



# British Columbia Teachers' Federation

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## Education Funding

*A brief to the*

Select Standing Committee on Finance  
and Government Services

from the

British Columbia Teachers' Federation

September 15, 2011

President

Executive Director

# Education Funding Brief 2011

## BC Teachers' Federation

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## Public Schools: The future is in our hands

### 1. Introduction

We appreciate the opportunity to present our views on the provincial government's budget to the Select Standing Committee on Finance and Government Services. It is a crucial time for public education in British Columbia and we take very seriously the chance to provide information and our perspective on the relationship between the budget and the needs of students and teachers.

Our brief presents evidence of the challenge that faces us all and we hope you will examine the details in the statistics and charts in the second section of this brief.

As we are sure you know, we believe that public education is underfunded in BC. We have heard many times that the schools have the highest funding ever. While that may be true in actual dollars, it is not true of the levels of service that those dollars will purchase. The costs of running schools have gone up more than the funding provided. Some of that is because of inflationary factors, but, also, a significant amount is a result of costs that have been downloaded onto school districts.

The proof of this is in the statistics about the staffing of the schools and the conditions in classrooms. In the last school year (2010–11), we had 3,627 classes with over 30 students, that is, over the maximum class size as set out in the *School Act*. Even more disturbing, we had over 12,000 classes with four or more students with special needs, again over the maximum (of three) specified in the *School Act*.

Any improvements that have been made in class size in the primary grades have come at an incredible cost to students with the most needs. The result is that we have lost the learning specialist positions that played a key role in building a school system ranked among the best in the world, according to the OECD PISA results.

These cuts have caused a high degree of professional anxiety in teachers as we can no longer meet the needs of the students in our care. Class size, class composition, and the provision of learning specialist services to students have long been high priorities for teachers. For many years, teachers sacrificed wage and benefit improvements in order to improve our working conditions and our students' learning conditions. For example, in 1998 the majority of teachers voted to approve a collective agreement with a zero salary increase in two years while many other public sector employees were getting wage increases. Teachers agreed to those two years of "zero" in return for gains of better staffing for learning specialist teachers (special education, ESL, counsellors, teacher-librarians) through staffing formulas built into the collective agreement, as well as guarantees of class size and class composition standards.

Those two years of “zero,” and another of one percent, are part of why the salary of teachers in BC has fallen so far behind the salaries of teachers in all the other provinces in Western Canada and Ontario. When you divert funds from the base salary, you fall further and further behind—even if you get the same percentage increases as others in future years. It also means that a future “zero” has a further negative effect, comparative to other public sector workers who did not agree to “zero” in those years.

Having accepted “zero” in 1998 for two years to gain improvements in services to students, teachers then faced legislation which Madame Justice Griffin described as a perceived insult to teachers in her BC Supreme Court ruling on Bills 27 and 28. She wrote,

The legislation undoubtedly was seen by teachers as evidence that the government did not respect them or consider them to be valued contributors to the education system, having excluded them from any freedom to associate to influence their working conditions.<sup>1</sup>

Bills 27 and 28 in 2002 stripped the teacher collective agreements of the staffing gains that were paid for by the sacrifices teachers had made in bargaining.

Three results flow from this situation (which are documented later in this brief):

1. The staffing to provide educational services to our students has declined substantially since 2002. British Columbia is unique; we have worsening staffing conditions, while other provinces improved staffing to support students. Like BC, most provinces in Canada experienced declining enrolment over the last decade. Unlike BC, most provinces chose to improve learning conditions for students, during this period, by hiring more educators. In fact, the change in employment of educators decreased by about the same percentage in BC as it increased in Canada as a whole.
2. Teacher salaries have fallen further and further behind those of teachers in other provinces.
3. The BC Supreme Court has said that the actions taken by the province in Bills 27 and 28 were not legal; they were a violation of teachers’ fundamental constitutional rights. Justice Griffin provided one year for the province to remedy the situation.

The BC government has cut taxes substantially over the past decade. In particular, it reduced taxation on corporations and for those with the highest incomes. These tax cuts shrank government revenue, resulting in cuts to public services including education.

However, the people of BC rely on government services and expect them to be of high quality. When they see that the services they need are being funded by an increase in taxes, and those taxes are greatest for those who can best afford them, the public readily supports such a tax regime.

