

BCTF Research Report

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Budget Update: *Budget 2011* not enough to resolve funding crisis

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Challenging the message—“highest funding ever”

What *Budget 2011* doesn't acknowledge about education funding

Each budget year, the Ministry of Education responds to concerns about chronic underfunding of public education by asserting that the ministry is providing its “highest funding ever” during a sustained period of declining student enrolment. Thus it is no surprise that the 2011 *Budget Speech* falls back on the past to justify current funding levels:

Since 2000, the Province has increased funding to BC public schools by more than \$1.4 billion. With this budget, operating funding for districts continues at record-high levels¹.

This assertion of the “highest funding ever” continues in *Budget 2011*, ignoring the evidence of a systemic structural shortfall in education funding. A 2010 report by Saanich School District (SD# 63) showed a significant provincial funding shortfall, even after accounting for declining enrolment, due to new cost pressures over the decade². BC Association of School Business Officials (BCASBO)³ identified major cost pressures facing school districts in 2010–11, estimating a \$300 million funding shortfall unless the Ministry of Education provided sufficient funding to offset these costs.

Nor does *Budget 2011* acknowledge that education is receiving a diminishing share of the provincial budget. The percentage of the provincial budget going to the K-12 education system

¹ See page 7 of *Budget Speech 2011*, available at http://www.bcbudget.gov.bc.ca/2011/speech/2011_Budget_Speech.pdf

² Saanich School District. [VISTA Presentation re Public Education Funding - Learning from the Past Feb 2010](#).

³ BC Association of School Business Officials. *2010/11 Estimated cost and funding pressures*, December 2009.

fell steadily from 19.67% in 2001–02 to 15.34% in 2009–10⁴. If funding for K-12 education in 2010–11 was restored to the 2001–02 ratio of 19.67%, an additional \$1.5 billion in funding would be available for public education⁵.

BC is falling behind other provinces

There is growing evidence that British Columbia is falling behind other provinces in its funding commitment to public education. A recent analysis by the Canadian Centre for Policy Alternatives (CCPA) shows that of all the provinces, BC has the second-lowest percentage increase in per-student funding in public elementary and secondary schools between 2002–03 and 2008–09⁶. And since 2002–03, BC has fallen behind Canada in the proportion of the GDP spent on public education. By 2007–08, BC spent 3.1% of the GDP on public education compared to 3.3% for Canada as a whole⁷.

Declining enrolment is not a justification for inadequate funding

The BC Ministry of Education continues to justify current funding levels by noting the decline in student enrolment over the last decade⁸, yet education and population statistics clearly indicate a trend of increasing enrolment in the coming years. The number of FTE students enrolled in public schools increased by 2,595.6 FTE students between 2009–10 and 2010–11⁹. Kindergarten enrolment is projected to increase by almost 7,000 students over the next 10 years, from 36,003 students in 2010–11 to 42,933 in 2019–20¹⁰. A 2010 report by BC Stats forecasts population growth for children and youth up to the age of 15 over the next 10 years¹¹.

Nor is a period of declining enrolment a justification for eroding learning support for students. Other provinces in Canada also experienced declining enrolment in the last decade but did not make drastic cuts to numbers of educators in the way BC did. Student enrolment decreased in BC (-8.8%) and Canada (-4.4%) between the years 2001–02 and 2007–08, yet over the same

⁴ Source: Saanich School District. [VISTA Presentation re Public Education Funding - Learning from the Past Feb 2010](#). Figures are based on budget estimates for Ministry of Education expenses as a percentage of Consolidated Revenue Fund total expenditure in the table “Estimated Expense by Organization”, [Estimates, fiscal year ending March 31](#), for each of the fiscal years.

⁵ BCTF. (2010). *Education funding: Highest needs ever: A brief to the Select Standing Committee on Finance and Government Services*. See pp. 8–9. Available at: <http://www.bctf.ca/uploadedFiles/Public/Publications/Briefs/2010EdFundingBrief.pdf>.

⁶ Ivanova, I. (2011). *K-12 funding problems in context: BC after a decade of tax cuts*. Vancouver: Canadian Centre for Policy Alternatives. Presented February 2011; available online at:

http://cupe.ca/updir/CCPA_Education_Funding_in_Context.pdf.

⁷ Source: Statistics Canada. (2010). [Summary Public School Indicators for Canada, the Provinces and Territories, 2001/2002 to 2007/2008](#)—Table A.27, p. 49.

⁸ See BC Ministry of Education. 2011/12–2013/14 Service Plan, February 2011, p.9. Also, BC Ministry of Education. News release: British Columbia spends \$24.2 M every day on students. December, 17, 2010, available at http://www2.news.gov.bc.ca/news_releases_2009-2013/2010EDUC0138-001588.pdf.

