



LEADERSHIP, ADVOCACY AND SERVICE FOR MANITOBA'S PUBLIC SCHOOL BOARDS

MANITOBA SCHOOL BOARDS MOVE TO FINALIZE BUDGETS: CONCERNED BY RECENT CHANGES COMMUNICATED FROM THE GOVERNMENT

With a pending deadline of March 15 to finalize their 2019 budgets, public school boards across Manitoba are wrapping up public budget consultations at the same time they are reviewing changes communicated this week from the Manitoba government. Those changes, to the limits placed on administrative costs, have made a difficult budgeting process even more so. The government's very recent decision has meant a return to the drawing board for many school divisions.

Going into the 2019/20 school year, all school boards are facing significant financial challenges.

Statistics Canada has recently shown a two percent rise to the general cost of living in Manitoba, cost increases that place additional pressures on all school boards. In addition to these expenditure pressures, school boards are also facing challenges on the revenue side of their balance sheets.

Boards receive approximately 60% of their revenue from provincial grants, and in 2019, that funding saw the most significant decline in nearly two decades. For the third year in a row, smaller school divisions in rural and northern communities had their funding reduced by an additional two percent, for a total six percent clawback. Collectively, larger school divisions in communities such as Winnipeg and Brandon did see a half-percent increase in funding (\$6.6 M total), but with inflation, most of this increase was dedicated to meeting basic operating requirements. This latest announcement has further exacerbated existing financial pressures.

On average in Manitoba, over 80 cents on every dollar spent on public education goes directly to the classroom, providing the programs, services and supports that students need for a successful educational experience. An additional 10 cents supports operations and maintenance on schools, keeping the heat and lights on. Four cents goes to school buses and making sure students travel to and from school safely every day.

"This really is our core mandate," noted Manitoba School Boards Association President Alan Campbell. "When communities make investments in their local schools through their school tax, they put pens, pencils and books in our students' hands. Our citizens provide kids with access to state of the art science labs, vocational and trades shops, and spaces for the performing arts such as band rooms and theatres. Quite literally, citizens keep the wheels on the bus turning round and round. Of course budget development comes down to dollars and

cents, but the focus of school boards will always be on providing our kids with the very best education possible. The adoption of the annual budget is the most important policy statement that local school boards make, because it lays out priorities for our schools and local communities."

"That these changes were not announced sooner now presents its own set of challenges on top of all of the other pressures we are faced with this year" said Sandy Nemeth, vice-president of the Manitoba School Boards Association representing school boards with over 6,000 students. "We were placing finishing touches on our draft budgets based on feedback received from our communities during our public consultations. Regrettably, we now need to invest more of our staff's valuable time in revising our budgets, so that the recent changes the government has made can be accommodated."

In January, as part of its 2019 Pre-Budget Brief to the Manitoba government, the Manitoba School Boards Association formally requested that any changes to the administrative cost limits be proactively applied to future budget cycles, to allow school boards the time necessary to incorporate such revisions.

"In future, we certainly hope that the positive working relationship that we have had with the government will continue. We all stand to benefit when our mutual needs and interests are respected and we know that when we work together, we can achieve even greater things for the people and province of Manitoba. Two weeks' notice for substantial changes, including double-digit cuts in some cases, are very difficult to accommodate when millions of dollars are at stake. We do trust that this can be avoided in future", president Alan Campbell concluded.

To review the Manitoba School Boards Association 2019 Pre-Budget Brief please access the link to the document at:

<http://www.mbschoolboards.ca/documents/Advocacy/MSBA%202019%20Pre-Budget%20Brief%20Executive%20Summary%20and%20Full%20Analysis.pdf> .

For additional information on this week's changes to the limits established by The Administrative Cost Control Regulation under *The Public Schools Act*, please see the attached backgrounder.

BACKGROUND INFORMATION

On March 1, 2019, the Manitoba government communicated the following revisions to The Administrative Cost Control Regulation (M.R. 63/2015) under *The Public Schools Act* (C.C.S.M. c. P250):

- All school divisions and districts remain subject to limits established under The Administrative Cost Control Regulation. These limits mean that no school division or district can invest more than the set limit when it comes to the budget costs necessary to fund divisional administration, including the operating costs of school boards.
- Rural divisions (with Full-Time Equivalent or FTE enrolment below 5,000 pupils): are mandated to implement a 2 percent reduction from their established limit, provided each school division respects the Minister's January, 2019 directive to limit the 2019/20 special requirement increase to only 2 percent. Any school division that implements an increase of more than 2 percent to its special requirement will become subject to a 5 percent reduction to the established administrative cost control limits.
- Urban divisions (with FTE enrolment 5,000 pupils or greater): are mandated to implement a 10 percent reduction from their established limit, provided each school division respects the Minister's January, 2019 directive to limit the 2019/2020 special requirement increase to only 2 percent. Any school division that implements an increase of more than 2 percent to its special requirement will become subject to a 20 percent reduction to the established administrative cost control limits.
- Northern school divisions and districts (Flin Flon, Kelsey, and Mystery Lake) remain subject to the 4.25 percent limit established for northern boards under The Administrative Cost Control Regulation.
- The Division scolaire franco-manitobaine, Frontier School Division, Whiteshell School District and the Manitoba Institute of Trades and Technology will remain exempt from any administrative cost limits.

In keeping with its mandate to promote greater understanding of public education in Manitoba, the Manitoba School Boards Association would note that school divisions and districts in Manitoba feature very low overall expenditures on administrative costs. Each year, on average, half a cent on every dollar that is invested in public education in Manitoba supports the work of local school boards. An additional three cents on every dollar ensures qualified leadership as necessary to provide policy direction to divisions and their staff.