



PO Box 19032, 1153 - 56th Street, Delta, BC V4L 2P8
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February 23, 2018

Mr. Jonathan Foweraker, Director
Resource Management and Executive
Financial Office Division, P.O. Box 9151,
Stn Prov Govt,
Victoria, B.C. V8W 9H1
Email: k12fundingreview@gov.bc.ca

Ref: 200011Funding Review

Dear Mr. Foweraker,

It is with pleasure we respond to the Ministry request to provide our Association's input into the funding model review as outlined in your letter to us dated January 17, 2018. We have collected information from as many districts as we could reach since receiving the request. It is our understanding, after speaking to other districts which also included in-depth dialogue at an Executive meeting that there are a number of concerns that we feel need to be addressed.

We are including in this submission what we deem to be the greatest challenges and barriers faced by most school districts across British Columbia with the current funding model for both our Operating budgets and the Annual Facility Grants we receive.

We will state conditions many of us face on a daily basis, how we strive to find 'work-a-rounds' and what that actually means for facility condition and in some cases moral, all because of how funding is received by Facilities.

We will provide supporting documentation where applicable to help illustrate some of the challenges. Finally, we will include what we see as improvements to the funding that will ease cost pressures and allow us to respond properly to schools because of building issues and grounds issues. Both of these create risk to the Province.

We appreciate this opportunity and submit our package to you with hopes for a brighter funding future.

Yours Truly,

Mr. Steve Smoroden, President
Educational Facility Managers Association of B.C.
1153-56th Street
Delta, B.C. V4L 2P8

cc: EFMA Executive Operations Committee Members



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EFMA BC Response to Ministry of Education Request for Information on Current Funding Model

Summary of Request:

The Province has launched a funding model review to fulfill its commitment to ensure British Columbia's K-12 public education system receives stable and predictable funding. The Educational Facility Managers Association of B.C. (EFMA) have been invited to participate by providing a written response to help the Ministry inform the Independent Review Panel on issues facing the current funding allocation system.

Our members are the people who Manage and Direct work to ensure school facilities are healthy and safe for teachers, children and the public. Our members combined, provide well over 1000 years of expertise and experience running Facility Operations within all of British Columbia's school districts. A vast number of these men and women hold Red Seal certification in the building trades, many are Civil and Mechanical Engineers and all have kept up their education to benefit the work they do for the districts that employ them. All are dedicated to the job and most struggle with it because of the lack of funding available to them.

All our members work with facilities that may be 50 to 70 years old, some with a number of additions or 'improvements' during those years as well as much newer facilities. Part of the work also deals with grounds and the condition they are in and how best to bring them back to a safe condition.

The next few pages will speak to the operating budgets, AFG funding and our struggles to maintain a balance of some type while getting the job done.

Information contained here is from an array of our members from across British Columbia and summarized to help explain the challenges faced daily.



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OPERATING BUDGETS:

District Operating budgets have been played with by Boards for a very long time. During years of cutbacks and dropping enrollment the easiest solution for them was to authorize cuts from Facilities. It has not stopped in many cases. With manpower cut to the bone or nearly, and service GL's pared back so far we cannot even include a budget number (always running in the red) it makes it very difficult to do what we need to do.

Balancing for year end is time consuming and nearly impossible. It comes down to the fact we look at our GL's and as many become overspent funding will be taken from another department budget in order to allow an immediate repair or replacement so the school can remain open. Many Directors and Managers are issuing a STOP purchasing directive to staff, sometimes as early as April. We need to see the invoices come in prior to year-end so we can try to manage some sort of balance without overspending the entire budget.

There is no corresponding decrease in task load or maintenance requirements. Work orders don't stop coming in and it becomes a juggling act to see which work needs to be responded to first. Equipment and systems in a great many cases are far beyond 'useful life'.

Allowing Boards to cut Operating and Maintenance funding pushes more costs onto meagre AFG programs which then pushes more costs onto the non-sustainable School Enhancement Program. This means timely, critical building equipment and fabric replacements and renewals are simply not getting done.

