

the torch



Quality public education is at stake as RETSD board of trustees approves 2023—24 budget

On March 7, 2023, the board of trustees approved a \$224.7 million budget. Faced with growing student enrolment, increasing student needs, and skyrocketing inflation, the board made difficult decisions to make up for a continued operating-funding shortfall from the government.

Over the past four years, RETSD has practised due diligence in managing budgets with ever-decreasing provincial funding. With rising costs in everything from school buses to paper supplies, this budget is the leanest it can be without causing deep cuts in the classroom.

“At the centre of every budget decision is our students,” said Colleen Carswell, board chair. “But quality education is at stake if we’re forced to continue to cut. We’ve found efficiencies in the budget, such as deferring maintenance in schools, but this is not a long-term solution to chronic underfunding.”

The operating surplus was depleted over the past number of years to compensate for underfunding and the fallout of the government’s ill-fated Bill 28 and due to a budget deficit of \$3.6 million in 2022–23. Therefore, there is no cushion to cover unforeseen expenses, plus little ability to replenish the surplus for future needs.

School divisions can no longer tax and, therefore, cannot seek additional revenue. As a result, the school division needed to identify efficiencies, because the funding announcement fell short of the 8 per cent increase RETSD required. These efficiencies also allowed us to keep up with increasing enrolment and instructional pressures by including 14 new teaching positions, increasing student services allocations, and improving technology for teaching. However, RETSD will be taking the extraordinary step of borrowing funds to cover one-time costs, such

as a student information system and transportation software. Borrowing for operational expenses has not happened in RETSD in the last 20 years—not since before amalgamation of the River East School Division and the urban portion of the Transcona-Springfield School Division. And, while this loan will be paid back over the next five years, it is not a decision the board of trustees takes lightly.

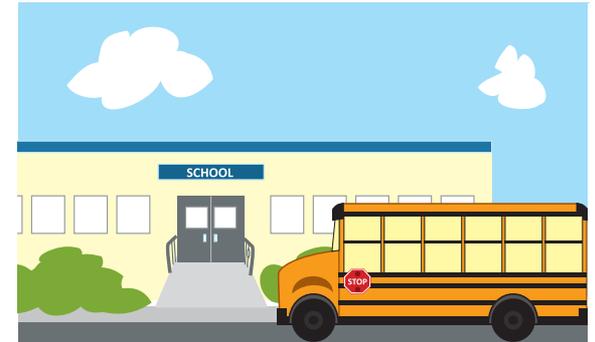
“Our government must step up and provide a fair, equitable, and adequate funding model to allow public education to thrive, otherwise next year we will be forced to make deep cuts in the classroom, something we do not want to do,” said trustee Rod Giesbrecht, finance, facilities, and transportation committee chair.

Total Budget	\$224.7 million
Provincial Funding	\$143.5 million
Property Tax	\$79.9 million
Other Revenue	\$1.3 million

RETSD is growing

With a current enrolment total of 17,989 (as of February 1, 2023), RETSD has 700 students more than projected. This translates into a growth rate of 4.1 per cent. Since July 2022, RETSD has had 850 newcomer students join the division—the highest number in Manitoba during this time frame.

The division has also experienced students entering kindergarten with exceptional needs doubling in number over the last six years. Projected enrolment for 2023–24 will be well over 18,000 students; therefore, the need for an equitable funding model and for the government to compensate for this rise in enrolment is more than evident.



Increased Fixed Costs

- School Buses
- Fuel
- Insurance
- Technology
- Consumables (e.g., paper, supplies)

One of the issues related to the decreasing provincial funding over the last few years has been the impact of the rise in inflation. Two years ago, funding to RETSD was increased by 0.6 per cent, yet inflation rose by 3.3 per cent. The disparity last year was even more extreme—funding increased by only 1.8 per cent and inflation increased by 7.8 per cent.

Inflation has had a huge impact on RETSD’s fixed costs, which have seen incredible increases. For example, within two years, the cost of a school bus went from \$130,000 to \$180,000. Essential items, such as fuel, insurance, utilities, technology, and consumables (e.g., paper and supplies) are fixed costs within the division and all have drastically increased in price. Without funding increases to compensate for rising inflation, coupled with growing enrolment and student needs, RETSD continues to face tenuous financial times.

Community budget information meetings keep public informed

On January 31, 2023, the board of trustees held a virtual budget information evening with members of the RETSD community. An overview of the division's current financial situation, the budget process, and next steps in the budget deliberations were presented. A followup meeting was held March 2, 2023, providing updated information on the provincial funding announcement and more specific details related to the draft budget for 2023–24.

At both meetings, attendees had the opportunity to ask budget-related questions; trustees and senior administration provided responses. Here's a sample question and answer from each of those two budget meetings:

From Budget Meeting #1

Q: Divisions have experienced mandated staffing reductions. What reductions to staffing has RETSD undergone?

A: In 2020, school divisions across the province were expected to reduce salaries related to administration by 15 per cent. RETSD complied with this expectation, and to date, these positions have not been reinstated. As well, there is an administrative cap for school divisions of 2.7 per cent of its budget and RETSD consistently spends less on administrative salaries.

From Budget Meeting #2

Q: There has been increased residential and commercial development in RETSD. Don't more home construction and businesses mean higher revenue for RETSD to utilize and invest in our kids and families?

A: Though there may be more residential and commercial development in RETSD, we cannot



benefit from it, as the amount we receive from the province from residential and commercial taxes has been frozen at 2020 levels.

Since the board of trustees can no longer raise taxes, the growth does not currently benefit the school division's funding.

Furthermore, even with increased development, the RETSD tax base was and is limited. There are fewer commercial properties like IKEA or the Outlet Collection Winnipeg mall. Prior to the cap on local taxation, if education tax was increased by 2 per cent in RETSD and 2 per cent in a tax-base-rich school division, the other school division would receive significantly more dollars. In other words, to receive the same amount of funds, a much larger percentage tax increase would have been required in RETSD.

The current inequitable funding model needs to be improved and RETSD calls on the provincial

government to change the funding formula.

In the spirit of open and transparent communication, you will find responses to all of the budget questions from both sessions at:

Budget Meeting Q&A and PowerPoint—Jan. 31:
<https://bit.ly/42jPCaQ>

Budget Meeting Q&A and PowerPoint—March 2:
<https://bit.ly/3YR3tSX>

“The meetings were well received,” said trustee Susan Olynik, finance, facilities, and transportation committee vice-chair. “We learned that attendees appreciated hearing from several members of the board of trustees, as well as senior administration representatives. We feel these virtual meetings demonstrated the teamwork required to bring forward a budget that remains committed to the students of RETSD, our community, and public education.”

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The board of trustees meets the first and third Tuesday of each month. You are welcome to attend, either in person or online. For more information about the board of trustees, visit: www.retsd.mb.ca > Your RETSD > Board of Trustees