



Thames Valley District School Board

Submission

to the

Ontario Ministry of Finance

Pre-Budget Consultation Committee

2005 January 20
Toronto, Ontario

INTRODUCTION

It is the position of the Thames Valley District School Board that funding for Ontario's publicly supported school system must remain a top priority for the provincial government. To that end, we believe that the percent of the 2005 provincial budget allocated to public elementary and secondary school education must be equal to or greater than the percent of funds allocated to those schools in the 2004 provincial budget.

There is recognition that while overall enrolment numbers may be declining school boards continue to be responsible for significant new provincial education initiatives which, combined, will impose new costs in the system. We would mention in particular, the Ministry of Education's important initiative to reduce class sizes at the JK-3 levels. Depending on the requirements of the Regulation, this will add some \$10 - \$15 million in new spending to the Thames Valley system to hire additional teachers and to expand existing facilities.

It is our intent in this document to provide background and context and to delineate key areas of specific concern that we believe must be addressed in the forthcoming Ontario provincial budget.

PREAMBLE

The Thames Valley District School Board remains one of the largest school boards in Ontario responsible for 80,000 students in 154 elementary and 30 secondary schools. We serve an area of over 7,000 square kilometers including all of the counties of Oxford, Elgin, Middlesex and the City of London.

We are a large system and we take great pride in its success and in the building of A Caring, Learning Community that fully meets the needs of our students, our schools and the many communities we serve.

The Thames Valley Board, like many other schools boards in Ontario, is in the early years of a prolonged period of declining enrolment. Our own projections show that our overall student population will decline by 7,100 pupils between 2003-04 and 2010-11. That decline is equivalent to 14 elementary schools and 2 average sized secondary schools.

There is recognition by this Board that the road ahead is not only rough but also includes the responsibility for delivering initiatives like Pathways to Success, the extension of mandatory schooling to 18, and the lowering of class sizes at the JK-3 levels. The Ministry of Education Student Funding Model provides our revenues and is based on a per pupil basis. In dollar terms that base grant is expected to decline by an estimated \$43.4 million by 2010-11, a loss that cannot be ignored.

To that end, the Board approved a motion on November 23, 2004 which launched a system wide Long Term Planning Accommodation Study that is scheduled to report to the Board by May this year and will provide the Board of Trustees and its Administration with the information and background on which to base a long term planning response.

The study process will:

- Assess the impact that demographic trends will have on future accommodation needs;
- Recommend program and facility structures that would enhance the education and economic strengths of local communities;
- Demonstrate, under the Ministry's Accountability Framework, "efficient and effective" use of the Board's capital resources;
- Include in any cost analysis the impact on total Board costs/savings of all factors such as, but not limited to, transportation, facility maintenance, facility operations (heat and utilities), and staffing.

Production of any report or recommendation would of course, be delayed until such time as the Minister of Education provides promised guidelines on school closure, a major issue for this system as well as many others across Ontario. While the study is underway the Board has deferred a number of significant long term planning decisions in key areas of school and program organization.

With this background in mind, the Trustees of the Thames Valley District School Board are pleased to submit the following recommendations to the Provincial Pre-Budget Consultation Committee. In doing so, it is aware that many of the issues raised bear directly on the office of the Ministry of Education. It also believes that the delivery of quality education is a matter of pressing provincial interest and one that deserves the highest possible priority by the Ontario Minister of Finance and the Government of Ontario.

RECOMMENDATION 1:

It is the position of the Thames Valley District School Board that funding for Ontario's publicly supported school system must remain a top priority for the provincial government. To that end, we believe that the percent of the 2005 provincial budget allocated to public elementary and secondary school education must be equal to or greater than the percent of funds allocated to those schools in the 2004 provincial budget.

1. Support of Small and Rural Schools

The matter of declining enrolment remains an issue of pressing concern to our small school communities, especially those in rural settings where alternative school accommodation can be a considerable distance away. Student numbers that are already dramatically low in some of these communities will fall still lower as we move deeper into the enrolment decline.

During the 2003-04 budget year, the Province provided a total of \$1,005,040 under the Distant Schools Grant. Those funds were focused on the needs of thirty-five (35) identified schools where enrolment currently falls below guidelines recommended by the Ministry of Education. At an average \$28,700 per school, these funds were invested predominantly in improvements to school resource centres and libraries.

