



Some Answers to PAN's Questions on Education Budget 2016

On April 1, 2016, the Parent Advocacy Network for Public Education (PAN) sent its “PAN Questions on BC Budget 2016: Ministry of Education” document to the BC Ministry of Education, Ministry of Finance, the provincial political parties, and the media.

What follows are answers and information that we have gathered **as of April 24, 2016**, through dialogue with the Ministry of Education and further research. The questions can be found here:

http://www.panvancouver.ca/uploads/6/7/1/4/67145647/pan_questions_on_bc_budget_2016_moe_financial.pdf

PAN's Intro: comparison of the 2002/03 and 2016/17 education budgets in 2016 dollars

The Ministry of Education pointed out that the 2002 budget included \$564 million in debt service and capital amortization amounts that have since been moved to the Ministry of Finance's budget. In order to truly compare the budgets, we must remove these amounts, as well as amounts in the 2016 budget that were not included in the 2002 budget and do not directly fund the K-12 system, ie: \$14 million for public libraries and \$30 million for the Training and Education Savings Grant.

After making these adjustments, the amount allocated in the 2002 budget to the Ministry of Education was \$4.297 billion dollars. That converts to \$5.557 billion in 2016 dollars. The adjusted 2016 Ministry of Education budget is \$5.565 billion—**an increase of only \$8 million or 0.1%**.

Declining enrolment versus increased costs

The government generally points to declining enrolment as a reason that funding has not increased. But districts do not reap savings proportional to the amount of funding they lose when a student leaves the system; fixed costs carry on.

Furthermore, when a child moves from the public system to a private school, that child still costs money to the Ministry of Education: the private school receives a percentage of the funding the public district would have received for that child. An increasing portion of the Ministry of Education budget has been going to subsidize private schools.

Finally, it is important to look at how costs have increased; it is clear that a 0.1% funding increase has not been sufficient to cover increased costs, regardless of enrolment trends. The BC Association of School Business Officials estimated in 2009 that districts faced \$293 million in unfunded new costs, and in 2014 the same organization calculated that the districts had a cumulative total of \$193 million unfunded cost pressures for school years 2012/13 to 2014/15. Unfunded costs include items such as inflation, wage increases, BC Hydro increases, EI rate increases, MSP premium increases, the transitions to/from HST, and so on.

<http://m.thetyee.ca/News/2009/02/11/SchoolDollars/>

<http://vancouver.sun.com/news/staff-blogs/counting-the-missing-dollars>

http://docs.openinfo.gov.bc.ca/D66847614A_Response_Package_EDU-2014-00125.PDF p. 134-135

PAN Question 3a: apparent difference between budget allocation and operating grants to public schools

The public school system does not receive funds solely through operating grants: districts also receive funds via the Learning Improvement Fund and special purpose grants. Together, these sources of funding add up to the amount allocated in the budget. Correlating operating grants and budget allocations is made more complicated by the fact that the government's fiscal year is from April 1 to March 31, which is different than the districts' school year.

PAN Question 4: private/independent school funding

The ministry accounts for the \$48 million increase to independent school funding as follows. In March 2015 the Ministry of Finance had \$34 million extra in the 2014/15 fiscal year that it wanted to apply to the next fiscal year. It chose to give these funds to independent schools for use in the next school year. So the amount given to independent schools for 2015/16 was effectively \$344.5 million, but the 2015/16 budget only allocated \$310.5 million to independent schools because that's the amount that actually came from that year's budget. So an increase to \$358.1 million this year is actually an increase of \$13.6 million or 3.9%.

The same thing happened in 2014/15 as well: the amount given to independent schools for that year was more than the \$280 million that appeared in the Ministry of Education's budget.

According to the ministry, going forward, the budget line item for independent schools should more accurately reflect how much funding actually goes to them.

Note: PAN has follow-up questions on this item that we will submit to the ministry.

PAN Question 5: "transfers to other partners"

The ministry attributes the variation in amounts budgeted for transfers to other partners over recent years to payments made in the previous fiscal year, similar to the situation with independent school funding. So the amount allocated in previous budgets has not necessarily reflected the total amount of funding these partners were receiving.

Who are the "other partners"? A document released pursuant to an FOI request shows that, in 2014, the main expenses in this category were

- the Provincial Learning Network;
- First Nations reciprocal grants to band schools;
- scholarships and awards to students;
- funding to the Public Education Benefit Trust for CUPE long term disability; and
- public library grants.

http://docs.openinfo.gov.bc.ca/D66847614A_Response_Package_EDU-2014-00125.pdf

See panvancouver.ca for more information. PAN will issue another update as answers become available.