

February 7, 2006

Dufferin-Peel Catholic District School Board Response
to the Open Letter from Gerard Kennedy, Minister of Education, February 3, 2006
Concerning the Financial Status of the DPCDSB

On February 3, 2006, an open letter from Gerard Kennedy, Minister of Education concerning the “financial status of the Dufferin-Peel Catholic District School Board” was emailed to some Dufferin-Peel schools, requesting distribution to parents and guardians. This letter has been, or will be, printed and sent home to Dufferin-Peel parents and guardians through students.

The Minister’s letter provides some background on meetings that have taken place between board and Ministry staff, including the chair and trustees and the Minister, himself. The Minister has endeavoured to raise questions regarding fiscal management and decision-making on the board’s part, and speaks to increased funding to the board since 2002-2003. The letter does not speak to the Dufferin-Peel’s contention that the root cause of its deficit is a result of cumulative, chronic, historical underfunding.

This response is directed to the parents/guardians, students, staff, clergy, members of our Catholic community and the community at large. Our letter speaks to the points raised by the Minister and puts into perspective some of the figures he has referenced.

Dufferin-Peel Catholic District School Board trustees acknowledge and appreciate the investments made by the province to achieve provincial and local priorities in education. However, this investment does not address the cumulative, chronic, historical underfunding that has been identified by this board and other school boards in the areas of salaries, transportation, and special education. It should be noted that some of the funding received was mandated to be spent on specific initiatives such as the Primary Class Size Reduction and Student Success Teachers.

Salaries & Benefits: Firstly, the base salary funding for all staff is insufficient, especially for classroom teachers. This is a significant issue because salaries comprise over 85% of the board’s operating expenditures. The independent report, prepared by Dr. M. Rozanski in December 2002 and commissioned by the Government of Ontario, recommended that the province “update the benchmark costs for all components of the funding formula.” Unfortunately, the Ministry of Education has not kept pace with these recommendations. The current salary gap for classroom teachers is approximately \$5,000 per teacher. Further, the base rate for benefits has never been adjusted since 1998.

Transportation: The second area of chronic underfunding is in transportation. Dufferin-Peel operates an efficient transportation model with its public counterpart that has often received recognition from the Ministry. However, on a per student basis, the funding provided by the Ministry is significantly lower than that received by other comparable school boards (Dufferin-Peel CDSB is \$192 per student, Peel DSB is \$206 per student, York Region DSB is \$306 per student, and Ottawa Carleton DSB is \$383 per student). This has resulted in a substantial cumulative deficit for the past eight years of more than \$20 million. In recent years, the province developed a new transportation model that would have enhanced funding for Dufferin-Peel, but this model was never fully implemented.

Special Education: The third area of concern is in special education. The chronic underfunding in special education has had a substantial cumulative impact on the board's budget. Expenditures exceeding the special education envelope are directly related to historical underfunding, readjustment of grants resulting in the clawback of reserves and changes to the funding and criterion for very high needs students. Over 95% of special education expenditures are directed to staffing. The salary differential for special education teaching and non-teaching staff exceeds the provincial benchmarks.

Dufferin-Peel has been criticized for filing a revised 2005-2006 deficit budget on December 16, 2005 after having initially filed a balanced budget. In a September meeting with the Deputy Minister of Education, the board was encouraged to submit a balanced budget with the understanding that a resolution would be achieved through further negotiations with Ministry staff. The board did file a balanced budget in September with "at risk" areas and, though the board has met on many occasions with the Ministry, there has been no resolution. The board has identified budget-related pressures to the province for a number of years.

In his letter, the Minister quoted a 27% increase in spending since 2002-2003 for Dufferin-Peel. There is no *absolute* correlation between grant increases, expenditure increases and enrolment growth as the Minister has implied. There are several factors that impact expenditures such as contract settlements, salary grid step increases, enrolment growth, inflation, special education demands and other board-wide pressures. Expenditures will continue to outpace revenues until the province addresses the underfunding issues in benchmarks.

The Minister noted that the board's planned spending increase for 2005-2006 is 6.8% over last year. However, these expenditures are offset by an increase in revenues of 6.3%.

Conclusions cannot be drawn by comparing to other school boards in non-classroom areas. Each board is unique and may have different expenditure requirements.

Some new Ministry initiatives and legislation have administrative components for which no funding has been provided. Examples include criminal reference checks, teacher performance appraisals, and Ministry accountability reporting. In addition, the board must bear costs associated with computer technology infrastructure and support that are inadequately funded by the Ministry. In spite of these pressures, Dufferin-Peel has achieved a balance between revenues and expenditures in board administration in the revised 2005-2006 estimates.

The Minister has implied that the three areas of funding concerns (teacher salaries, transportation, and special education) have improved significantly. Although new funding has been provided, and is appreciated, it did not address the cumulative, chronic, historic underfunding that continues to plague Dufferin-Peel and other boards. For example, the Ministry formed working groups to address the transportation model and special education. Until these new funding models are finalized, the Ministry needs to provide interim funding. The "real 2%" contained in the Qualifications and Experience grant in 2004-2005 of \$455,000 did not address the historical gap in teachers' salaries, because the provincial framework was only intended to address needs going forward and was not meant to fund any "catch-up."

In prior years, Dufferin-Peel, like many other boards, used surplus funds to offset the shortfall in funding from the Ministry. Although new funding has been injected into education for specific initiatives, the province did not keep pace with the true costs for teachers' salaries, transportation and special education.

According to the Minister, it appears that some 20 school boards out of 72 province-wide recorded surpluses at the end of last year. That leaves a significant number of school boards that may be struggling to balance their budgets, including those boards that have already reported estimated deficits.

We welcome the news of the Minister's appointment of an investigator to review our situation. We trust this review will be an objective evaluation; one that includes an examination of our contention that underfunding is the root cause of our deficit.

The Dufferin-Peel Catholic District School Board is committed to the educational initiatives of this government. This board is committed to improving Catholic student achievement in all of our schools. We can only do this with appropriate and sustainable funding from the provincial government.

God Bless.

Dufferin-Peel Catholic District School Board Trustees/Wards Represented
and Executive Council of the Board

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