

July 7, 2005

Peel board approves budget with \$8.3 million transportation risk

We will no longer subsidize an underfunding in transportation, says board chair

At the budget meeting on July 6, the Peel board approved the 2005-06 budget. The approved expenditure budget is \$1,062,753,210, a 6.2 per cent increase over 2004/05. The board received about \$60 million in additional revenue from the province.

Janet McDougald, chair of the Peel board, states, "We appreciate this revenue increase, however there remain a few significant concerns about the funding of this board, particularly the ongoing shortfall in transportation. This year that budget risk is \$8.3 million. The board directed administration to develop a transportation budget for 2005/06 that does not exceed ministry grants. We acknowledge that because actual transportation costs exceed grants by more than \$8 million – with an average \$2,000 shortfall for each special education student – this represents a budget risk. We want to go on record to say that we will no longer 'carry' the government's transportation shortfall."

"Many boards currently under-spend in transportation and yet their funding is increased. Is it fair that Peel students pay the price for this practice? Obviously not – and we have this coming year to help the ministry make these much needed changes. We will no longer subsidize an underfunding in transportation," says McDougald.

The expected increase in revenue of about \$60 million for 2005/06 results from several factors including:

- The government has provided a two per cent increase in funding tied to inflation in all areas of the budget.
- Projected enrolment growth of two per cent will account for \$27 million of the increase.
- The Peel board will receive an additional \$6.9 million to hire 95 new classroom teachers to further reduce class size in the primary grades. There will also be some transitional flexibility for which school boards may apply.

Other highlights of the education grants include:

- The benchmarks for student transportation funding has increased by two per cent due to inflation plus an additional 3.5 per cent for higher costs such as fuel. However, there is no change to the funding formula to assist the board in managing its projected \$8.3 million transportation deficit.
- A two per cent increase in salary funding is based on actual salary and benefits costs. An inflationary increase of two per cent has also been provided on non-salary benchmarks.
- The Peel board will receive \$3 million as its share of one-time funding for new textbooks and learning resources.

- The ministry will fund financing costs for urgent school repair costs incurred by the board during summer 2005, prior to the new budget year.

Education grants leave shortfalls in key areas. The funding announcement raises certain concerns for the Peel board:

- There is no provision for the projected \$8.3 million funding shortfall in student transportation.
- The government has only provided \$40 million in its provincial budget for new special education claims that have occurred over the last two years. This will not be sufficient to cover the cost of new claims across the province.
- There is no transitional funding for the Peel board for the planning time gap. In 2004/05, the Peel board provided 140 minutes of planning time per week for elementary teachers, and this has increased to 160 minutes in 2005/06. The starting point for the funding adjustment in 2005/06 is 152 minutes.
- The ministry has not taken any steps to address the historic funding gap for salaries. In the Peel board, the salary gap will be \$40 million in 2005/06.

Notes Jim Grieve, director of education, "The Peel board budget is an investment in the future of our students. It deals with the growth of our system and maintains all existing programs. For 2005/06, the entire budget is focused on meeting the wide-ranging learning needs of more than 145,000 students in our growing communities. With the help of all of our partners and stakeholders, we know we can continue to translate our budget into exemplary public education for the children of Peel."

-30-

Media contact: Janet McDougald, Peel board Chair, 905-890-1010, ext. 2020

Reference: Priya Ramsingh, Communications Officer, 905-890-1010, ext. 2817

Note to media: Copies of the 2005/06 budget are available by calling the Director's Office at 905-890-1010, ext. 2010.