



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.

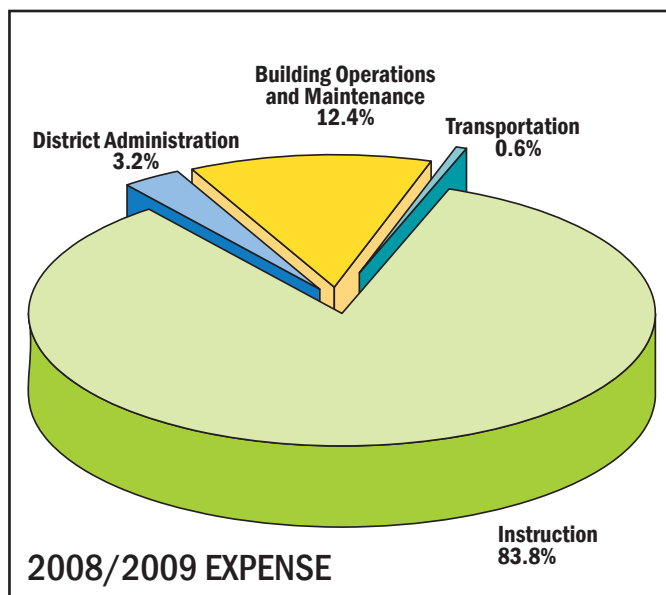
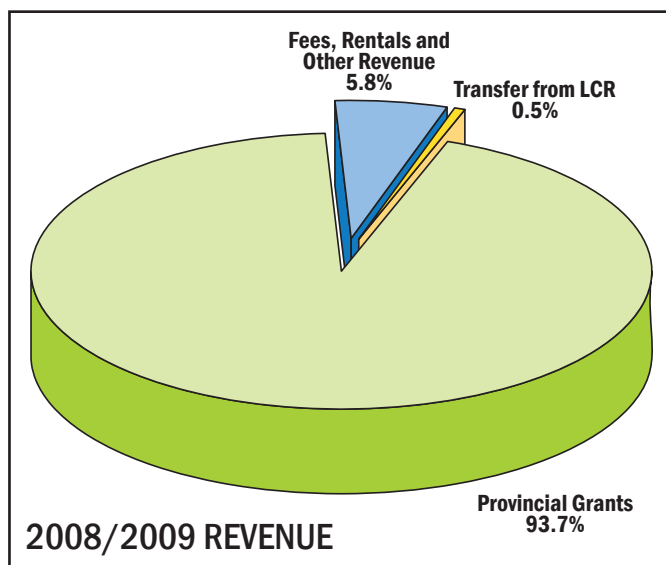
In terms of expenditures, 83.8 per cent of VSB costs are directly related to the provision of instruction to students. This includes salaries and benefits for teachers, school administrators, school and student support staff and the cost of related supplies and services. The cost to operate and maintain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

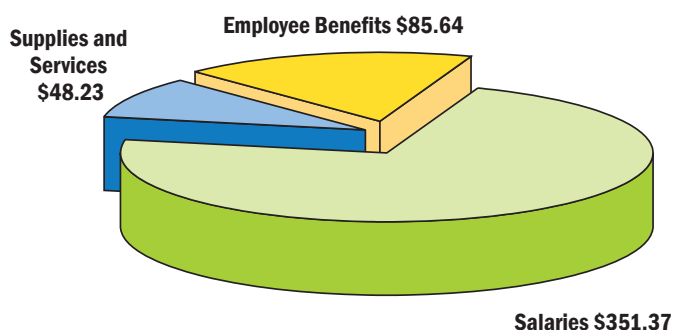
Very little of the additional provincial funding has been available to offset other cost increases faced by school districts or to provide enhanced services.

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.

