

EDUCATION FUNDING

A Brief to the

**Select Standing Committee on
Finance and Government Services**

from the

British Columbia Teachers' Federation

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President



Executive Director

Education Funding Brief—2001–2002 British Columbia Teachers' Federation

For the sake of quality education, the B.C. government must carry through on its promise to maintain and enhance funding for public education.

No cuts to funding for health or education was a campaign promise by the current government. For that commitment to be meaningful, the actual dollars in the budget each year must at least reflect the additional costs from inflation, and collective agreement costs. A three-year freeze on budgets for education will have the impact of making deep cuts, cuts that will have a significant negative impact on the quality of public education in British Columbia.

Over the last decade, when real per pupil expenditures on education declined slightly, cuts to programs were an ongoing phenomenon. The effect of a freeze on spending will have a much more negative impact than the slow squeeze of the past decade. Unless the policy directions of government change to reflect the reality of funding needed to maintain a quality system, the impact will be deep cuts in services to children.

The key role that education must play in an increasingly complex and technologically driven world is widely recognized. Education is truly an investment—one that not only pays off in supporting individual development but also provides social and economic returns to society as a whole. A well-educated work force attracts investment in the kinds of businesses that provide well-paying jobs and helps diversify our economy from its traditional resource base.

Despite the economic difficulties that have developed in the past few months, a commitment to maintaining funding to education is essential for the long-term stability in the education system necessary to sustain economic and social development. Government expenditures on education can cushion the downturn in employment in the short term. Money spent on education has the most positive impact of all government expenditures. Schools are found in every community with children, unlike other services, which tend to be more centralized.

During these times, the government should be spending more on services, not less. Increased expenditures would have the effect of stimulating the economy and cushioning the impact of the downturn in other areas. Spending cuts, as

demonstrated by the Canadian Centre for Policy Alternatives, “ will make a bad situation worse and could spell the difference between a slowdown and a full-blown recession.” Rather than cutting spending, the government should be scaling back on the tax cuts that it has announced, and repealing its commitment to balance the budget by 2004–2005.

A favourable climate for education has a long-term impact. A positive climate helps teachers do their best. We all have an interest in a positive education climate – students, parents, teachers, community, and government. Maintaining and building on the system that exists will help maintain a positive environment. Forcing cuts from an already lean school system will do real harm.

A negative climate not only affects today’s teaching, but also has a profound impact on the future. Our province – and much of the rest of the developed world – faces a teacher shortage, one that is already being felt. The teachers who will be needed in five years have begun their university programs this year. Those young people have many options open to them. Feeling positive about the prospects of working in the public schools is one factor in the choices that they will make. Creating tension and anxiety for current teachers and turning away potential teachers for the future turns short-term pain into long-term damage. It can take decades to repair the harm that will be done to our public education system if there is a three-year freeze on education expenditures.

Having a well-financed education system is an important part of creating the conditions that are positive for all. This requires maintaining and enhancing the relative level of funding, not just fixed dollar amounts. In this brief, we will outline some of the areas where current financing is inadequate and explain how we believe these should be addressed.

The government has promised school boards more autonomy in making decisions about programs. In general, that is a direction that the BCTF supports. We do, however, have some concerns about the impact of eliminating targeted funding. In addition, we will outline some of the other significant issues related to financing education.

The Ministry of Education annual report for 1999–2000 points out that “ Parental satisfaction levels with school performance are reasonably high.” The parent responses to the Accreditation Satisfaction Surveys show that “ Overall, parents were satisfied with the school system” (p. 40). None of us can be complacent about that positive response. Nonetheless, there is a solid base of support for public education. We can build together on that base if we have adequate funding and if programs for improvement are constructed on a stable foundation.

I. Value for Money

We all want value for the money we spend as a community on education. We can identify a lot of value from the public schools, a small portion of which is detailed here. These improvements have been made without increases in the funding for education, when inflation is taken into account.