In the current budget year, Thames Valley will receive a total of \$2,118,757 under the Distant Schools Grant and the Good Schools Open initiative. Thirty-five (35) schools were identified under the Distant Schools Allocation; twenty-nine (29) under the Good Schools Open initiative and eighteen (18) qualified under both grants. Again, the average allocation was low – \$38,200 per school – and no secondary schools qualified for either grant.

This is clearly not the kind of funding that is required to sustain a small school community, especially a small secondary school facility in a rural setting where the requirement is for extra staffing and resources in order to sustain full program opportunities. It is also not the kind of funding that is designed to sustain what is often seen as a major community imperative, to maintain a school facility that has economic as well as learning importance to the community as a whole.

While Thames Valley applauds any funding initiatives in this area it would make the point that neither the Distant Schools Grant nor the Good Schools initiative were specifically focused on addressing the long term needs of the small school environment where the delivery of program is in jeopardy and where school closure is an option. It also reminds the Government that school boards do not receive funding that addresses the economic impact of school closure. We would also assert that the public education sector must not and can not be expected to be solely responsible for the economic well-being of rural communities.

In 2004, Thames Valley launched a total of nine accommodation review committees to examine the long term future of 28 elementary and secondary school communities where enrolment is considered significantly below the funding formula averages of 909 secondary pupils and 364 elementary pupils. The Board of Trustees has delayed a final decision on each of these study committees until it receives the final report of its Long Term Accommodation Plan or until the Ministry of Education announces its much promised strategy to protect small schools.

We would make the point that however small the community, and whatever the education issues involved, communities remain justifiably proud of their schools and guard their welfare. For their part, school boards receive insufficient specialized funding that would provide the long term funding assurance these schools require. Without this funding assistance, some of these schools will continue to face problems in the area of basic organization and the delivery of a full range of program options.

RECOMMENDATION 2:

Thames Valley urges the Government to adopt and fund a comprehensive social policy to preserve the social fabric of rural Ontario that encompasses a broad range of services for rural communities.

RECOMMENDATION 3:

Thames Valley urges the province to recognize and respond to the issues presented by small and rural school communities where conventional education funding formulas cannot be relied on to provide the support necessary to sustain a healthy and full resourced school facility.

2. Transportation Model

Thames Valley daily transports some 28,000 students to and from school, a task that involves a fleet of 900 vehicles that cover over 21 million kilometers a year. It is a huge and complex undertaking in which student safety and operational efficiency are major components.

Within our system, the average annual cost of transporting a student is put at \$730. That figure rises to an average \$5,500 for a student with identified special needs. The Thames Valley region offers a high level of medical support facilities and tends to attract families with special needs children. These students currently comprise 5.4% of our overall school population yet they require almost 31% of our total transportation budget.

The current Ministry funding for transportation in the 2004-05 approved budget is \$26.5 million. Under the Ministry's recently announced "Scenario G" transportation model, Thames Valley's transportation grant will fall to \$23.2 million over a four year period leaving a shortfall of \$3.2 million in current dollars. A consistent process of reducing, and/or eliminating existing transportation services will be required in order to conform to this funding reduction.

While overall student numbers may decline within our system, overall transportation requirements will remain constant or even grow as they have in the special education area. The requirement is for funding support and a transportation model that is fair and reasonable

and which offers sufficient flexibility to meet the needs of our students.

We would also advise the Minister of Finance that special funding of \$253,310 provided to this Board to establish and run transportation partnerships with coterminous Boards is now being actively pursued with a target of delivering cooperative service and maximizing cost efficiencies over the next few years.

RECOMMENDATION 4:

The Province is urged to build appropriate funding amounts into its existing and long term transportation funding formulas in order to fully meet the complex needs of school boards. Special attention needs to be paid to the needs of the special education students where enrolment decline will not occur at the same rate as the general student population.

