



# Vancouver Board of Education

School District No. 39

BOARD OF SCHOOL TRUSTEES

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September 21, 2009

Dr. Margaret MacDiarmid  
Minister of Education and Minister Responsible  
For Early Learning and Literacy  
PO Box 9045, Stn Prov Govt  
Victoria, BC  
V8W 9E2

Dear Minister MacDiarmid:

Re: **Education Funding Issues**

In April, 2009 the Board of Trustees passed a preliminary budget for 2009/2010. Due to the projected funding shortfall of \$7.12 million, reductions had to be made in staff and expenditures. Although the Board tried to keep these reductions away from the classroom as much as possible, impact on our educational programs is inevitable.

Preliminary estimates indicate that the VSB could be facing a very significant funding shortfall for 2010/2011 (in the range of \$15 million). This funding shortfall could increase to \$30 million if the Province does not reinstate the Annual Facilities Grant for 2010/2011 and fund the full cost of the teachers' salary increase, which could cost our district an additional \$4.8 million.

Given our current and projected financial situation, on September 9, 2009 the Board of Trustees passed the following resolutions:

1. That the VSB request the Province of BC to provide boards of education with adequate funding to cover the cost of increased MSP premiums for employees.
2. That the VSB request the Province of BC to ensure that boards of education are provided with adequate funding from the Ministry of Health to cover board costs related to H1N1, to cover measures as recommended by the Provincial Health Officer.

Board of School Trustees:

Patti Bacchus - Chairperson

Jane Bouey - Vice-Chairperson

Allan Blakey Ken Clement Ken Denike

Carol Gibson Sharon Gregson Mike Lombardi

Allan Wong

3. That in the event that the proposed Harmonized Sales Tax (HST) is legislated, the VSB request the Province of BC to ensure that boards of education are provided with the 75% rebate that will be made available to municipalities.
4. That the VSB request the Province of BC to amend legislation so that boards of education can carry a budget deficit.

The following provides further information with respect to the above resolutions.

### **MSP Premium Increase**

The September 1, 2009 Provincial Budget Update proposed a 6% increase in MSP premiums effective January 1, 2010. It also proposed that, in future years, MSP premiums would continue to increase at the rate of health care cost increases.

For 2009/2010, this will result in a cost increase to the VSB of \$100,000 and \$200,000 on an annual basis. As this cost increase is a result of a provincial decision, the Province should provide Boards of Education with adequate funding to cover the increase in MSP premiums.

### **H1N1 Costs**

The September 1, 2009 Provincial Budget Update included \$80 million in the Ministry of Health for vaccines and other supports to minimize the impact of the H1N1 flu virus in B.C.

More than 500,000 students and nearly 55,000 staff spend a good portion of their day attending a BC public school. School districts throughout the Province are taking measures recommended by the Provincial Health Officer to minimize the spread of the H1N1 flu virus. These additional measures, however, will result in additional costs. The VSB will be incurring about \$300,000 in additional supply costs alone, apart from possible additional labour costs and increased absenteeism.

We would request that the Province ensure that the Boards of Education are provided with adequate funding to offset these additional costs.

### **Proposed HST**

If the HST is implemented July 1, 2010, it will result in increased operating and capital costs for school districts.

The tax measures information released with the September, 2009 Provincial Budget Update indicated that rebates of the provincial portion of the HST would be considered for municipalities (a 75% rebate) and for charities and eligible non-profit organizations (a 57% rebate). It is not specifically mentioned if school districts would be eligible for an HST rebate.

School districts face as difficult, if not more difficult, financial situation compared to municipalities. This is compounded by the fact that school districts have less control over the funding available to them, compared to municipalities. Accordingly, it is requested that the Province ensure that Boards of Education are provided with the same 75% rebate of the provincial portion of the HST that will be made available to municipalities.

### **Ability to Carry a Deficit**

During difficult economic times provincial and federal governments often choose to run budget deficits to ensure the stability of public services.

School boards are also facing difficult financial conditions over the next few years and will have difficulty in providing stability if funding does not fully cover costs. The ability to carry deficits would help districts get through economic downturns. Accordingly, in order to assist school boards in bridging this financial gap, it is requested that the Province amend legislation so that Boards of Education can carry a budget deficit.

In conclusion, we would appreciate your support for the above resolutions for the benefit of public education in British Columbia.

Yours truly,



Patti Bacchus  
Chairperson

cc: Trustees

Laurie Anderson, Interim Superintendent of Schools  
Brenda Ng, Secretary-Treasurer  
Rick Krowchuk, Assistant Secretary Treasurer-Finance  
BC Boards of Education  
Local MLAs (Vancouver)