



Office of the Chair of the Board

February 13, 2004

The Standing Committee on
Finance and Economic Affairs
Queen's Park, Whitney Block
Room 1405
Toronto, Ontario M7A 1A2

**Re: Submission to the Standing Committee of the Legislature on Finance
and Economic Affairs -- Pre-Budget Consultation, February 13, 2004**

Dear Sirs/Madam:

This Board has probably delivered its last deficit free budget. In fiscal 2004 we will file a balanced budget on the basis of cash flow management and the use of all of the Board's reserves, otherwise the deficit will be in the range of \$5+ million, exclusive of wage increases.

In fiscal 2005, with the reserves gone and the elimination of the declining enrollment grant, we will be looking at a deficit in the range of \$35 million, including \$5 million for our facility maintenance program. The Board's financial position will deteriorate further in fiscal 2006. The details of this are contained in our brief.

We believe that this Government will, in time, deliver on its education platform. We recognize this coming fiscal year will be a difficult one for everyone. We hope to play our part in assisting the Government meet its fiscal goals in fiscal 2004.

We will face the deficits identified above. These are the minimum costs of maintaining a deteriorating system. As currently constructed, the funding formula, will leave us looking at either a reduction in services and the closing of community schools or the running of deficits.

We are a member of the Ontario Catholic School Trustees Association. They will make a presentation to this Committee outlining a number of issues that will be of benefit to all school boards. We fully support their brief, however, our brief highlights a number of additional significant challenges faced by large urban school boards in Ontario, including the Toronto Catholic District School Board.

As we plan for the future we ask this Committee to consider the issues of large urban school boards, as we have outlined them in our attached brief.

We are available, and would welcome the opportunity to work, post-budget, with members of the Government and staff of the Ministries of Finance and Education to address the underlying financial issues that are restraining both of us in achieving our priority of better student achievement.

The priority of the Toronto Catholic District School Board, in line with the Government of Ontario's, is to improve student achievement as indicated by 1) higher literacy and mathematics results, 2) increasing the percentage of youth who graduate from high school and providing an environment that encourages others to remain in school to age 18, and, 3) providing programs and supports that assist our weakest learners in closing the gap with our strongest learners.

Current system finances:

Prior to improving on the current system we require assistance in our base funding to avoid further deterioration in the quality of education we deliver to 90,000 Catholic students in Toronto on behalf of 625,000 Catholic adults, over thirty percent of Toronto's adult population.

The major base funding issues faced by this Board are:

- 1) **Declining enrollment grants:** Loss of \$12.6 Million in declining enrolment grants.
- 2) **Small Schools:** \$6.0 Million of annual expense in excess of grants due to small schools.
- 3) **Salary funding:** \$19.4 Million of teacher's salaries in excess of grant.
- 4) **Transportation costs:** \$1.7 Million of bussing costs in excess of grant.

The Toronto Catholic District School Board has subsidized the above costs out of its Local Priorities and Declining Enrolment Grants. This has resulted in fewer teachers and classroom support staff. If we are to avoid this situation, the funding formula must reflect the actual costs of salaries and benefits and transportation costs as well as addressing the issue of declining enrolment and small schools.

In addition, there are the capital costs related to maintenance and facility construction. These are addressed in the body of the brief.

Improving the education our children receive

Additional funding for new initiatives and expanded programs would result in measurable improvements in education within the next 3 years.

The funding formula, while initially helpful to this Board, has now tied its hands. The formula was based on a smaller community factory like approach to funding education.

This is best illustrated by the example that suggests, as in a factory, if you had some excess capacity across town you could just redirect your production or “under capacity” over there and shutdown the local factory. Children much like widgets could be redirected to wherever the planner thought best and the other factory closed down. The formula needs to reflect the value of community schools to the education of its children.

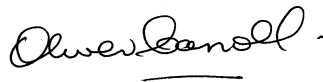
Declining enrollment brings its own problems. This Board has lost 7,400 students over the last six years. There are 201 schools in our system. This loss of students means, on average, that each school lost 37 students. When you consider that a school may have 17 classrooms this loss equals 2 per class. You cannot lay off staff, shutdown a classroom or close a school because there are now 2 students less in each classroom. The costs remain the same. You can reduce program support for the neediest, layoff support staff, defer maintenance and reduce school materials.

The current funding formula fails to reflect the salary and benefits reality across education in Ontario. As noted above, the collective bargaining process has left this and other school boards with sizeable financial deficits that are generally funded right out of grants that that Board would prefer to direct to materials and services that aid student learning.

The benchmark costs for all components of education should always reflect current costs. To not do so requires Boards to redirect money from one component to another resulting in less resources available for the students.

So what do you get for all this money? Initially you stabilize the system, improve morale, raise pupil confidence, help the neediest and disadvantaged and establish a base upon which we can deliver the improvements the Government seeks in delivering on its commitment to student achievement. This will cost about \$500 per year, per student increase in operating/foundation grants for a school board like ours.

Yours truly,



Oliver Carroll
Chair of the Board