



Presentation to the Standing Committee on Finance & Economic Affairs

WAYNE BUCHHOLTZ – CHAIR OF THE BOARD
MARION THOMSON HOWELL – VICE CHAIR OF THE BOARD

January 30, 2008

BACKGROUND

Catholic schools have existed in the regional Municipality of Waterloo since 1836.

The **Waterloo Catholic District School Board** (WCDSB) currently meets the education needs of 30,000 Elementary, Secondary and Adult Education students across Waterloo Region (Kitchener, Waterloo, Cambridge, and the townships of Wilmot, Wellesley, Woolwich and North Dumfries) -- serving approximately 30% of the Elementary and Secondary school student population. The school system employs approximately 3,000 staff including educators, administrators and support staff and operates with an annual budget of \$206 million. Our students come from 114 different countries and speak 68 different languages.

The purpose of Waterloo Region's Catholic Schools is simple: to provide a **quality, inclusive, faith-based education**.

Strongly influenced by our first Director of Education, the late John Sweeney (former Minister of Community and Social Services in the David Peterson Government), the WCDSB sees the school as the hub of the community and has an impressive tradition of community partnerships that include the education, public, not-for-profit and business sectors and which help us achieve maximum value for the tax dollars funding our schools.

We are firmly committed to implementing the government's education agenda.

To accomplish our work, we depend upon our government as a true partner.

True partnership means providing the human and non-human resources to enable us to accomplish provincial government priorities in tandem with and not independent of local priorities.

To this end we applaud the significant investments government has made in the areas of:

- √ *Textbooks and classroom resources;*
- √ *Professional development for both teaching and non-teaching staff;*
- √ *Reduction of the average class size;*
- √ *Specialty teachers; and,*
- √ *Staff to address learning to 18.*

These investments will go far to address our common goal of improving student learning and ensuring that students graduate as contributing members of society.

One measure of our success is our outstanding EQAO results. Waterloo Region's Catholic Schools have bettered the provincial EQAO results in all grades and test categories for two consecutive years.

Our most recent data is provided below:

WCDSB Grade 3 Results: *Reading 66%* (62%) ---- *Writing 69%* (64%) ---- *Mathematics 73%* (69%).

WCDSB Grade 6 Results: *Reading 65%* (64%) ---- *Writing 63%* (61%) ---- *Mathematics 61%* (59%).

WCDSB Grade 9 Applied Level Results: *Mathematics 41%* (35%)

WCDSB Grade 9 Academic Level Results: *Mathematics 73%* (71%)

The five year trend for the Board is even more impressive.

The percentage increase in the Board's score for each category since EQAO scores were first tabulated in 2002/03 is shown below.

WCDSB Grade 3 Results: *Reading (+13%) ---- Writing (+12%) ---- Mathematics (+13%)*

WCDSB Grade 6 Results: *Reading (+7%) ---- Writing (+9%) ---- Mathematics (+7%)*

WCDSB Grade 9 Applied Level Results: *Mathematics (+9%)*

WCDSB Grade 9 Academic Level Results: *Mathematics (0%)* -- score remains steady at 73%

Our obvious success has come in spite of chronic under funding. Having the funds to actually meet current student needs would yield success beyond even that explained above. To be clear, the Waterloo Catholic District School Board does not believe the provincial education funding model is broken. Rather, we believe there are important areas where the model simply does not provide the necessary level of funding to accomplish the government's own goals.

These areas are outlined below.

EMPLOYEE COMPENSATION BENCHMARKS

The funding for employee compensation is an extremely serious issue for us. Staff salaries and benefits comprise more than 80% of our operating expenditures.

While we are grateful the government acknowledged the existence of the teacher salary gap and took significant steps to address it in the 2006/07 GSN's, we nonetheless are concerned the government's commitment to a full review of the funding formula by 2010 will come too late to prevent the inevitable financial crisis such an unsustainable framework will undoubtedly create for us.

Last year, we expressed our concerns to the Standing Committee about the increases to the salary benchmark having been achieved through the realignment of grants -- chiefly the Local Priorities Allocation and the Learning Opportunities Grant. The former was eliminated and the latter significantly reduced.

