially approved collective agreements. In 2008/09, this accounted for \$42.7 million of the \$68.5 million increase in funding compared to 2002/03.

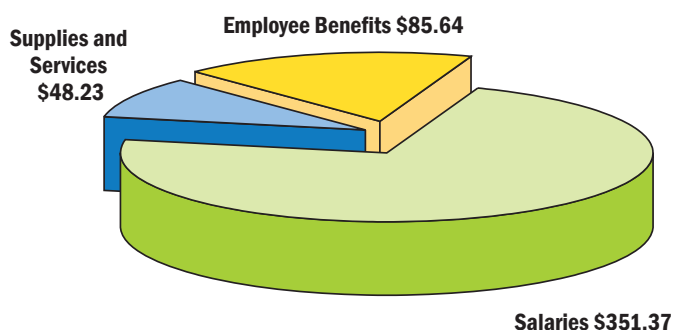
Very little of the additional provincial funding has been available to offset other cost increases faced by school districts or to provide enhanced services.

The current provincial funding formula does not provide for the following annual cost increases faced by school districts:

- salary increments for employees on pay grid systems such as teachers, administrators and other professionals;
- increases in employee benefit costs such as CPP, EI, WCB, MSP, extended health and dental benefits; and
- inflation on goods and services.

It is estimated these cost increases will total \$4.34 million in 2009/10.

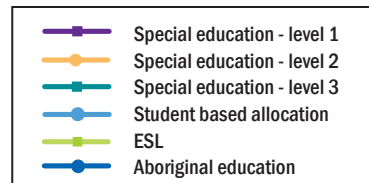
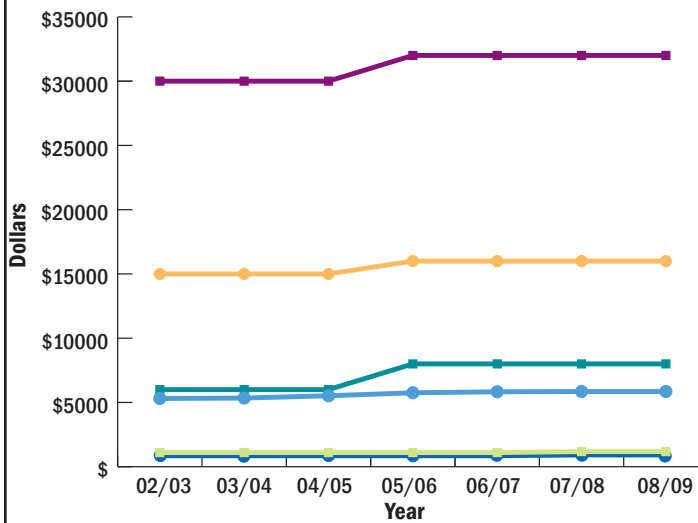
2008/2009 VSB operating budget (\$millions)



2009/2010 cost increases not funded by the province (\$ Millions)

	2008/2009 Budget	Per cent	Increase
Salary increments	\$ 351.37	0.74%	\$2.60
Inflation on Goods & Services	\$ 48.23	1.66%	\$0.80
Increase employee benefits	\$ 85.64	1.10%	\$0.94
	<u>\$ 485.24</u>		<u>\$4.34</u>

Provincial funding rates per student



	Student based Allocation	ESL	Aboriginal Education	Special Education Level 1	Special Education Level 2	Special Education Level 3
02/03	\$5,308	\$1,100	\$ 950	\$30,000	\$15,000	\$6,000
03/04	\$5,343	\$1,100	\$ 950	\$30,000	\$15,000	\$6,000
04/05	\$5,520	\$1,100	\$ 950	\$30,000	\$15,000	\$6,000
05/06	\$5,753	\$1,100	\$ 950	\$32,000	\$16,000	\$8,000
07/08	\$5,830	\$1,100	\$ 950	\$32,000	\$16,000	\$8,000
08/09	\$5,851	\$1,174	\$1,014	\$32,000	\$16,000	\$8,000
09/10	\$5,851	\$1,174	\$1,014	\$32,000	\$16,000	\$8,000

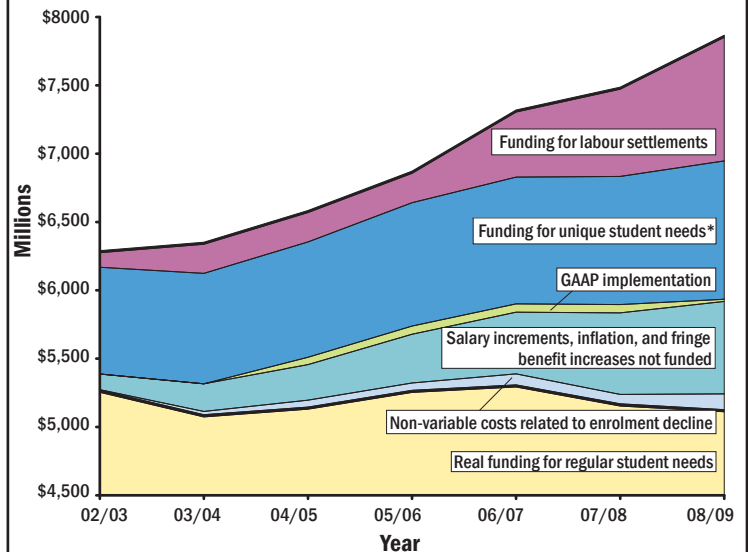
At the same time, the school district is forecasting a 500 FTE dip in student enrolment in 2009/10 compared to 2008-09. The decrease is less than one per cent of the district's total enrolment, however, it would result in a drop in net projected funding of \$2.9 million.

