



PAN Questions on BC Budget 2016: Ministry of Education

Members of the Parent Advocacy Network for Public Education (PAN) have been analyzing the proposed funding for K-12 Education in BC Budget 2016. We are concerned that statements made by the Minister of Education and other government representatives about government's commitment to public education are not reflected in the funding allocated to public education in the proposed budget.

When dollar amounts are adjusted for inflation, it is clear that funding to the Ministry of Education has declined over time. The 2002/03 budget allocated \$4.861 billion to the Ministry of Education. That equals \$6.292 billion in 2016 dollars. The 2016/17 budget allocates \$5.609 billion to the Ministry of Education: a reduction in constant dollars of \$683 million or 11% (see Reference Materials #2).

Furthermore, even though BC is richer now than it was in 2002, the portion of BC's nominal gross domestic product (GDP) spent on K-12 education as a function (which includes funding to the Ministry of Education as well as other ministries performing education functions) has fallen from 3.8% in 2002 to 2.7% in the 2016 budget (see Reference Materials #3). In other words, while the economy has grown, K-12 education has not benefited proportionately from that growth. **Why has the government de-prioritized public education?**

Below are a series of specific questions arising from the education budget numbers; PAN is distributing these questions to the various provincial parties and to the media. Members of PAN are not the only people concerned about education funding: the Select Standing Committee on Finance has repeatedly recommended that education funding should be raised to meet growing costs. Please consider how your party will address these questions to ensure that government spending on public education matches funding needs.

Responses will be compiled and posted to our website.

Vote 19: Ministry of Education Operating Expenses

In 2014, a Conference Board of Canada report stated that B.C. would need to increase funding to education (public, private and post-secondary) by an annual average rate of **2.7%**, or \$1.6 billion over three years, to maintain a constant level of funding. Its analysis took into account average funding per student, projected enrolment and inflation (it did not take into account additional downloaded costs including MSP, ICBC and hydro rate hikes over inflation, and the Next Generation Network operating costs, etc.). (http://www.vancouversun.com/story_print.html?id=10098996&sponsor).

Ministry of Education total operating expenses budget increased by 2.64% for 2015/16 and 2.01% for 2016/17 (see Reference Materials #1), close but not at the rate needed to maintain 2014 level funding, assuming no additional downloaded costs. The increase has not been uniform across the line items.

1. The *Public Schools Instruction* fund increased by \$50.14 million or 1.08% (see Reference Materials #1). This doesn't cover inflation (1.9%) let alone the 2.7% determined by the Conference Board to maintain a constant standard. Is this also supposed to cover:

- a. labour settlement costs?
 - b. training, teacher support and resources for implementing the new curriculum?
 - c. technology required for government required network (NGN) and computer programs?
2. *Public Schools Administration* funding in 2014/15 was \$700,000 less than projected the previous year. In 2015/16 this was reduced by a \$29 million cut with a further \$25 million cut for 2016/17 (see Reference Materials #6). BC school boards already have trimmed administration to lowest level in Canada (6.7%) (<http://blogs.vancouver.sun.com/2016/03/04/administration-costs-already-low-in-b-c-schools-report/>)
- a. How are these cuts justified?
 - b. We can find no guidelines given to boards as to what they are expected to cut under this heading, but the cuts are supposed to have no effect on classrooms. Some boards are cutting entire schools (eg Kathlyn Lake School in Smithers). How can that possibly be considered a cut that doesn't affect classrooms? Other boards cut things like busing, cleaning, and EA hours. All of these affect kids.
3. Ministry of Education takes the amounts received from *Public Schools Instruction, Public Schools Administration* and *Learning Act Funds* to fund district operating grants.
- a. In the 2016/17 budget, there is about a \$224 million difference between the funds received and the funds allotted to school districts (see Reference Materials #5). Is this a contingency fund? How has this been spent in previous years?
 - b. The operating grants to school districts only increased by 2.3% in 2015/16 and a mere **0.62%** in 2016/17, including an increase to per student funding of only 0.11% (see Reference Materials #4). Why have operating grants increased at a rate lower than inflation, and considerably below the 2.7% previously stated as required to maintain current standards?
 - c. Why are there no rate increases for students with special needs, ELL, aboriginal learners or adult learners (who haven't graduated) (see Reference Materials #4)?
4. Of the \$110 million increase in the 2016/17 education budget, \$48 million is going to *Independent Schools*. There are about 543,000 students in public schools and 81,000 in private schools.
- a. Why is such a disproportionate amount of the increase going to private schools?
 - b. \$48 million is a 15% increase in funding to private schools; is there some indication that enrolment in private schools is going to increase that much? Prior to 2014/15, FTE enrolment in independent schools appears to have been increasing 2.4-3.4% a year. In 2014/15 it increased 6.75%, coincidentally, the same year as the job action. Nationally, private school enrolment goes up about 3% per year (<http://www.nationalpost.com/m/independent+schools+continue+grow/11716748/story.html>). What is the current trend since 2014?
 - c. The amount of grants received by independent schools is far greater than budgeted (see Reference Materials #7). Where did this extra funding come from?
5. *Transfers to other partners* experienced a big dip in 2015. Why? Funding has returned to slightly below 2014 level (see Reference Materials #6). Were programs cut last year with the reduced funding? Are these programs being reinstated next year or new programs starting when this budget comes into effect? The estimates describe this line item as "This sub-vote provides for funding to support K-12 education, the public library system, early learning and literacy, and the Official Languages in Education Protocol."

6. What are the *Capital Expenditures for Executive and Support Services*? This funding seems to consistently be much higher than projected (see Reference Materials #6).
7. What support is given to school districts affected by high poverty rates? Given that education is the primary way of bringing children out of poverty, how is the government addressing this in the education budget? <http://bcpovertyreduction.ca/2014/12/latest-poverty-stats-show-bc-still-has-one-of-the-highest-poverty-rates-in-canada/>

Vote 47: Ministry of Education Capital Funding

8. *Capital funding* is to cover routine maintenance, seismic upgrades and new builds. The trend seems to be to allot less than projected the previous year (see Reference Materials #6).
 - a. How much is for routine district maintenance and how is it distributed by district? Is it distributed by the number of students in the district or by the condition of the district's buildings or by some other manner?
 - b. Recently several small one-time grants have been announced by the ministry for districts to compete for in order to work on "routine capital upgrades." Why are routine upgrades (like boiler and roof replacements) not budgeted for routinely, as part of the annual budgeting process?
 - c. Many districts have massive amounts of deferred maintenance; the Vancouver School Board alone has \$700 million in deferred maintenance costs (<http://thetyee.ca/News/2016/01/26/VSB-Seismic-Vote/>). Why has education funding not been increased to allow districts to meet their maintenance needs rather than deferring maintenance?
 - d. Priority assessments of seismic projects include looking at current building condition, and maintenance/repairs are not combined with seismic upgrades. Is this reasonable? What prevents combining repairs/replacements for maintenance issues with seismic upgrades to be more efficient with time, finances and disruption?
9. Does the increase in capital funding expenditures necessitated by the SMP have any negative impact on the level of funding allocated to the education operating budget?

Reference Materials

1. BC Budget 2016 (\$000)

Operating Expenses		Net 2015/16	Net 2016/17 Estimate	Difference	% Difference
Vote 19	Public Schools Instruction	4,622,235	4,672,375	50,140	1.08%
Vote 19	Public Schools Administration	339,274	315,285	-23,989	-7.07%
Vote 19	Learning Improvement Fund	98,100	100,000	1,900	1.94%
Vote 19	Independent Schools	310,500	358,100	47,600	15.33%
Vote 19	Transfers to Other Partners	45,575	82,275	36,700	80.53%
Vote 19	Executive and Support Services	45,148	43,211	-1,937	-4.29%
	- Minister's Office	568	569		0.18%
	- Education and Corporate Services	44,580	42,642		-4.35%
(s)	BC Training & Educations Savings	30,001	30,001	0	0.00%
(s)	Teachers Act Special Account	7,610	7,607	-3	-0.04%
	TOTAL OPERATING EXPENSES	5,498,443	5,608,854	110,411	2.01%
Capital Expenditures					
	Executive and Support Services	916	1,138	222	24.24%
Capital Funding					
Vote 47	Schools (Ministry of Education)	392,109	454,385	62,276	16%