Some indicators of value

- The percentage of B.C. youths attaining secondary school graduation increased from 63.5% in 1989–90 to 75.3% in 1999–2000. This is a dramatic increase in only one decade, and it should be recognized by the minister as a positive feature of public education in B.C. (Source: *Ministry of Education Annual Report, 1999–2000*.)
- Many students who do not complete their secondary education within six years in high school go on to gain the equivalent. StatsCan indicates that this raises the secondary completion rate to 85%.
- More than 100,000 students with English as a second language were successful in our schools over the past decade.
- Tens of thousands of students with special needs have been successfully included in their neighbourhood schools—inclusion that is greater than in most school systems anywhere else on the globe. Special education enrolment increased by almost 70% over the past decade. Students who might never have graduated in a traditional setting are now completing school better prepared to participate meaningfully in their communities. (Source: *Ministry of Education Annual Report, 1999–2000*, p. 33.)
- Some improvements have been made in meeting the needs of Aboriginal students, both in graduation rates and provincial exams. The 1999–2000 Ministry of Education annual report states that “the performance of Aboriginal students in provincial exams has been improving at a faster rate than the performance of non-Aboriginal students” (p. 33). This is success that should be recognized, along with awareness that much more must be done.
- The use of technology by teachers has increased dramatically in the last decade. As one indicator of this, 94% of teachers who responded to a recent BCTF survey reported they had reliable access to the Internet.
- “B.C. students have done well on international tests.” In the second round of the School Achievement Indicators Program, British Columbia students performed as well as, or better than, Canadian students as a whole. In the Third International Mathematics and Science Study (TIMSS), the average performance of B.C. students in both mathematics and science was significantly higher than the

international averages and not significantly different from the Canadian averages. (Source: *Ministry of Education Annual Report, 1999–2000*, p. 32.)

- Teachers have encouraged student achievement in many areas of development, in addition to academic achievement. Parents expressed satisfaction with schools' developing tolerance and respect for the ideas and beliefs of others, a sense of social responsibility, and developing students' co-operative and team skills. (Source: *Ministry of Education Annual Report, 1999–2000*, p. 34.)

Have these improvements significantly increased the cost of education?

No. Calculating the real cost of education on a per capita basis, education funding declined slightly during the past decade. While dollar amounts per student went up, they didn't even quite keep up with inflation.

So who paid for these improvements? Parents paid some of it—through fundraising activities and the increasing imposition of school fees.

A big portion was paid by teachers, who have provided an enormous subsidy for the improvements of the public education system. B.C. teachers contribute a total of about \$45 million in personal spending for classroom resources. (Source: CTF study)

- Teacher salary increases were well below the inflation rate—no real raise for nine years.
- Teachers paid for materials that were no longer provided by school districts. A recent CTF survey shows that B.C. teachers spend on average \$1,000 a year of their own income on school-related and instructional activities over and above resources provided by the school.
- Many teachers learned on their own how to use technology. (One school district survey indicated that teachers had, on average, received only two hours of in-service education on technology in the past year.)
- Teacher workload increased. As an example, a recent survey by the BCTF showed that the average work week of secondary English teachers is 53 hours.

There is no margin left in the capacity of teachers to offer more dollars or time to improve education services. Education funding must keep up with real costs in the education system, or services will have to decline.

II. Principles of Education Funding

The BCTF offers the following principles as a sound basis for decision-making on education-funding matters.

1. Provide funding that is adequate and equitable.

Maintaining and improving the quality of education requires adequate funding. Education funding should provide equitable allocations to school boards, reflecting the realities of different costs in different districts. Equal funding would not produce equity because of significant differences around the province.

2. Provide funding that reflects real increases in costs.

Operating expenditures per student should be increased to cover inflation. Increased enrolment should also be fully funded. Falling enrolment in some districts does not mean reductions in all costs, and the funding formula should allow for adjustments over an extended period.

3. Fund support to students with special needs that reflects all the students who have special needs and that provides the conditions necessary for their success.

All school boards report spending more money on special education than is provided by the process of identifying students with special needs. Many students who need extra assistance are not identified and funded. Funding for students with special needs should reflect student needs.

4. Make authority of school boards real through adequate provincial funding and authority to raise funds through taxation that is on top of provincial funding.

The government has committed to give local school boards more autonomy. Given current policies, this autonomy can be real only if the boards have the capacity to raise additional funds over provincial funding. Otherwise, school districts will be left with little more to do than manage cuts in services. An equalization formula, to provide equity across the province, should be put in place.

5. Ensure transparency of school district budgets.

If the ministry provides funding to school districts without identifying expenditure targets or caps, it must ensure that school boards are reporting openly and fully on how funds are spent by the districts. Parents, teachers, and the community need to be able to understand district budgets so that they can provide their advice to school boards about priorities and needs.

