

Backgrounder - Budget Deficit Issue

➤ **What action has the board taken regarding underfunding?**

Since April 2005, the board has been meeting with the Ministry of Education to press the fact that underfunding in the areas of special education, transportation and salaries has placed undo hardship on our system and has provided a great disservice to Dufferin-Peel students.

Board and Ministry staffs held a series of meetings during August, September and October 2005 to express our concerns regarding underfunding. Following these meetings, we launched our highly successful public awareness campaign, “Mr. Premier Help Us, Don’t Hurt our Schools”, in which you played a key role. The Minister of Education of the day claimed that there was no underfunding and that the government had invested millions of dollars in education.

In February 2006, the Ministry appointed two investigators to review the board’s finances. In their report, the investigators identified service cuts that the board should consider, but they also made reference, for the first time, that underfunding existed.

In April, the newly appointed Minister of Education acknowledged that the funding formula had to be reviewed, with specific studies of transportation and special education. This was a welcomed reversal of position from statements made by the previous Minister. The Minister subsequently went further, stating that it will take the government at least two years to replace the funds removed from education by the previous Harris government.

In July, the board accepted the Ministry appointment of a “special advisor” to assist the board in developing a deficit management plan to achieve a balanced budget position. This advisor and his staff have met with board staff throughout the summer to outline potential service reductions and to lobby the government for additional funds.

On September 6, the report of the advisor will be placed before our trustees for comment and action.

➤ **Why has the board deficit continued to go down since it was earlier reported in the media to be an estimated 15.1 million dollars?**

We have been able to reduce the deficit through hard work, strategic replacement of staff, reduction in planned expenses and a host of one-time service reductions. These factors and other specific actions, listed below, indicate how the board has continued to seek to lower the deficit while steadfastly claiming that underfunding is at the core of the issue. Examples of savings that have contributed to our deficit reduction are:

- Freeze on vacant positions,
- Reduction of summer secretarial hours,
- Open positions under cap not filled in plant services,
- Freeze of professional development
- Strict expenditure control by many departments and schools,
- Allocation of operating expenditures to Capital,
- Strict expenditure controls by schools,

Over the past year, some additional revenue has contributed to the reduction of our deficit:

- In-year Ministry funding for fuel and transportation,
- One-time Ministry initiatives,
- Ministry funding for community use of schools,

Together, these actions have resulted in a final estimated deficit for 2005-06 of \$2.5 million. This is a significant reduction from the \$15.1 million estimated in December 2005.

➤ **What is the budget status of other school boards?**

While many boards managed to balance their budget this past year, many have done so, only by using reserve funds, something you will recall that we had been able to do up to last year. Many boards have publicly stated that they will have to provide further service reductions next year now that their reserves have been depleted. Our neighbouring Peel District School Board has used reserves to balance its budget, but has identified underfunding in transportation, in particular, as an issue for them. Both the Toronto Catholic and public boards continue to press the issue of underfunding in the media.

➤ **What will happen next?**

The board will receive the proposed Deficit Management Plan on September 6 and will engage in a series of budget-related public discussions. If the board decides not to approve the plan, the Minister has indicated that a supervisor will be appointed.

➤ **Does the board still believe that underfunding is the reason for our hardship?**

Yes, we steadfastly believe and maintain that underfunding is the root cause of our situation. Recent media stories and columns have highlighted the fact that underfunding and problems with the funding formula, dating back to the Harris government, are major issues for school boards.

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