Source: http://bcbudget.gov.bc.ca/2016/estimates/2016_Estimates.pdf Summary by Core Business, p. 64, Voted Descriptions, page 66, Vote 47 - Capital Funding, page 185. Calculations by PAN.

2. Spending by Ministry (\$millions)

	Budget 2002	In 2016 \$	Budget 2016	Difference	Difference %
Education	4,861	6,292	5,609	-683	-10.80%

Sources: http://bcbudget.gov.bc.ca/2002/BudgetAndFiscalPlan/bgt2002_table_1_6.htm;
http://bcbudget.gov.bc.ca/2016/bfp/2016_Budget_and_Fiscal_Plan.pdf Table 1.9 on page 17; and
<http://www.bankofcanada.ca/rates/related/inflation-calculator/>

3. Spending by Function (\$millions)

	Budget 2002	Budget 2016
K-12 Education*	4,971	6,811
Projected Nominal/Current Dollar GDP	130,100	254,800
% of GDP	3.8%	2.7%

*K-12 is not separated in the "Expense by Function" table for the 2002 budget. We have subtracted the amount designated for the Advanced Education ministry in the "Expenditure by Ministry" table from the amount for education in the "Expense by Function" table to arrive at this number for 2002; for 2016, we have subtracted the post-secondary portion of the education expense by function.

Sources: http://bcbudget.gov.bc.ca/2002/BudgetAndFiscalPlan/bgt2002_appen_a8.htm;
http://bcbudget.gov.bc.ca/2002/BudgetAndFiscalPlan/bgt2002_table_1_6.htm;
http://www.bcbudget.gov.bc.ca/2002/budgetandfiscalplan/bgt2002_table_2_8_1.htm;
http://bcbudget.gov.bc.ca/2016/bfp/2016_Budget_and_Fiscal_Plan.pdf table 3.6.1 on page 83, table A11 on page 126.

4. Ministry of Education: Operating Grants 2014-2016

	2014/15	2015/16	%	2016/17	% increase
Total Operating Grants	4,725,363,400	4,834,016,933	2.30	4,863,908,363	0.62
Funding Levels					
Standard School	6,900	7,158	3.74	7,166	0.11
Special Needs, Level 1	36,600	37,700	3.01	37,700	0.00
Special Needs, Level 2	18,300	18,850	3.01	18,850	0.00
Special Needs, Level 3	9,200	9,500	3.26	9,500	0.00
ELL	1,340	1,380	2.99	1,380	0.00
Aboriginal Education	1,160	1,195	3.02	1,195	0.00
Adult Education	4,430	4,565	3.05	4,565	0.00

Sources: <http://www2.gov.bc.ca/assets/gov/education/administration/resource-management/k12funding/14-15/14-15-operating-grant-tables.pdf>; <http://www2.gov.bc.ca/assets/gov/education/administration/resource-management/k12funding/15-16/15-16-operating-grant-tables.pdf>; <http://www2.gov.bc.ca/assets/gov/education/administration/resource-management/k12funding/16-17/16-17-operating-grant-tables.pdf>. Calculations by PAN.

5. Public School Operating Funds and Grants (\$000)

	2015/16	2016/17
Public Schools Instruction	4,622,235	4,672,375
Public Schools Administration	339,274	315,285
Learning Improvement Fund	98,100	100,000
Total Operating Funds for Public Schools	5,059,609	5,087,660
Total Operating Grants for Public Schools	4,834,017	4,863,908
Difference in Funds & Grants	225,592	223,752

Sources: Tables 1 and 4. Calculations by PAN.