⁹ BCTF Research calculations with data from: BC Ministry of Education. *Student Statistics – 2010/11*, January 2011, p. 17. Available online at http://www.bced.gov.bc.ca/reports/pdfs/student_stats/prov.pdf.

¹⁰ BCTF Research chart with data from the BC Ministry of Education (2010). Provincial totals in [Projection Report for Public School Aged Headcount Enrolments \(excludes adults\) 2009/10 District and Provincial Report](#), p. 2.

¹¹ BCTF Research table, with figures from BC Stats (2010), Table 6: British Columbia Population by Age. [British Columbia Population Projections: 2010–2036](#).

period, the number of educators¹² in public schools increased by 9.8% in Canada as a whole but decreased by 7.8% in BC¹³. Sadly, many of the teaching positions that provide support to students in need of extra support were eliminated. By 2010–11, BC public schools had 1,412.70 fewer FTE learning specialist teachers (e.g., Special Education teachers, ESL teachers, counsellors, teacher-librarians) to support students than in 2001–02¹⁴.

The BC government could have chosen to use a period of declining enrolment as an opportunity to address the unmet needs in the education system by offering smaller classes, clearing up wait lists for assessments, and increasing learning support for special needs and other unique student groups.

What is new in *Education Programs* funding for 2011–12?

The new Ministry of Education Service Plan¹⁵ states the three main goals for 2011–12 to 2013–14 as:

- ensuring BC’s young children benefit from high-quality early learning experiences;
- extending the success of BC’s K-12 system by responding to unique needs of all students; and
- helping all learners improve their lives through life-long learning and literacy opportunities.

Little new funding for *Education Programs*

Budget 2011 announced a slight increase of \$79 million for *Education Programs* in 2011–12, with funding increasing to \$5.183 billion from \$5.104 billion in 2010–11 (Table 1). Of the \$79 million increase in *Education Programs* funding, \$63 million is allocated for the implementation of full-day Kindergarten, of which \$58 million is for public schools. Another \$16 million is earmarked to cover the teacher salary increase for the remaining portion (30%) of 2010–11¹⁶. *Independent Schools* funding will increase by \$7.2 million while *Early Learning and Literacy* programs receive no additional funding in 2011–12.

¹² Statistics Canada defines educators as “all employees in the public school system (either school-based or district-based), who belong to one of the three following categories: teachers, school administrators, and pedagogical support.”

¹³ BCTF Research calculations with data from: Statistics Canada (2010). [Summary Public School Indicators for Canada, the Provinces and Territories, 2001/2002 to 2007/2008](#)—Table A.1 (p. 21) and Table A.12 (p. 32).

¹⁴ BCTF Research calculations with data from BC Ministry of Education, *Staff by Year and Program Code* (Form 1530 data) for 2001–02 to 2009–10; 2010–11 estimate from BC MOE, [Table 10. 2010/11 Annual Budgeted Provincial Summary of FTE Employees by Type of Employee and Program](#).

¹⁵ BC Ministry of Education. 2011/12–2013/14 Service Plan, February 2011, p. 10.

¹⁶ This amount is allocated to Budget 2011 as there is an overlap between the school year and the fiscal year (*as explained by ministry staff in the budget lock-up*).

Table 1: Education Program components—Comparison of 2011–12 budget to prior year (\$000's)

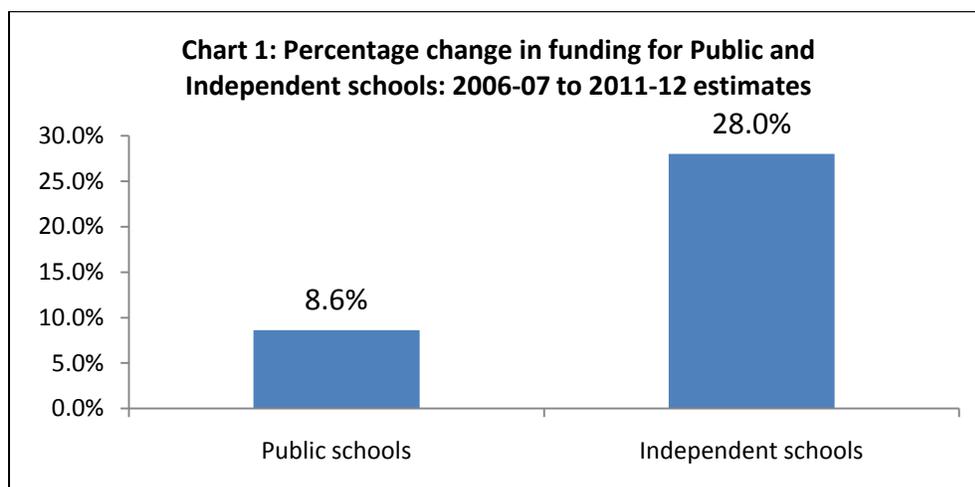
	2010–11 estimates (restated)	2011–12 estimates	Dollar change	Percentage change
Public schools	\$4,828,275	\$4,900,451	\$72,176	1.50%
Independent schools	\$257,623	264,770	\$7,147	2.80%
Early Learning and Literacy	\$17,633	\$17,633	\$0	0.00%
All Education Programs	\$5,103,531	\$5,182,854	\$79,323	1.60%

