



December 18, 2012

Honourable Minister, Don McRae  
Ministry of Education  
PO Box 9045 STN Prov Govt  
Victoria BC V8V 1X4

Dear Honourable Minister McRae:

Our Board has received your letter, dated December 3, 2012, providing information on the Cooperative Gains Mandate and the savings plan needed to support this round of collective bargaining with the K-12 education sector's support staff.

We understand that the priority for government is to balance the budget and that government as a whole faces increased fiscal pressure at a time when public sector workers expect to negotiate wage increases.

Our district vision is for every individual to feel valued and for all learners to reach their full potential. Furthermore, we value the contribution that all employees make to the success of every student in our district. Our Board's priority, however, is to provide high quality educational services for all learners in Maple Ridge and Pitt-Meadows in a fiscally responsible manner. To that end, our Board follows a rigorous budget process for building balanced budgets. For 2012/2013, a balanced Preliminary Budget was adopted in June 2012 and an Amended Budget will be prepared and submitted to the Ministry of Education by February 2013.

As a Board, we believe that effective decision-making requires that requests to free up funding from existing budgets are not analyzed in isolation. Additional requests for funding for both the current and future years can therefore only be adequately considered once 2013/2014 estimates of cost pressures and revenue changes are available to our Board. Some of the cost pressures identified to date include:

- Teacher pension plan premium increase of 1.3% effective July 1, 2013 (estimated cost pressure \$0.93 million);
- Transition back to PST as of April 1, 2013 (estimated cost pressure \$0.23 million);
- Salary increments and employee benefit changes (estimated cost pressure \$0.70 million);
- Impact of 2013/2014 Operating Grant Funding from the Ministry of Education (estimated cost pressure cannot be precisely quantified before March 15, 2013);
- Impact of 2011/2012 operating surplus of \$3.19 million carried forward and used to fund 2012/2013 Preliminary Budget expenditures (full impact cannot be estimated before the Amended Budget for the current year is adopted on or before February 28, 2013).

In addition to the savings required to achieve a balanced budget so as to provide for compensation increases within existing budgets, the Board will have to consider reducing existing budgets by an additional estimated \$3.25 million (approximately 2.5% of our annual expenditure budget) over three years without negatively impacting the delivery of educational programs. The estimated \$3.25 million includes:

- Ministry of Education savings plan target of 1.5% of support staff compensation over two years (estimated existing budget reduction for 2012/2013 \$0.33 million and for 2013/2014 \$0.33 million)
- Application of Cooperative Gains Mandate with a savings plan target of 1.5% of all other employee groups compensation over two years (estimated existing budget reduction for 2013/2014 \$1.28 million and for 2014/2015 \$1.30 million)

Over and above all the cost pressures identified, our Board is committed to implementing the new BC Education Plan, which requires additional investments in our educational system (i.e. professional development, technology, etc.).

Our Board has experienced a 6.1% regular enrolment decline over the past ten years and has had to make difficult budget balancing decisions every year. Over the past five years, the repercussions of these decisions included the closure of Riverside Elementary and Mount Crescent Elementary schools in September 2010; the implementation of a local school calendar; the elimination of 35 teaching positions, 7 CUPE positions and 4 management positions; as well as a reduction of services and supplies budgets by over \$3 million.

Given our history of budget cuts, reducing existing 2013/2014 budgets by an estimated \$5.11 million (approximately 4% of our annual expenditure budget) without negatively impacting the delivery of educational programs in our school district is not something that can be achieved by mid-January 2013, and will be exceedingly difficult to achieve at any time in the foreseeable future.

In concluding, although our Board is not able to submit a savings plan for approval by Ministry of Finance by mid-January, our Board is supportive of modest salary increases for all our employees and would like to work with you and your government along with our employee groups to find appropriate ways to accomplish this.

Sincerely,



Mike Murray, Chairperson  
Board of Education

cc: Board of Education  
Jan Unwin, Superintendent of Schools  
Flavia Coughlan, Secretary Treasurer  
Marc Dalton, MLA – Maple Ridge-Mission  
Michael Sather, MLA – Maple Ridge – Pitt Meadows  
BC School Trustees' Association for Dissemination to all School Boards