6. Fully fund requirements of government made by the Ministry of Education and other government ministries and agencies.

Often ministries and government agencies impose a requirement for particular action by school districts. These should be fully funded so that school districts do not have to cut into other programs to meet these regulations – WCB requirements, for example.

7. Fully fund the terms of the collective agreement.

Funding must reflect the realities of the collective agreement, including negotiated improvements, so that boards are in a position to carry out the terms of the contract.

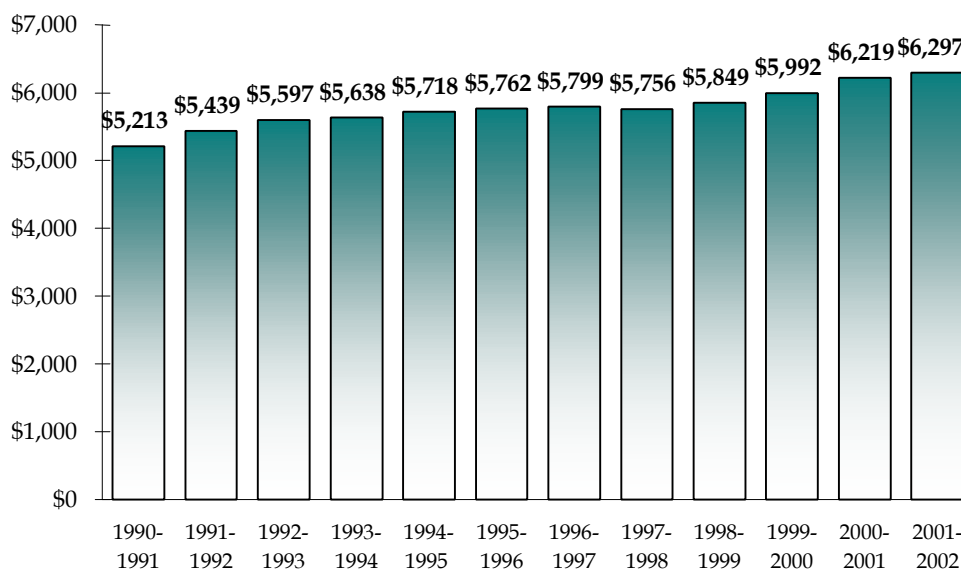
III. The Real Funding Story

While it may look like funding for public education increased during the decade of the 1990s, that is not really the case. The following two charts tell the story.

Provincial operating funding per pupil grew from \$5,213 to \$6,297, but inflation ate up all the value of the increase – and more.

The inflation-adjusted operating funding per pupil (adjusted to 2001–2002 figures) over that period **declined** from \$6,491 to \$6,297. That is a drop of about three percent per student.

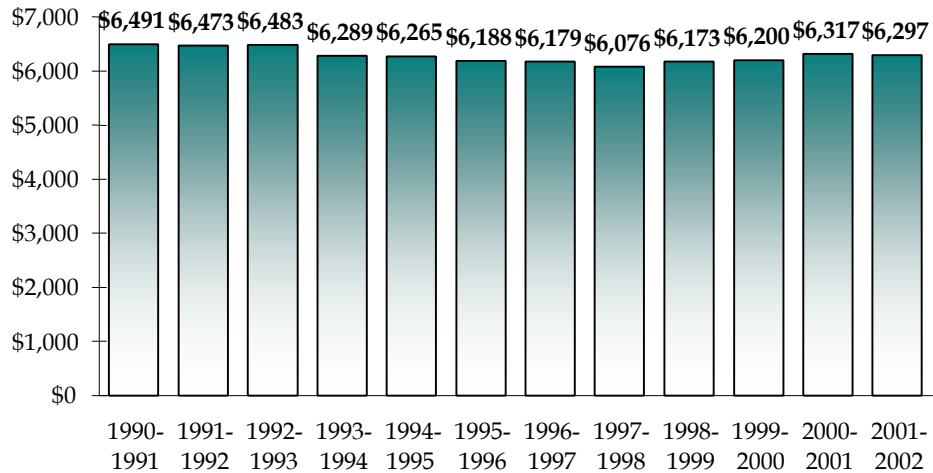
Provincial operating funding per pupil, 1990–1991 to 2001–2002



Source: 2001–2002 Budget Instruction Manual for British Columbia School Boards, Preliminary Budget.