6. Resource Summaries: 2014/15, 2015/16, 2016/17

	Service	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Operating Expenses (\$000)							
Public School Instruction	2014/15	4,495,835	4,495,835	4,495,835	4,495,835		
	2015/16		4,495,835	4,622,235	4,656,535	4,693,435	
	2016/17			4,622,235	4,672,375	4,710,715	4,763,354
Public School Administration	2014/15	368,974	368,974	368,974	368,974		
	2015/16		368,274	339,274	314,274	314,274	
	2016/17			339,274	315,285	315,377	318,738
Learning Improvement Fund	2014/15	60,000	75,000	75,000	75,000		
	2015/16		75,000	98,100	100,000	100,000	
	2016/17			98,100	100,000	100,000	104,375
Independent Schools	2014/15	280,700	280,700	280,700	280,700		
	2015/16		280,700	310,500	358,100	374,400	
	2016/17			310,500	358,100	374,400	374,400
Transfers to Other Partner	2014/15	78,075	84,087	88,075	88,075		
	2015/16		84,087	45,575	82,275	86,475	
	2016/17			45,575	82,275	86,475	86,475
Executive and Support Services	2014/15	45,765	45,765	45,765	45,765		
	2015/16		46,608	45,148	43,248	43,468	
	2016/17			45,148	43,211	43,533	43,755
Children's Education Fund/BC Training & Education Savings Program special account	2014/15	30,001	30,001	30,001	30,001		
	2015/16		30,001	30,001	30,001	30,001	
	2016/17			30,001	30,001	30,001	30,001
Teachers Act special account	2014/15	6,400	6,400	6,400	6,400		
	2015/16		6,400	7,610	6,420	6,432	
	2016/17			7,610	7,607	6,438	6,454
Total	2014/15	5,365,750	5,386,762	5,390,750	5,390,750		
	2015/16		5,386,605	5,498,433	5,590,853	5,648,485	
	2016/17			5,498,443	5,608,854	5,666,939	5,727,552
Ministry Capital Expenditures (Consolidated Revenue Fund) (\$000)							
Executive and Support Services	2014/15	952	1,238	2	2		
	2015/16		1,238	916	2	2	
	2016/17			916	1,138	2	2
Capital Plan (\$000)							
Schools	2014/15	469,054	438,217	421,118	450,898		
	2015/16		438,217	392,109	469,751	552,167	
	2016/17			392,109	454,385	559,862	452,179

Sources: <http://bcbudget.gov.bc.ca/2014/sp/pdf/ministry/educ.pdf>, <http://bcbudget.gov.bc.ca/2015/sp/pdf/ministry/educ.pdf>; <http://bcbudget.gov.bc.ca/2016/sp/pdf/ministry/educ.pdf>

7. Ministry of Education - Independent Schools Enrolment and Funding Data

	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
HC Enrolment Information (Sept 30 data)						
Public	580,482	579,112	569,739	564,532	558,985	552,788
Independent	69,467	70,274	71,867	74,309	76,072	80,783
Province	649,949	649,386	641,606	638,838	635,057	633,571
FTE Information (Sept 30 data)						
Public	546,510	549,125	549,849	542,641	540,005	536,895
Independent	66,534	68,131	70,447	72,612	74,333	79,348
Province	613,044	617,256	620,296	615,253	614,338	616,243
Special Needs FTE Enrolment Information (Full Year)						
Public	58,299	57,966	57,279	57,199	57,184	56,851
Independent	1,991	2,279	2,552	2,867	5,017	5,921
Province	60,290	60,245	59,831	60,066	62,201	62,772
Independent School Grants (\$)						
Operating Grants	222,077,584	231,335,715	238,813,254	245,665,418	257,385,520	277,099,336
Special Purpose Grants	29,026,328	38,602,844	44,753,863	49,805,959	57,136,916	64,402,557
Total Grants	251,103,912	269,938,559	283,567,117	295,471,377	314,522,436	341,501,893

Source: http://www2.gov.bc.ca/assets/gov/education/administration/kindergarten-to-grade-12/independent-schools/enrolment_funding_summary.pdf