Utility costs keep rising and society and government add pressure to ensure all public entities are working toward reduced carbon footprint and more efficient buildings. This should be a standard position in school district facilities departments, not funding that relies on a grant that requires significant energy reductions each year.

Cuts to Facilities mean not only our operating budget service GL's but include layoffs as well. For years district facilities departments have been plagued with reduction in manpower as Grounds staff were reduced and facilities department reductions to Paint and Carpentry staff added to the dilemma. A great many districts now have playfields that do not get the attention they need and the fields start becoming a liability to the district and ultimately the Province. Paint staff and other manpower reductions in facilities mean a drastic reduction in building maintenance too. A number of districts are still dealing with staff shortfalls.

Deferred maintenance because of lack of funding due to cutbacks and not keeping up with increased material and contract costs over the years (which is another form of cutback) means when the time comes to actually attend to a deferred issue, it will cost anywhere from double the norm to as high as 500% more as has been seen in some districts.

White fleet replacement is critical. When some vehicles are pushing 250,000 kilometers and being held together with nothing but 'Hope', we need a solution.



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ANNUAL FACILITY GRANT:

AFG has been under funded for a very long time. AFG is a good program and certainly has been a bit of a life-saver.

Federal Government studies in BC on renewal requirement funding for BC Aboriginal schools recommends 2.9% / yr. of building replacement value be used as a funding formula to address building system renewals. As an example, Vancouver's AFG funding works out to .6% of building replacement value. This places all their systems renewal cycles to an average of approximately 170 years. The Building Owners and Managers Association (BOMA) of British Columbia recommends 2% which gives a renewal cycle of 50 years.

AFG as targeted funding does not accurately reflect the deferred maintenance requirements of schools. It may never have been designed for that purpose however that is what it has become and in a great many cases it is because of continual cuts to operating with no reversal in anyone's sight.

With the increased costs over the years for materials and the more recent phenomenon of massive increases in contract work (roofing a great example) more and more necessary repairs or replacements are being left because there is not enough money. Can we add some of these to the School Enhancement Program once a year? Yes, but even if it is chosen for approval, that takes a year before the work can proceed. When it is approved, what other SEP project identified does not receive approval? Every single one of them are likely the number 1 priority, but they list as 1, 2, 3 etc. SEP has been a welcome addition while it lasts and has saved us a number of times.

A review of roofing costs from 2015 and comparing that with 2017 and today, indicate that costs have risen over 300% in many cases. What this means then, is one roof section may end up being replaced and the others wait for next year, and the year after. Many districts have \$1,000,000 to \$5,000,000 worth of roofing to replace this year and cannot do it. This is not sustainable.

VFA may show us where deficiencies are and systems at end of life which we know for a fact because we are dealing with these breakdowns almost on a daily basis. We have become masters of triage with the upside being we know our facilities more intimately than ever before. Our maintenance staff do a great job prolonging the life of these systems until such time as replacement is necessary. Unless there is a massive infusion of funding, catching up will be merely a dream!

Many districts may not have much local or restricted capital to draw funds from. How do we as a district replace old, well beyond useful life of tired, leaky and very likely moldy portable classrooms? We are not allowed to use AFG to replace one or two per year. We have no alternative teaching spaces to move staff and students to. It may not be feasible to add on to a school if we know for certain the population upsurge is temporary and will drop after the new influx of Kindergarten work their way through.



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Many schools use AFG to fund a Painter, Electrician or other Trade because that is the only way they can get some of the work done. Contractors costs (especially for a more remote district) are very high and can use too much of the AFG prohibiting other projects to move forward because the AFG dried up.

WAGES FOR MANAGERS AND DIRECTORS:

There is a very large ¹disparity of salaries between ²Facility Managers and Directors around the province. Even neighboring districts can see up to \$10,000 to \$20,000 difference. The grid system used is unfair where some excluded staff are paid quite low and told they are at the top of the grid whereas the same job in another district an excluded staff member may be told he or she is at the bottom of the grid, and is currently being paid more than the first person in this example. There are examples of exempt staff not being put on the new wage grid and when they leave, the new employee, with no district experience, is put on the grid and paid more. In one case \$8,000 in another \$13,000. People in identical roles in the district are paid at different rates, the new employee being paid more. This creates a huge moral issue. Staff are leaving positions to go to other districts for more money? Why? People doing the job for years with glowing job evaluations are not moving on the grid to a position they should be paid.