Having a good public education system is not optional. It is essential for the health of our society and our economy, as well as for the development of the potential of every child. That is why the funding must be there to restore strength, resilience, and quality to the system.

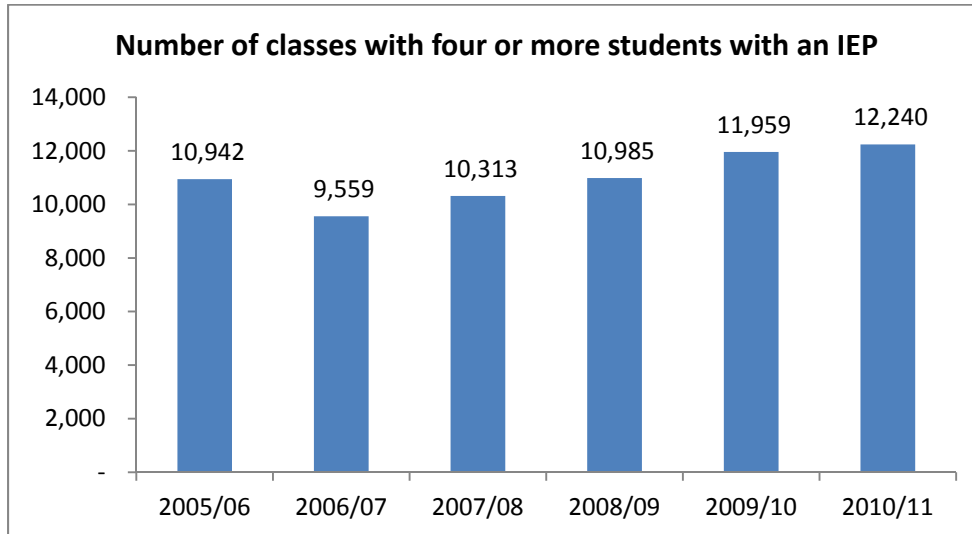
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<sup>1</sup> R v British Columbia Teachers’ Federation. 2011 BCSC 469 paragraph 380; link to full document available at <http://www.bctf.ca/BargainingAndContracts.aspx?id=23159>

## 2. References, statistics, and analysis

### A. Class composition—conditions have worsened

The number of classes with four or more students with special needs has been increasing. This means that *all* students are getting less attention.



BCTF Research calculations and table created with data from: Ministry of Education. *Overview of class size and composition in BC public schools: 2005/06, 2006/07, 2007/08, 2008/09, 2009/10, and 2010/11 reports*, p.3.

The number of students with special needs has been increasing in most directly funded categories, most notably students designated as having Autism Spectrum Disorder and Physical disability/Chronic health impairment. In the categories that do not receive a funding supplement, the reported numbers have declined in some and increased in others. For example, there were 1,518 more students designated with a learning disability in 2010–11 than in 2005–06. In the special needs categories where there has been a decline in number of students identified, this is not necessarily because fewer students need the resources, but because there is no additional funding to support them. They do, however, still require the additional support from teachers, making classroom conditions more difficult.

### Change in the composition of special needs students: 2005–06 to 2010–11

Type of special need	2005–06	2010–11	Change
<b>Increase in students with special needs since 2005–06</b>			
Autism Spectrum Disorder (G)	2,593	5,521	+2,928
Learning disabilities (Q)	16,702	18,220	+1,518
Physical disability/Chronic health impairment (D)	5,827	7,074	+1,247
Deafblind (B)	48	59	+11
<b>Decrease in students with special needs since 2005–06</b>			
Gifted (P)	11,582	7,333	-4,249
Behaviour disabilities (H, R)	16,832	13,690	-3,142
Mild intellectual disability (K)	2,751	2,230	-521
Moderate to profound intellectual disability (C)	2,457	2,049	-408
Sensory disabilities (E, F)	1,797	1,534	-263
Physically dependent (A)	686	610	-76

BCTF table created with data from BC Ministry of Education. Student Statistics—2009/10 and 2010/11: Province, p.2, January 2010 and 2011.

### B. English as a Second Language—number of students up, number of teachers down

Another group that needs specific assistance is students whose first language is not English. Even as overall enrolments declined over the past decade, more students have been identified as coming from homes where the first language is other than English.

Enrolment in English as a Second Language has increased steadily over the decade to 61,974 students in 2009–10, an increase of 2,492 students.