Inflation-adjusted provincial operating funding per pupil, 1990-1991 to 2001-2002

(August 2001 dollars)



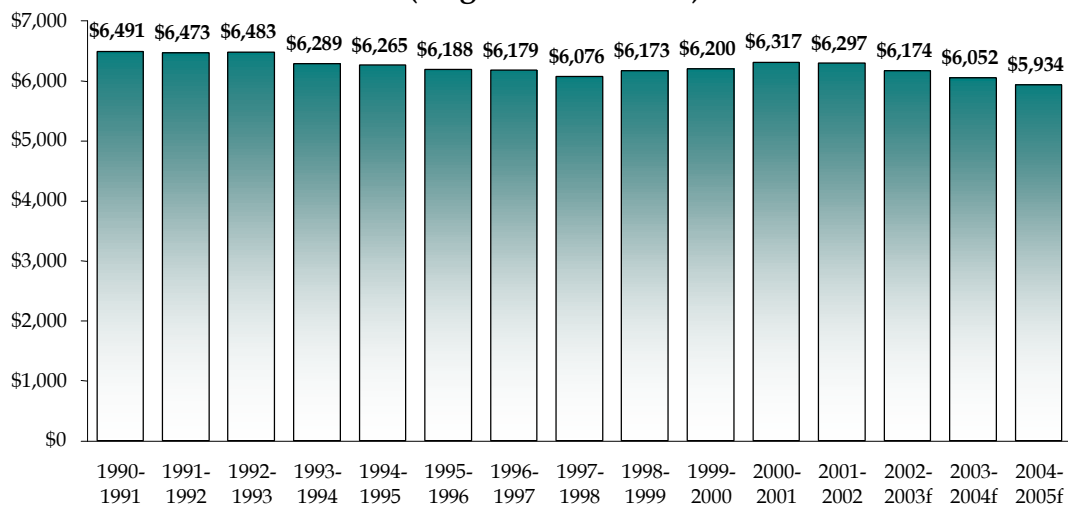
Sources: Budget Instruction Manuals; Statistics Canada.

Notes: Uses British Columbia CPI, September of each school year, except for 2001—August is most recent CPI available.

A freeze on dollar amounts in the education budget will continue this downward slope at an even more drastic rate. While actual dollars going into the budget increased each year but one for the past decade, the impact of the proposed freeze will worsen an already difficult situation.

Freeze threatens provincial per pupil funding

(August 2001 dollars)



Source: Budget Instruction Manuals; Statistics Canada; Bank of Canada.

Notes: Uses British Columbia CPI, September of each school year, except for 2001 (August is most recent CPI available at time of writing) and forecast (f) of 2% per fiscal year for 2002-2003 and after (the midpoint of the Bank of Canada's inflation-control target).

The legislature, in setting the terms of reference of the Select Standing Committee on Education, asked for an inquiry into “measures to improve access, choice, flexibility and quality in public education.” The projection of the impact of a funding freeze over the next three years simplifies the message to the select committee: access, choice, flexibility and quality will decline, not improve.

If the Select Standing Committee on Education wants improvement in these areas, it should join us in recommending to the government that it lift the announced freeze on education funding.

IV. Improvements, Issues, and Problems

1. Three-year funding plans for school districts.

The government has said that it will provide a three-year budget to school districts. The BCTF agrees, in principle, that this has the advantage of encouraging stability and providing a framework for effective change through long-term planning. However, all of those advantages are negated when the three-year budget is a freeze on spending throughout that period.

Improved funding over three years will produce improvements in education. A funding freeze over three years will inevitably mean deterioration.

2. School-board autonomy over budgets—replacing targets and caps.

The ministry has indicated that school districts will have more autonomy with their budgets and has announced that targeting and capping of expenditures will come to an end.

Targets and caps were created to ensure that provincial policies were carried out. Previously, some parents of children with special needs felt that funds allocated for the purpose were not going into special education programs. Districts were given extra funding for the large number of ESL students in the 1990s, and the ministry wanted assurance that the ESL students received programs. In the first years of Aboriginal-education funding, much of the money did not end up directly supporting Aboriginal students. And some boards were putting much more into administration than the ministry felt was reasonable.

We don't agree that targets and caps should be removed, but if these directives about spending are removed, it is important that they be replaced by an open and transparent system of public reporting of school district expenditures. Such a system should have the following characteristics:

- a. A standard budget format for all districts so that comparisons can be made from district to district and in the same district over time.

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- b. A standard form for identifying the numbers of employees in each of the different programs and grade levels. This is the information that is currently collected in 1530. The ministry should continue to collect this information and make it available to interested parties.