When a Manager leaves or a Director accepts an offer from another district, the Board will often elect to drop the salary being paid to the person who left. Maybe that is okay, but there needs to be an opportunity to allow upward movement to get near or at what was being paid to the person who left. If does no good to 'shortchange' people who are hired based on their CV and accomplishments elsewhere. This denigrates that person's stature and morale. All this is, is another method of budget cuts. This is false economy and it wears down people quickly. With the current phenomenon of very high housing costs through most of southern British Columbia, and the associated high cost of living; offering a lower salary becomes troublesome. It can be a recipe for failure.

We have an awesome talent pool in our school district facilities leadership. They need to be treated fairly with decent salary and benefits. Low wage and benefits not even up to the union staff level are not acceptable.

WHITE FLEET:

Over the years many districts have elected not to replace their white fleet and instead allow funding to remain in classrooms. Local capital often times is near zero or not there at all. This is part of the cutbacks in operations we have seen over the years. If we ramp up work in summer or throughout the year, why could districts not be able to lease a vehicle for the year under AFG.

¹ Someone hired at a low salary and told the Board is looking to move the salary by 4-6% only to be told PSECA will not allow it.

² When comparing roles and experiences we have found a tremendous variance in salaries that when looking deeper into the discrepancy show it is unjust.



SUMMARY OF COMMENTS FROM OTHER DISTRICT FACILITIES MANAGERS / DIRECTORS

Operating:

Funding for Facility Operations must be Targeted Funding. Anything less will allow the status quo to continue and that is not sustainable. With various Boards of Education having an ability to protect everything else in the district and continually look to facilities operation for savings, operations will / have become a shadow of itself. That targeted funding needs to be a percentage of the overall budget and minimally be in the range of 1-2% of building replacement value.

Each time salaries and supply costs increase for all staff, there is less funding available per department. Targeted funding for facility operations seems to be the only way to deal effectively with the problems we all have faced for years. Targeted funding would prevent 'mining' of dwindling facilities budgets by senior management and boards to balance annual operating budgets driven by other district initiatives.

Annual Facility Grant (AFG):

The AFG grant monies need to be increased. When other initiatives are taken out of the original amount, when contract costs and materials cost have escalated as they have, our purchasing power has diminished. A re-tooling of our thoughts around how we are to accomplish some of the work required show replacements being left behind to be done another day. We augment regular work with AFG which in reality should be done through the operating. Cannot be done.

AFG should be increased as mentioned above. The annual grant does work well; if it can be increased it will work much better. We need to see indication that will begin moving AFG towards that 2% of building replacement value. Start it off at .25 percent but solidify that progression so we actually achieve the goal over an eight (8) year period.

SEP / CNCP:

These two initiatives were welcomed when they were introduced (and still are) as they were another source of funding to help us deal with more deferred maintenance and a tool to assist with the reduction of utility costs and GHG emissions.

Wages for Managers and Directors:

If an alignment of wages based on relevant years of experience, education or education equivalency could be looked at, and then include location (remote / high cost of living region) that would move us closer to something reasonable. Other factors will come into play as well but the outcome needs to be something much more fair than what it currently is.



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White Fleet:

If districts have difficulty purchasing fleet vehicles because of lack of funds, it would be good if (with certain restrictions) we could be allowed to rent or lease of same through AFG or SEP or CNCP to enable projects to be completed with temporary staff. Projects can run from one month to six or more months.

Thank you for requesting information from EFMA regarding the current school district funding model as it pertains to operation of Facility Services around the province. Our Operations Committee members are:

Steve Smoroden	President
Heather Simm	Vice President of EFMA
Chuck Morris	Secretary Treasurer for EFMA
Harold Schock	Past President
Rick Delorme	Director
Travis Elwood	Director
Harry Kumar	Director
Archie Stogianos	Director
Glenn Miller	Executive Director

Sincerely,

Chuck Morris, CTech
(Author of report)