Almost double that number of students (130,338) live in families where the primary language spoken at home is other than English, an increase of 15,840 since 2000–01 and 3,480 since 2005–06.

#### Change in enrolment—student group/program except special needs (public only)

Student group	School year			Change	
	2000–01	2005–06	2009–10	Since 2000–01	Since 2005–06
ESL students	59,482	60,675	61,974	+2,492	+1,299
Primary language spoken at home is not English	114,498	126,858	130,338	+15,840	+3,480

BCTF Research table created with data from BC MOE (2010), *2009/10 Summary of Key Information*, pp. 14–16;

Adequately meeting the needs of this growing number of students requires two kinds of support:

1. Smaller classes, so these students get the additional attention they need, through recognizing the provision of special funding to support them.
2. Students need English-as-a-second-language specialist teachers.

## C. Class size: Increased needs but a decline in number of teachers

Special needs and ESL are two areas of learning specialists needed in the system, but they are not alone. A qualified, professional teacher-librarian in the library is a key factor, outside of the socio-economic neighbourhood of the school, in improved literacy in schools.<sup>2</sup> Counsellors are required to meet the increasing needs of students in the 21st century.<sup>3</sup> All of these specialist areas have taken a significant hit over the past decade. Demands are up, specialist support is down.

FTE staffing levels for specialist teachers have decreased steadily over the decade. There are 1,459.4 fewer FTE specialist teachers in 2010–11 than in 2001–02. This includes a recent loss of 244 FTE specialist teachers between 2009–10 and 2010–11. Considerably more positions were lost than the ministry estimates (-197.4 FTE)<sup>4</sup> suggested.

### FTE learning specialist teacher positions: 2001–02, 2005–06, 2007–08, 2009–10, and 2010–11

Specialty program	Number of FTE specialist teachers					Change from 2001–02 to 2010–11
	2001–02	2005–06	2007–08	2009–10	2010–11	
Library Services	921.8	741.3	730.0	685.8	644.7	-277.1
Counselling	991.0	901.7	915.8	909.9	885.0	-106.0
Special Education	4,051.5	3,357.9	3,446.5	3,403.4	3,313.9	-737.6
English as a Second Language	1,015.6	848.7	791.2	786.1	687.5	-328.1
Aboriginal Education	205.9	197.1	190.9	185.2	195.3	-10.6
<b>Total</b>	<b>7,185.8</b>	<b>6,046.7</b>	<b>6,074.4</b>	<b>5,970.4</b>	<b>5,726.4</b>	<b>-1,459.4</b>

BCTF Research tables and calculations. Figures from BC MOE, *Staff by Year and Program Code* (Form 1530 data) for 2001–02 to 2010–11. Figures rounded to one decimal point.

<sup>2</sup> Haycock, K. (2003). *The crisis in Canada's school libraries: The case for reform and re-investment*. Toronto: Association of Canadian Publishers.

<sup>3</sup> In an interview for a recent *Tyee* article, Dr. Lynn Miller, Professor of Counselling Psychology at UBC, expressed concern that it is increasingly difficult for counsellors in BC public schools to respond to the emotional and social needs of students. She attributes this to the loss of counselling positions, noting that the number of students per counsellor was 360 to 1 in 2002 (when staffing ratios were in effect) and is now as high as 1,200 to 1.