An open and transparent budget process will allow parents, communities, educators, and other employees the base information they need to understand school-board directions and priorities. This understanding will allow all of the affected groups to make recommendations on expenditures that reflect their priorities for education.

3. More resources to meet special needs.

Much has been achieved in the inclusion of students with special needs since integration was mandated in the late 1980s. More and more students with special needs are not just in a classroom with other, non-special-needs students; they are an integral part of the class as a social unit. Teachers have always supported this initiative on educational and social grounds. But from the beginning, we have petitioned government and employers for adequate funds to ensure the success of integration.

A recent BCTF research project found that while 63% of teachers support the philosophy of inclusion, 86% of respondents stated that the daily implementation of the policy is difficult. The report indicates, "Teachers believe that they are expected to implement a policy of integration without adequate support or resources, an expectation that drastically increases workload and induces stress."

In the words of one teacher,

[The most significant factor in workload/stress is] "Inclusion policy – dealing with significant educational, emotional, behavioural, health problems in a classroom with little support for the problems. Time and effort is directed to the exceptional student to the detriment of the class and I often find myself "coping" rather than teaching. Particularly evident this year, as there are those individuals in my classroom, none with full-time assistance, and none of whom are able to cope with the regular program. One is a health problem (no aide time but special equipment to help with physical disabilities); one is low functioning (separate academic materials in all subject areas – 5 hours aide time); one is severe Down's syndrome – not independent functioning (20 hours aide time)."

(Naylor, "What do British Columbia's teachers consider to be the most significant aspects of workload and stress in their work?" BCTF Research Report, 2001.)

According to a recent research report by Perry *et al.* (2001), B.C. funds lower than the prevalent population of students with special needs, and at half the rate of some other jurisdictions:

B.C. has a history of underserving exceptional students. In 1987 the ministry provided special education funding to 6.2% of the students enrolled in public schools while other jurisdictions were supporting 12% of their populations. In 1989, the Canadian Council for Exceptional Children reported prevalence estimates for LDs [Learning Disabilities] in several jurisdictions across Canada. B.C.'s estimates were the lowest at 1.29%. Estimates in other jurisdictions varied from 3–10%.

(Perry, McNamara, Mercer, "Principles, policies and practices in special education in British Columbia." Presented at CSSE conference, May 2001.)

Several categories of students are being underidentified and underfunded. Others are not recognized at all: Attention Deficit Hyperactive Disorder (ADHD), Fetal Alcohol Syndrome (FAS), Fetal Alcohol Effect (FAE), and Attention Deficit Disorder (ADD).

More funding is required to meet the needs of students with special needs. Moreover, all students are affected when there are not enough resources. Those who have special needs but who receive no funding for support are missing out on help they need. So are the other students in the class – those who don't have special needs but who still need the attention and support of the teacher.

More funding should provide for smaller class sizes to reflect these demands for attention as well as provide for direct services by special education and ESL specialists to support the work of classroom teachers.

4. Cap on administration expenses.

The B.C. Liberal platform said that a Liberal government would "Devote more of each education dollar to improving the quality of education, and less to bureaucracy." We agree.

For that reason, we reject any plans to remove the cap on administration expenses. The cap has not always been effective, as school districts have found ways of disguising administrative spending as a charge against the instructional budgets. But without clear ministry expectations, district autonomy will lead to more spending on administration at the cost of less spending on the classroom.

A current example of what happens is the situation in the Cariboo-Chilcotin School District. The most recent audited financial statement for the district shows that cuts were made in instructional spending, as well as in transportation and maintenance. The district closed schools to save money, against the wishes of parents. While these

areas of direct service to students were being cut, the spending on administration went up by 2.6%.

This example illustrates two problems. One is that administrators are closest to the boards and that their interests are more easily pursued there. The other is that it is currently difficult to find out what expenditures are made until after the fact, by reading the annual audited statements. By the time the information is available, it is too late to reverse decisions. If the administrative cap is to be removed, it should be replaced by a guideline that indicates an appropriate share of the expenditures for administration. In addition, to achieve transparency in a timely fashion that would allow for public input, planned district expenditures on administration should be clearly outlined. A guideline, and transparency to see if the guideline is being followed, is a minimum of action to ensure that administration does not take more and more of the scarce resources for classroom service.

For the sake of quality education, the B.C. government must carry through on its promise to maintain and enhance funding for public education.

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