



January 24, 2020

Andrew Davis
Assistant Deputy Minister
Ministry of Education
Education Labour and Finance Division

Dear Mr. Davis,

Re: 2020-21 Education Funding Feedback

The Halton District School Board welcomes the opportunity to provide feedback for the 2020-21 school year, provide the perspective of a growing board and the challenges it faces in the current environment.

The budget planning for the upcoming year should take into consideration the current level of funding and the impact it has on the sector during the current year. On March 15, 2019, the Ministry of Education released memorandum 2019:B08 – New Vision for Education outlining changes to 2019-20 funding, for our growing system this resulted in a \$22 million reduction in funding (when compared to the old funding model), 189 positions lost to the system, all while welcoming over 1000 more students. Halton District School Board ended up with the largest secondary class size provincially, just shy of 25:1. This means we have had to do things differently or not at all, changing the workloads for our staff and reducing support to our students. Our growing system cannot absorb such a drastic reduction in funding in the future, without directly impacting the quality of education and support for our students, staff and school community.

Starting with challenges, the funding formula has not kept up with the costs and needs of our most vulnerable students. The special education allocation is based on outdated census and statistical data and does not capture the demographic change of the Halton Region, and currently our expenses exceed the allocation by over \$19 million per year. The solution to this is not as simple as finding efficiencies, we continue to adapt staffing ratios and support levels in order to manage the increasing needs and contain costs; and even with the current resources dedicated to special education, we still encounter long wait times for assessments and increasing workload for our professional and paraprofessional staff.

A second area of challenge for a growth board is the temporary accommodations funding allocation, which is currently capped at \$40 million province wide, and unlike the school operations allocation which

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has a 2% inflation markup year over year, this allocation has remained at the same level for a number of years. The problem is further accentuated by the delayed approval of capital priorities business cases from the 2017 submission, putting further pressure on student accommodations in areas of growth. Currently our Board's deficit in this area is close to \$2 million per year. Lease cost of portables has increased over 40% in the last two years, which will put more pressure next year, as we prepare to order more portables to accommodate our growth, in particular in Milton and north Oakville.

The delay in approving new school construction projects has been a significant cost pressure for school boards, as we try to accommodate students in portables, and we are reaching the maximum allowable number of portables for some sites. Adding more portables beyond capacity is not only expensive due to the additional infrastructure cost, but these take away outdoor space, while the population of the school increases. An area of reducing red tape could very well be the process to review and approve capital business cases. The construction benchmark used for construction of new schools has also not kept up with costs. Tenders have consistently come over budget by 20%. As we try to be efficient with the design and build of new schools, we have been stripping these buildings bare, reducing specialized learning spaces and replacing better quality materials (which lead to long term operating savings) with low quality materials (which save money up front but increase our maintenance and replacement costs in the future).

The Province is currently reviewing their inventory of all assets. School boards own a significant portion of those assets. The moratorium on school closures is precluding school boards from reviewing their boundaries and use of space. There are many underutilized schools province wide. We see some of those pressures in south Burlington and south Milton. Allowing for a process for school boards to pursue a pupil accommodation review would result in school consolidations and closures, leading to more efficient use of space, providing surplus inventory to be sold, generating proceeds of disposition which would then be reinvested in current buildings and in turn reduce the provincial renewal backlog. And speaking of renewal backlog, many administrative buildings across the province are at the critical point of becoming prohibitive to repair. While other public sector administrative buildings have been replaced or are undergoing retrofits, school boards do not have any avenue to obtain an adequate administrative space, conducive to a collaborative, equitable and accessible working environment.

The new guidelines for Education Development Charges (EDCs) further increase the red tape and delay school boards in achieving their objectives. The restrictions on the levy increase put a significant financial and cash flow pressure on growth boards. The new requirement for Ministry approval of land purchases and sales has also added an additional area of red tape and delay in the process. While the intent of all the restrictions under these new guidelines is to contain the housing costs, there is no accountability on developers that the cost savings will be transferred to home buyers. In turn, school boards are required to purchase land at market value, continuing to increase the EDC deficits and incurring increasing borrowing costs.

The design of the sick leave plan results in increasing costs of replacing staff. The original intent of the sick leave plan was to bridge the gap to Long Term Disability (LTD) coverage. The 120 days should act as a Short Term Disability plan, and not an extension of annual sick days, going through the same scrutiny

as a case would for LTD. This however is a central bargaining item, one that was already agreed to be left unchanged under the new CUPE ratified agreements. This leaves little flexibility to school boards, as employers, to contain replacement costs.

The areas of funding with the most financial impact are currently at the central bargaining table, and as such not discussed in this submission. One area of improvement for the education funding would be to incorporate into the Grants for Student Needs (GSN) those areas of funding under the Priorities and Partnerships Fund (PPF) which have been provided to school boards year after year. The intent of PPF funding is to introduce a pilot and determine its value to education; those pilots deemed important should be added to the GSN. Funding for special education supports, mental health, equity and inclusion advisor, math strategy and specialist high skills majors (SHSM) should be incorporated in the GSN. This allows better planning for school boards and reduced reporting, reducing red tape. The other challenge with PPFs is that some are identified during the year and provided to school boards late in the school year, precluding boards on properly planning for the use of those funds. It may be worth reviewing the impact these late grants have on the education sector.

It should also be noted that school boards have little flexibility when making budget decisions, as most of the funding is tied to class sizes and staffing ratios which are mandated either by regulation, collective agreements or the funding formula. Certain areas of the funding are enveloped and thus have restricted use. Further, the market dictates operating costs for utilities, grounds keeping, transportation services, construction and maintenance of schools. While looking for ways to contain the provincial budget, it is important to acknowledge the market pressures on the cost of operations.

In conclusion, we would like to thank the Ministry of Education for soliciting feedback in the budget planning process, and acknowledge the efforts of the Ministry and Ministry staff in reviewing many initiatives this past year and seeking input from the public in order to inform their future decisions.

Respectfully yours,

Stuart Miller
Director of Education
Halton District School Board