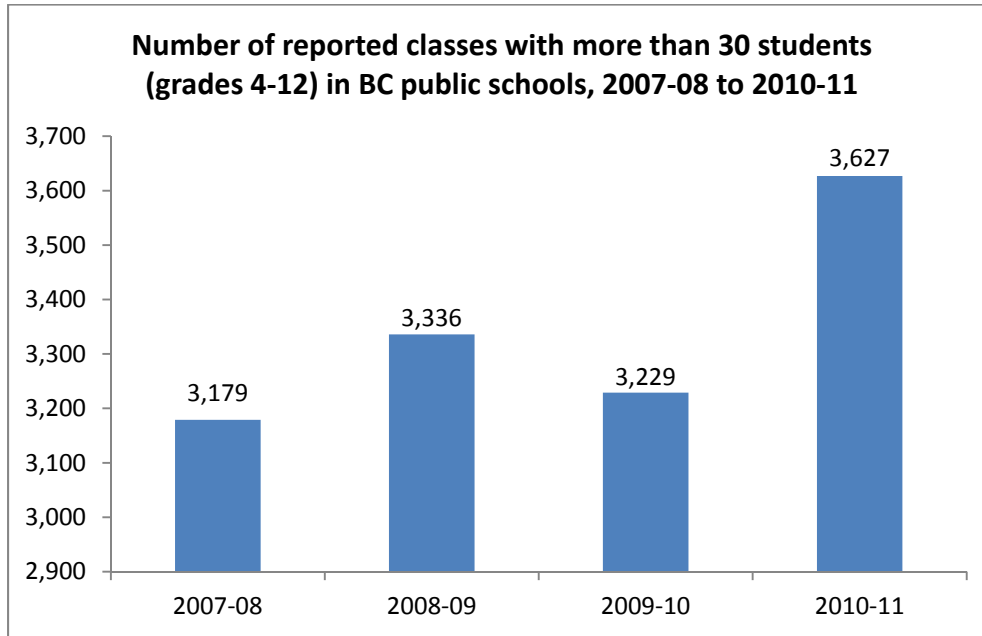
Source: Swiggum, Carrie. "At School, More Stressed Kids, Fewer Counsellors - Widening ratio of students to counsellors 'outrageous,' says UBC professor." *The Tyee*, 8 September 2011, [www.TheTyee.ca](http://www.TheTyee.ca)

<sup>4</sup>BCTF calculations with figures from BC Ministry of Education, *Table 10. 2010/11 Annual Budgeted Provincial Summary of FTE Employees by Type of Employee and Program*.

## D. Class size: A determinant of a quality education system

BC public schools continue to lose much-needed teaching positions. The number of FTE teaching positions in BC public schools has fallen steadily since 2005–06, decreasing from 31,006.9 FTE positions to 30,110.1 FTE positions in 2010–11. This means there were 896.8 fewer FTE teachers in BC classrooms in 2010–11 to support the needs of students than in 2005–06.<sup>5</sup>

The number of classes with more than 30 students increased significantly between 2009–10 and 2010–11, despite some improvement in the previous year.



Source: Ministry of Education. *Overview of class size and composition in BC public schools: 2007/08, 2008/09, 2009/10, and 2010/11 reports*, p.4. (Figures not available for 2005/06 and 2006/07.)

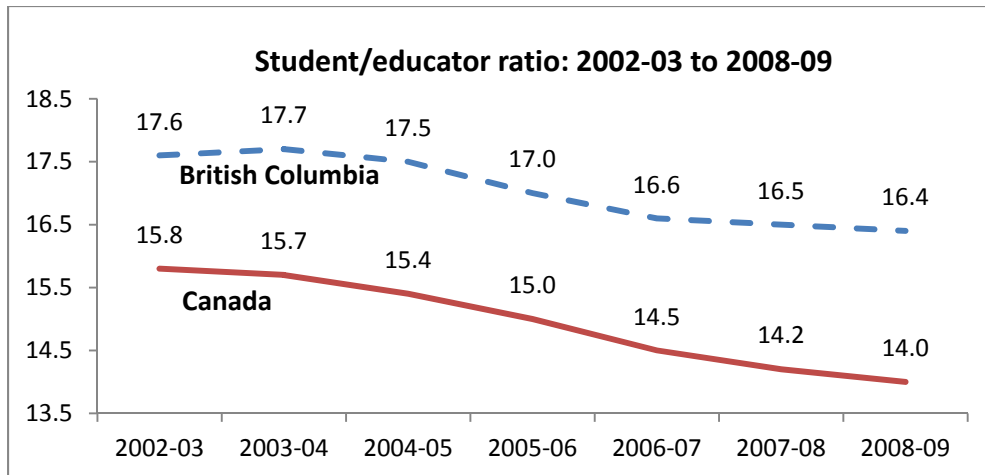
<sup>5</sup> BC Ministry of Education. *Teacher Statistics–2009/10, Province—Public Schools*, p. 3 (February 2010 [Fall version]). 2010–11 figures from BC Ministry of Education, *Teacher Statistics–2010/11, Province—Public Schools*, February 2011, p. 3.

## More government support for teachers in other provinces. Why not here?

Provinces across the country, with the exception of Alberta, have faced declining enrolments over the past decade, but have used this as an opportunity to improve education conditions. British Columbia, however, drastically decreased the number of educators and widened an already existing gap in the student/educator ratio compared to Canada: between 2002–03 and 2008–09, the gap between BC’s and Canada’s SER increased from 1.8 to 2.4.