Source: Ministry of Education. “Comparison of 2011/12 Budget to Prior year (\$000's)”, *2011/12 Estimates, Briefing Material for Partner Groups*, February 15, 2011, p. 3.

As *Budget 2011* freezes funding levels for *Early Learning and Literacy* programs and the \$79 million increase is already allocated, there is no additional funding in this budget to address the goals laid out in the Service Plan such as enhancing early learning programs, broadening support for adult learning, being more responsive to the needs of students, and promoting literacy.

How does funding for public and independent schools change in 2011–12?

Public Schools funding will increase by 1.5% and *Independent Schools* funding by 2.8% in 2011–12 (Table 1). Over the last six years (2006–07 to 2011–12 estimate), *Public Schools* funding increased by 8.6% compared to a 28% increase in funding for *Independent Schools* (Chart 1).



BCTF calculations with figures from BC Ministry of Education. “Public schools funding” and “Independent schools funding”, *2011/12 Estimates, Briefing Material for Partner Groups*, February 15, 2011, p. 4.

What does the future hold for *Education Programs* funding?

The *Budget 2011* documents include estimates for planned expenditures over three years. These are revised and updated in each new budget year. Based on the *Budget 2011* estimates, the future looks bleak for public education. *Education Programs* funding is projected to increase by only \$22 million in 2012–13, with no increase planned for 2013–14 (Table 2).

Table 2: Education Programs (*Budget 2011* estimates)

	(billion)	Year-to-year change	Percentage change
2010–11 estimates	\$5.104		
2011–12 Plan	\$5.183	\$0.079	1.6%
2012–13 Plan	\$5.205	\$0.022	0.4%
2013–14 Plan	\$5.205	\$0.000	0.0%

Source: BCTF Research calculations with figures from Ministry of Education. “Resource Summary Table”, *2011/12 Estimates, Briefing Material for Partner Groups*, February 15, 2011, p. 2.

What is new for public school funding?

Annual Facility Grant (AFG) restored

The ministry’s *Briefing Material for Partner Groups* document notes that the \$110 million Annual Facility grant funding to school districts is restored for 2011–12, with some or all of the AFG funding coming from a capital contingency fund¹⁷. This differs from previous years, when this funding was included as a component of *Public Schools* funding. The Capital Plan¹⁸ shows a \$100 million increase for 2011–12 and a \$110 million decrease in 2012–13. If the AFG is drawn from the capital budget, this may mean the restoration of the AFG in 2011–12 is a one-time-only grant.

CommunityLINK funding

The ministry’s *Briefing Material for Partner Groups* document also shows funding to Support for School Systems (CommunityLINK, PRPs, PLNet, etc.) increasing by about \$11 million¹⁹, from \$131 million in 2010–11 to \$142 million in 2011–12. It is not clear from the budget documents whether any of this funding increase is allocated for CommunityLINK programs.

Operating grants increase, but by \$54 million less than in 2010–11

Budget 2011 includes estimates for total district operating grants for 2011–12. Block funding to school districts will increase by \$58 million, from \$4.663 billion in 2010–11 to \$4.721 billion in 2011–12²⁰. According to ministry staff, all of this increase is allocated for the implementation of full-day Kindergarten.

¹⁷ Ministry of Education. *2011/12 Estimates: Briefing Material for Partner Groups*, February 15, 2011, p. 6.

¹⁸ BCTF Research calculations with figures from Ministry of Education. “Resource Summary Table”, *2011/12 Estimates, Briefing Material for Partner Groups*, February 15, 2011, p. 2.

¹⁹ Ministry of Education. *2011/12 Estimates: Briefing Material for Partner Groups*, February 15, 2011, p. 6.

²⁰ Ministry of Education. *2011/12 Estimates: Briefing Material for Partner Groups*, February 15, 2011, p. 7.

Table 3: Change to district operating grants, 2010–11 to 2011–12 (*Budget 2011 estimates*)—Adjusted for school-year

Operating grants	(\$ in millions)
2010–11 school year	\$4,663
2011–12 school year estimate	\$4,721
Dollar change	\$58
Percentage change	1.2%

Source: Ministry of Education. “Link between school-year and fiscal year”, *2011/12 Estimates, Briefing Material for Partner Groups*, February 15, 2011, p. 7.