As you know, the elimination of the Local Priorities Allocation decreased boards' funding flexibility and their ability to fund programs that are not otherwise funded or not fully funded by the GSN's. This is problematic for us as a Catholic school system because we use a portion of this grant to support distinctively Catholic programs such as chaplains, faith animators, student retreats, and faith formation for staff. The loss of this flexibility puts the funding of these programs and services in jeopardy. This is simply not acceptable to our 100,000-plus Waterloo Region ratepayers.

Therefore, we encourage the government to immediately review and adjust accordingly the salary benchmarks for teachers to ensure that a gap between the actual salary costs and funding does not re-occur and that the shuffling of existing grants to bridge the gaps does not produce unintended adverse consequences in other areas.

We also encourage the government to ensure boards are able to sustainably fund the salary demands of support staff such as educational assistants, school secretaries and custodians

caused by the provincially-negotiated increases to teacher salaries – the “me too” syndrome the government surely knew would come when it negotiated with teachers.

Employee benefits are an additional significant concern – being proportionately more under-funded than salaries. In 2002, the government funded benefits at 12% of salary for teaching staff and 15.7% for non-teaching staff. The 2006-07 GSN’s decreased the percentage for teaching staff from 12% to 11.1% of salary and for non-teaching staff from 15.7% to 14.8%, and the 2007-08 GSN’s maintained these levels. As a result, the gap between benchmarks and costs remains at the 2002 level.

We therefore support the *Ontario Catholic School Trustees’ Association’s* recommendations that:

1: The Ministry of Education take steps to ensure that the provincial funding model for 2008-09 and future years reflects the actual cost of employees’ salaries, includes funding under the Cost Adjustment and Teacher Qualification & Experience Grant for all teachers, and funds the number of secondary teachers required to provide the actual number of credits being taken.

2: The Ministry of Education review and enhance the funding formula to ensure that benchmarks are in place to enable school boards to recognize the current costs of employee benefits.

DECLINING ENROLMENT

As the following data lays bare, a key driver leading to lack of financial sustainability going forward is the fact the funding formula is inextricably tied to ever-decreasing student enrolment. The linking of funding to enrolment -- coupled with the increased numbers of teachers needed to meet government-mandated class sizes and the accompanying failure of salary/benefit benchmarks to keep pace with current needs – is a recipe for ongoing and steadily-deteriorating fiscal instability.

Between 2006/07 and 2007/08 our system experienced declining enrolments in fully 75% of our elementary schools.

For a number of years we have witnessed a declining number of new JK and K registrations, while the number of Grade 8 students moving on to secondary school has far exceeded the number of new JK students entering the system. We are not alone in this; it has been a provincial trend as the last children of “boomer generation” parents move thru the system.

A comparison of our 2007/08 vs. 2006/07 enrolment numbers shows:

√ *Our Cambridge elementary schools are down 130 students. Twelve schools declined by a total of 184 students while four schools grew by a total of 54 students;*

√ *Our Kitchener elementary schools are down 323 students. Seventeen schools declined by a total of 339 students while three schools grew by a total of 16 students;*