3. Infrastructure

During a long and difficult period of austerity in education spending, previous provincial governments have left Boards with a major backlog of deferred maintenance. The Thames Valley Board remains responsible for the maintenance and upkeep of an inventory of some 200 buildings with a market value of \$1.6 billion. A study completed some four years ago identified \$300 million in deferred maintenance projects covering everything from roofs, boilers, masonry, ventilation and important asbestos removal projects. The issues of accessibility and the requirements of the Ontario Disabilities Act is also a pressing issue for the Board. Substantial investment will have to be made in order to meet these requirements and no funding is currently in place to support the costs involved.

In a system with over 10 million square feet of school and facility space and an average age for school buildings that exceeds 43 years, the issue of proper and timely maintenance becomes more critical with each passing year. Old buildings get older all the time and important maintenance projects get more pressing and more expensive. Thames Valley annually budgets and spends some \$9 million in capital renewal and it is clearly not keeping pace with its own identified list of deferred projects.

Thames Valley urges the Province to give higher budgetary priority to the state of its school buildings and facilities. Almost a year has passed since the Government announced its \$2 billion Keeping Good School Open school renewal initiative. Thames Valley, along with other Boards across Ontario, remains keen to hear how this money will be distributed and the regulations that will apply. Delay in this funding announcements makes it difficult if not impossible for Boards to plan properly and to prioritize major and pressing maintenance projects.

The Government is reminded of a key recommendation of the Rozanski Report of the Education Equality Task Force which highlighted the urgency and importance of the school renewal issue and called on the Government to provide immediate and long term funding support.

RECOMMENDATION 5:

Thames Valley urges a speedy government response to the issue of deferred school maintenance and capital renewal. Almost a year has passed since the government announced its \$2 billion Keeping Good Schools Open initiative. Funding implications and regulations are required so that school systems can both plan and prioritize urgent school renewal projects.

4. Hydro

Thames Valley was one of the first Boards in Ontario to take advantage of bulk buying opportunities for power from the Ontario Power Generation Corp. That initiative has already secured substantial savings in electricity costs at a time of continuing uncertainty in the energy marketplace.

Once again however, we face more budgetary uncertainty with another projected power rate increase set for 2005 April 30. Although that rate increase has not been announced it is likely to impose up to \$500,000 in unbudgeted spending to our already hard pressed utility account. Without additional funding assistance from the Government, our only source of funds, our utility budget will be overspent and require the transfer of funds from other areas.

The volatility of cost in all areas of energy management requires careful and ongoing planning and financial support from the Government if school boards are to plan properly to meet their spending obligations. Thames Valley remains committed to a long term program of energy conservation within its system which this year will realize estimated savings of \$1.25 million. These annual savings are being used over each of the next ten years to pay for the energy conservation measures that are currently being installed.

RECOMMENDATION 6:

At a time of continued volatility in energy costs, the Government must provide sufficient funding support to allow school boards to pay their energy bills without diverting funds from other important school essentials.

5. Salary Benchmarks

The gap between compensation benchmarks established by Ministry of Education grant and the actual cost of employee compensation continues to be an issue for this Board. It was the recommendation of Dr. Mordechai Rozanski in his Report of the Education Equality Task Force that to foster stability in the education sector that a) Boards should be provided with sufficient funds in order to negotiate contracts with its employee groups and b) that benchmarks upon which the compensation grants are paid to Boards should be reviewed on a regular basis and kept up to date.

In the case of the Thames Valley Board, actual compensation levels will exceed compensation benchmarks by as much as seven per cent which means that funds must be diverted from other areas of Board expenditure in order to meet compensation requirements for the required staffing ratios. Thames Valley urges that the Ministry of Education accept the Rozanski recommendation and immediately move to review benchmarks for salaries and benefits and ensure that Boards are provided with a proper funding base on which to negotiate realistic employee salary settlements.

RECOMMENDATION 7:

The Province is urged to review the benchmarks upon which compensation grants are paid to Boards and ensure that school boards are provided with a proper funding base on which to negotiate and establish compensation levels for employee groups.

CONCLUSION

This brief is presented on behalf of the children, parents, staff and trustees of the Thames Valley District School Board who all share a commitment to children and to their education. We recognize that there are only limited resources available in this fine Province but urge you to ensure that public education remains a top financial priority in the 2005 provincial budget.

**THAMES VALLEY DISTRICT SCHOOL BOARD
SUMMARY OF RECOMMENDATIONS**

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