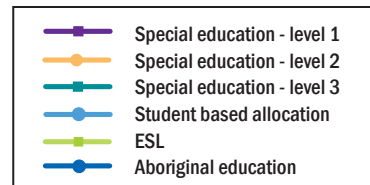
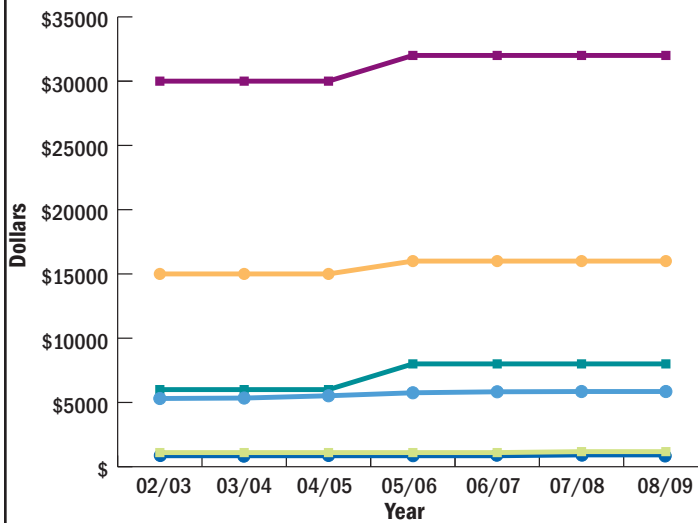
2008/2009 VSB operating budget (\$millions)



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

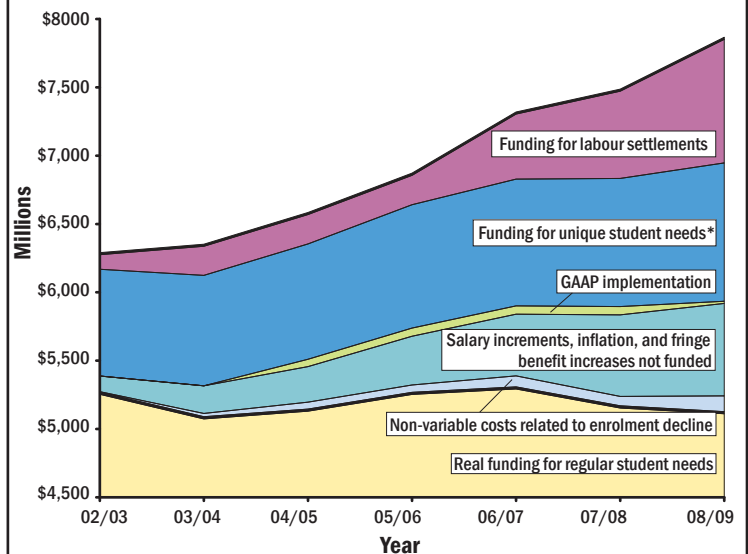
At the same time, the school district is forecasting a 500 FTE dip in student enrolment in 2009/10 compared to 2008-09. The decrease is less than one per cent of the district's total enrolment, however, it would result in a drop in net projected funding of \$2.9 million.

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.

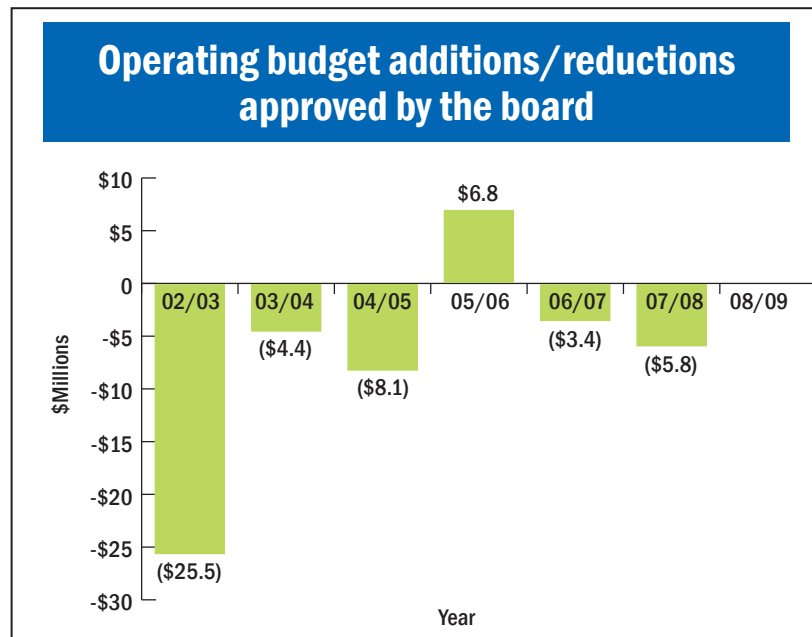
As a result of the above deficiencies in the provincial funding formula, the VSB is facing a project funding shortfall of \$7.3 million for the 2009/10 school year.

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)



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.



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