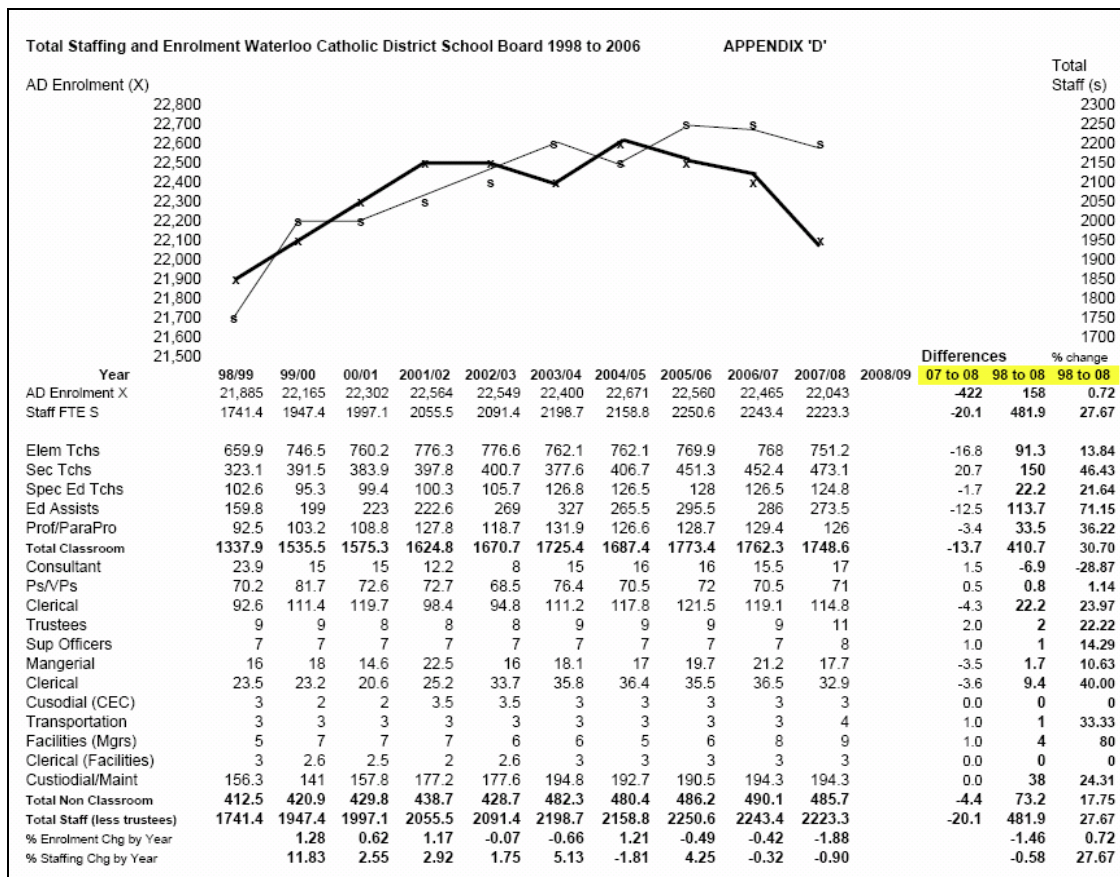
√ *Our Waterloo elementary schools have grown by only 13 students over 2006/07. Five schools gained a total of 78 students while five schools lost a total of 65 students;*

√ *Our secondary schools have increased by a total of 375 students across the system.*

Year	Enrolment as of Oct. 31	% Change Over Year Before
1994	22,746	-
1995	22,966	0.96
1996	23,156	0.82
1997	23,491	1.44
1998	23,919	1.82
1999	24,075	0.65
2000	24,105	0.12
2001	24,285	0.74
2002	24,244	(0.16)
2003	24,078	(0.68)
2004	24,281	(0.84)
2005	24,201	(0.32)
2006	23,828	(1.54)
2007	23,388	(1.84)

The following chart clearly illustrates the problem. Our average daily enrolment has fallen by 506 between 2002/03 and 2007/08. By itself, this is not a catastrophic event. However, consider the fact that during that same time period our overall staffing rose by 132 FTE – including 65 new teachers (the vast majority added to meet circumstances beyond our control – such as class size regulations).

We simply cannot sustain a continued reduction in enrolment-based revenue while simultaneously implementing government-mandated staff increases and their associated costs. We have made our cuts. **There is NOTHING left to cut to take up the slack.**



As a result of the obvious disconnect between enrolment-based funding and the spending demands placed on boards by the government we strongly support and endorse the *Ontario Catholic School Trustees' Association's* recommendations that:

3. The Ministry of Education immediately convene a task force comprised of school board officials, Ministry of Education personnel, personnel from other provincial Ministries and related organizations as needed to examine the impact of declining enrolment in school boards across the province and recommend long-term strategies for dealing with this issue;

4. All provincial strategies designed to deal with declining enrolment realities respect the legislative and constitutional framework for education in Ontario, which includes public, Catholic, French-language and English-language school boards;

5. The Ministry of Education provide additional relief to school boards facing declining enrolment by enhancing the Declining Enrolment Adjustment grant until such time as the Task Force can report to the Ministry and long term solutions can be implemented.

SPECIAL EDUCATION

While significant improvements have been made to the funding of Special Education since 1998, Special Education continues to be an area where the needs of students far outstrip available resources. The budget summary appended to this document explains our situation far better than any extended written argument could:

Our budgeted Special Education expenditures for 2007/08 (based on actual, current Special Education needs) total \$25,457,031 while revenues total just \$23,466,571 – almost \$2 million LESS than required to serve our most vulnerable students.