Small enrolment decreases are problematic because the provincial per student funding does not recognize the fact that a portion of school district costs, such as facility operations and maintenance, school administration and district administration, are fixed and do not vary with small changes in enrolment.

In a 500-student school, a one per cent decrease in enrolment equates to five fewer students. The decrease may or may not be significant enough to change the number of teachers required. But the school will still need the same number of secretaries, librarians, school-based administrators and custodial hours to keep the school running. Maintenance and heating costs will not be affected either, yet the school district will receive less funding from the provincial government.

As a result of the above deficiencies in the provincial funding formula, the VSB is facing a project funding shortfall of \$7.3 million for the 2009/10 school year.

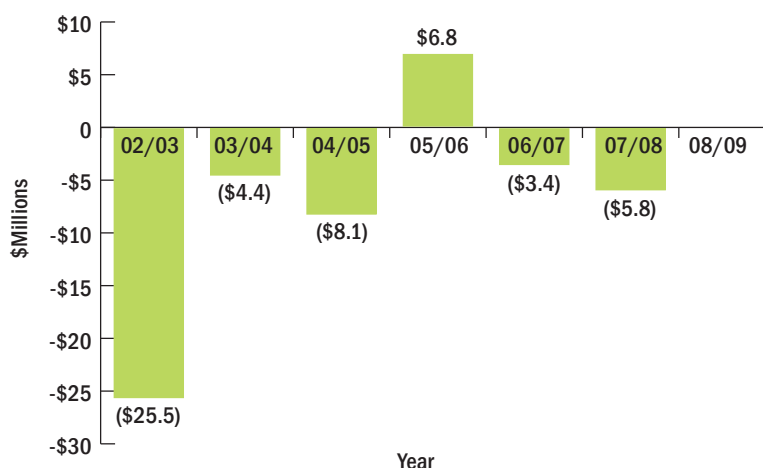
Provincial funding grants per student



* Includes special education, aboriginal education, and english as a second language students

	Final Provincial funding per student	Real funding for regular student needs
02/03	\$6,260	\$5,254
03/04	\$6,322	\$5,074
04/05	\$6,554	\$5,130
05/06	\$6,842	\$5,254
07/08	\$7,289	\$5,293
08/09	\$7,457	\$5,154
09/10	\$7,837	\$5,111
Net Change	\$1,577	(143)

Operating budget additions/reductions approved by the board



The recent provincial budget does not appear to address the funding shortfall issues. While there is an increase of \$74 million for Kindergarten to Grade 12 education, it would appear that all of this will be needed to fund approved collective agreement increases.

As mentioned previously, much of the recent funding increases have gone toward collective agreement increases. The total provincial operating grant per student, including the 2006 labour settlement, has climbed from \$6,260 in 2002/03 to \$7,837 in 2008/09, an increase of \$1,577. But exclude the 2006 labour settlement and the total provincial operating grants per student is \$7,066 in 2008/09, an increase of just \$806 over the last seven fiscal years.

Unfunded cost increases related to salary increments, increases in employee benefits and inflation should also be excluded from the provincial funding grants per student because the school district must still pay for these increases, which further reduces available per student funding.

The amounts received for students with unique needs should also be excluded because those funds are dedicated and not available to the district to use elsewhere. (As an aside, the provincial government has not increased these funding amounts in the last four years, yet the cost for delivering the required services continues to rise.) GAAP implementation funding is excluded for the same reason.

The amount remaining is what is available to boards of education to not only maintain, but to improve public education.

The provincial government claims it has increased the per student grant by \$1,577, but the real money that is available on a per student basis is actually \$143 less in 2008/09 than it was in 2002/03.

In all but one budget year since 2002/03, the Vancouver School Board has been forced to make significant budget reductions because provincial funding was insufficient to maintain the existing level of service. During the six-year period ending in 2007/08, the district reduced its operating budget by a net total of \$40.4 million.

Without additional provincial funding in 2009/10, significant reductions will again have to be made to existing programs and services that support public education in order to submit a balanced budget.

Vancouver's Board of Education intends to submit a "needs" budget for 2009/2010. This will outline for the provincial government the funding and resources that should be provided in order to adequately support public education.



Vancouver Board of Education

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 Vancouver, BC V6J 5K8
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