This is considerably less than the \$112 million increase to school districts in 2010–11, which was not enough to cover the \$300 million structural shortfall indicated by BCASBO²¹ as necessary to maintain services at current levels. While the funding increase in 2010–11 provided funding for a 2% teacher salary increase and new costs associated with full-day Kindergarten, it did not address many other cost pressures such as a teacher pensions cost increase, carbon offsets, MSP premium, BC Hydro rate increases, CUPE Trades Adjustment, or underfunded mandates. Many districts reported significant funding shortfalls for 2010–11²², resulting in school closures, loss of teaching and other staff positions, and an erosion of support for students in the classroom.

Budget 2011: How does BC compare to Alberta?

The Alberta government also tabled a budget in February 2011, which includes \$6.4 billion for the K to 12 education system for 2011–12. Alberta budget documents show a significant increase in funding support for K-12 schools (64%) over the decade, increasing from \$3.9 billion in 2002–03 to \$6.4 billion for 2011–12²³.

Compare this to the \$5.2 billion the BC government allocates for K-12 schools in *Budget 2011*²⁴. Given that BC²⁵ has about 50,000 more students enrolled in public and independent schools than Alberta²⁶ it seems fair to assume that funding levels would be similar. Had BC retained the same funding ratio (education programs as a percentage of the provincial budget) as in 2001–02, funding for *Education Programs* (BC K-12 schools) would be \$6.6 billion in 2010–11²⁷.

²¹ BC Association of School Business Officials. *2010/11 Estimated cost and funding pressures*, December 2009.

²² White, M. *Education funding in crisis: Will the 2010-11 budget make a difference?* BCTF Research Report, March 2010, p. 3.

²³ Government of Alberta Budget 2011 documents. “Total government support to the K-12 education system.” (Chart). February 2011. Available at: <http://budget2011.alberta.ca/newsroom/>

²⁴ BC Ministry of Education. *2011/12 Estimates: Briefing Material for Partner Groups*, February 15, 2011, p. 3.

²⁵ BC 2010–11 enrolment is 639,045 students after excluding graduated adults (GA) from total count for K-12 grades. BC Ministry of Education. *Student Statistics – 2010/11*, January 2011, p. 9.

²⁶ Alberta 2010–11 enrolment for students 19 years and younger as of September 1 is 589,877 students. Alberta Education. *Student population by grade, school, and authority, Alberta, 2010/11 school year*, February 2011, p. 3.

²⁷ BCTF. (2010). *Education funding: Highest needs ever: A brief to the Select Standing Committee on Finance and Government Services*. See pp. 8–9. Available at: <http://www.bctf.ca/uploadedFiles/Public/Publications/Briefs/2010EdFundingBrief.pdf>.

Of the \$6.4 billion allocated for K-12 schools in Alberta, \$5.7 billion goes to school boards²⁸, considerably more than the \$4.64 billion allocated to school districts in BC for the 2011–12 fiscal year²⁹. While BC's *Budget 2011* provides school districts with no new funding for a teacher salary increase in 2011–12, Alberta school boards are funded to cover the “anticipated 4.4% increase in teachers’ salaries effective September 1, 2011” and \$228 million for the Small Class Size initiative³⁰.

***Budget 2011* will deepen the funding crisis in education**

The funding crisis school districts experienced in 2010–11 will worsen in 2011–12 if current funding estimates prevail. 2011–12 *Operating Grants* estimates provide only \$58 million, allocated to the final implementation of full-day Kindergarten. School districts will have no new money to address either the cumulative structural shortfalls that carry over from year to year or new cost pressures in the system. There is no additional funding in district operating grants to cover general inflation, salary and benefit improvements, or to address class size and composition issues.

Ongoing structural shortfalls mean that each year districts are pushed deeper into a financial crisis, surpluses are used up, and the impacts on students, the classroom, and the school community are more severe. Other than the restoration of the AFG, *Budget 2011* offers little relief to school districts struggling to balance budgets with education funding that has not kept pace with cost pressures over the last decade.

Tables and charts prepared by BCTF Research.

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²⁸ Government of Alberta. “Alberta Education Budget 2011 breakdown - \$6.4 billion – Includes \$202 million in education property taxes for opted-out school boards.” (Chart).

²⁹ BC Ministry of Education. *2011/12 Estimates: Briefing Material for Partner Groups*, February 15, 2011, p. 7.

³⁰ Government of Alberta. *Budget 2011 Summary by Ministry*, February 24, 2011.