We urge the Government of Ontario to act immediately on the *Ontario Catholic School Trustees' Association's* recommendations that:

6. The Ministry of Education continue to allocate funds for Special Education through a layered process that includes the Foundation Grant, a separate and protected SEPPA grant and funding to recognize the incidence of students with high needs.

7. Benchmarks within the SEPPA allocation be reviewed and updated to more closely reflect actual board costs, particularly at the secondary level.

8. The Ministry of Education develop a research/review process to confirm the validity of, or track changes in rates of students with high needs in order to inform future funding decisions.

STUDENT TRANSPORTATION

A new and vastly improved Student Transportation model has been promised (...and re-promised...and re-promised...) to school boards since 1997-1998.

As the government is aware, the several attempts since 1997 to create a fair and equitable transportation model have not been successful. Our request is simple: the actual cost of transporting students to school must to be reflected in any model; a model that should be based on the principles of equity, adequacy, autonomy/flexibility and accountability.

Our situation is made clear in the budget summary appended to this document:

Our budgeted Transportation expenditures for 2007/08 (based on actual, current Transportation needs) total \$6,968,201 while revenues total just \$6,506,793 – \$461,408 LESS than required.

Therefore, we strongly support the *Ontario Catholic School Trustees' Association's* recommendations that:

9. The Ministry of Education, in consultation and partnership with school boards and their provincial associations, immediately re-engage in the process of developing an equitable and adequate transportation funding formula that meets actual needs for student transportation, including transportation for those with special needs.

SUMMARY OF RECOMMENDATIONS

We are all aware that the learning agenda of the government is a critical piece in the economic and social future of Ontario. The Waterloo Catholic District School Board supports that learning agenda and will continue to work tirelessly as a full partner with government to achieve this agenda. We very much appreciate the openness and cooperation of the Hon. John Milloy (MPP – Kitchener Centre) and Leeanna Pendergast (MPP – Kitchener Conestoga) in this regard and we commend their enthusiastic support of public education. We look forward to continuing our relationship as we work to solve these very serious funding gaps.

To that end, we here summarize our requests and recommendations:

1: That the Ministry of Education take steps to ensure that the provincial funding model for 2008-09 and future years reflects the actual cost of employees' salaries, includes funding under the Cost Adjustment and Teacher Qualification & Experience Grant for all teachers, and funds the number of secondary teachers required to provide the actual number of credits being taken.

2: That the Ministry of Education review and enhance the funding formula to ensure that benchmarks are in place to enable school boards to recognize the current costs of employee benefits.

3. That the Ministry of Education immediately convene a task force comprised of school board officials, Ministry of Education personnel, personnel from other provincial Ministries and related organizations as needed to examine the impact of declining enrolment in school boards across the province and recommend long-term strategies for dealing with this issue;

4. That all provincial strategies designed to deal with declining enrolment realities respect the legislative and constitutional framework for education in Ontario, which includes public, Catholic, French-language and English-language school boards;

5. That the Ministry of Education provide additional relief to school boards facing declining enrolment by enhancing the Declining Enrolment Adjustment grant until such time as the Task Force can report to the Ministry and long term solutions can be implemented.

6. That the Ministry of Education continue to allocate funds for Special Education through a layered process that includes the Foundation Grant, a separate and protected SEPPA grant and funding to recognize the incidence of students with high needs.

7. That the benchmarks within the SEPPA allocation be reviewed and updated to more closely reflect actual board costs, particularly at the secondary level.

8. That the Ministry of Education develop a research/review process to confirm the validity of, or track changes in rates of students with high needs in order to inform future funding decisions.

9. That the Ministry of Education, in consultation and partnership with school boards and their provincial associations, immediately re-engage in the process of developing an equitable and adequate transportation funding formula that meets actual needs for student transportation, including transportation for those with special needs.

WATERLOO CATHOLIC DISTRICT SCHOOL BOARD

APPENDIX B

13-Jun-07

ESTIMATES OF REVENUES AND EXPENDITURES 2007-2008

SUMMARY OF REVENUES AND EXPENDITURES

Expenditure Classification	(1)	(2)	(3)	(4)	(4) - (3)
	Nov. 27/06 Rev. 2006/2007 Expenditures	Nov. 27/06 Rev. 2006/2007 Revenues	Jun. 13/07 2007/2008 Expenditures	Jun. 13/07 2007/2008 Revenues	Rev. - Exp. Difference
Day School - Classroom	\$ 110,369,377	\$ 108,821,750	\$ 114,307,359	\$ 113,308,351	\$ (999,008)
- Non- Classroom	\$ 1,917,001	\$ 1,094,745	\$ 2,190,105	\$ 991,701	\$ (1,198,404)
Other Revenue		\$ 2,632,180		\$ 1,706,507	\$ 1,706,507
A. Total Day School Expenditure/ Revenue	\$ 112,286,378	\$ 112,548,675	\$ 116,497,464	\$ 116,006,559	\$ (490,905)
Special Education - Classroom	\$ 24,763,739	\$ 22,592,002	\$ 25,097,551	\$ 23,080,259	\$ (2,017,292)
- Non - Classroom	\$ 356,053	\$ 238,555	\$ 359,480	\$ 276,312	\$ (83,168)
Other revenues		\$ 250,000		\$ 110,000	\$ 110,000
B. Total Special Education - Exp./Rev.	\$ 25,119,792	\$ 23,080,557	\$ 25,457,031	\$ 23,466,571	\$ (1,990,460)
School Management	\$ 13,198,996	\$ 12,169,050	\$ 12,762,736	\$ 12,647,621	\$ (115,115)
C. Total School Management	\$ 13,198,996	\$ 12,169,050	\$ 12,762,736	\$ 12,647,621	\$ (115,115)
Continuing Education	\$ 5,365,375	\$ 3,537,200	\$ 5,013,066	\$ 2,978,649	\$ (2,034,417)
Other Revenues/Expenditures		\$ 2,586,411		\$ 2,907,750	\$ 2,907,750
D. Total Continuing Education	\$ 5,365,375	\$ 6,123,611	\$ 5,013,066	\$ 5,886,399	\$ 873,333
Admin. & Governance	\$ 6,129,209	\$ 5,543,662	\$ 5,945,246	\$ 5,568,595	\$ (376,651)
Other Revenues		\$ 585,547		\$ 660,000	\$ 660,000
E. Total Board Administration	\$ 6,129,209	\$ 6,129,209	\$ 5,945,246	\$ 6,228,595	\$ 283,349
Transportation	\$ 6,896,439	\$ 6,288,766	\$ 6,968,201	\$ 6,412,193	\$ (556,008)
Other Revenues		\$ 87,000		\$ 94,600	\$ 94,600
F. Total Transportation Exp./Rev.	\$ 6,896,439	\$ 6,375,766	\$ 6,968,201	\$ 6,506,793	\$ (461,408)
School Operations	\$ 18,501,181	\$ 17,523,292	\$ 18,481,610	\$ 18,024,712	\$ (456,898)
Other Revenues		\$ 652,090		\$ 393,235	\$ 393,235
G. Total School Operations	\$ 18,501,181	\$ 18,175,382	\$ 18,481,610	\$ 18,417,947	\$ (63,663)
Prior Year's Surplus/(Deficit)/Use of Reserves		\$ 2,895,120	\$ -	\$ 1,964,869	\$ 1,964,869
H. Total Operating Expenditures/Revenues	\$ 187,497,370	\$ 187,497,370	\$ 191,125,354	\$ 191,125,354	\$ -
CAPITAL EXPENDITURES/REVENUES					
School Renewal	\$ 3,063,163	\$ 3,268,003	\$ 3,589,472	\$ 2,958,295	\$ (631,177)
Good Places to Learn			\$ 370,087	\$ 603,217	\$ 233,130
New Pupil Places	\$ 8,601,399	\$ 7,814,654	\$ 8,015,749	\$ 7,397,148	\$ (618,601)
Approved Debt	\$ 3,380,749	\$ 3,380,749	\$ 3,383,193	\$ 3,383,193	\$ -
Pupil Accommodation Allocation Reserve	\$ -	\$ 581,905	\$ -	\$ 1,016,648	\$ 1,016,648
Other Non-Operating Expenditures - NPF	\$ 397,975	\$ 397,975	\$ 397,975	\$ 397,975	\$ -
I. Total Capital Expenditures/Revenues	\$ 15,443,286	\$ 15,443,286	\$ 15,756,476	\$ 15,756,476	\$ -
J. Total Expenditures/Revenues	\$ 202,940,656	\$ 202,940,656	\$ 206,881,830	\$ 206,881,830	\$ -

hm/june.13/07

END