British Columbia (16.4) had the second-highest student/educator ratio (SER) in Canada (14.0) in 2008–09.

### BC student/educator<sup>6</sup> ratio worse than the national average

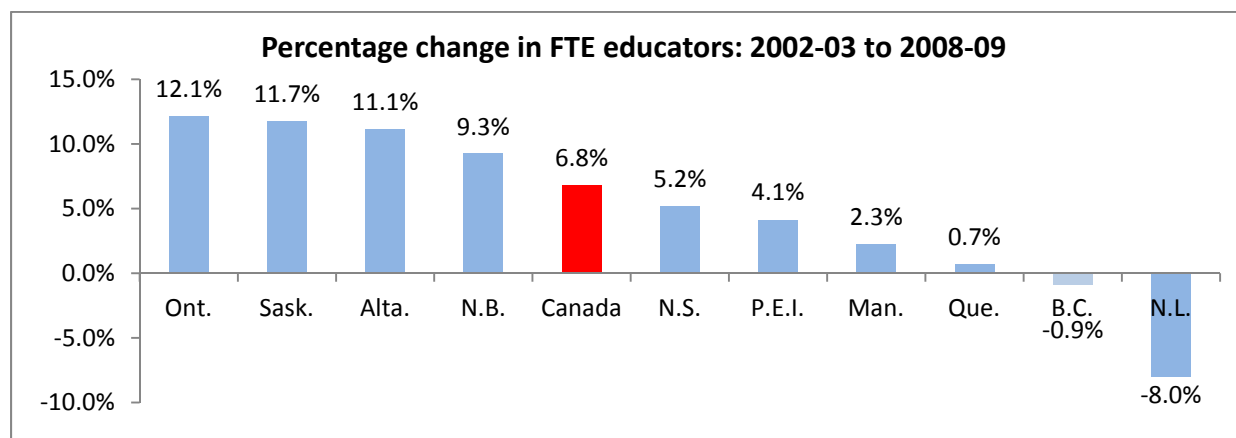


Source: *Summary Public School Indicators for Canada, the Provinces and Territories, 2002/2003 to 2008/2009*—Table A.14. Student-educator ratio in public elementary and secondary schools, Canada, provinces and territories, 2002/2003 to 2008/2009, p.22.

<sup>6</sup> Note: Statistics Canada defines educator as “employees in the public school system who are required to have teaching certification as a condition of their employment. This definition generally includes principals, vice-principals and professional non-teaching staff such as education consultants, guidance counselors and religious and pastoral counselors.”



The number of FTE educators has gone up in every province across the country, except for Newfoundland and Labrador and British Columbia. Newfoundland and Labrador had dramatic declines (16.5%) in student enrolment that account for its position, although it reduced its number of FTE educators by only 8%. In every other province except Alberta, the numbers of educators went up while number of students went down.<sup>7</sup> In contrast, the BC decline in the number of educators was a result of government policy to limit funding to boards of education.



Source: BCTF Research chart with data from Statistics Canada. *Summary Public School Indicators for Canada, the Provinces and Territories, 2002/03 to 2008/09*. Table A.13, Full-time equivalent educators in public elementary and secondary schools, Canada, provinces and territories, 2002/03 to 2008/09, p. 21.

The above chart does not reflect the significant loss of educators in BC between 2001–02 and 2002–03, after Bills 27 and 28 were implemented. Taking this into account, educator employment grew by 7.0% in Canada and fell by 6.4% in BC between 2001–02 and 2008–09.<sup>8</sup>

Interestingly, two of the three provinces with the largest percentage increases in the numbers of teachers (Ontario and Alberta), also have salaries for teachers that are much higher than those in British Columbia.

<sup>7</sup> Statistics Canada. *Summary Public School Indicators for Canada, the Provinces and Territories, 2002/03 to 2008/09*. Table A.2, Full-time equivalent enrolments in public elementary and secondary schools, Canada, provinces and territories, 2002/03 to 2008/09, p. 10.

<sup>8</sup> BCTF Research calculations with data from: Statistics Canada. *Summary Public School Indicators for Canada, the Provinces and Territories, 2002/03 to 2008/09*. Table A.2, Full-time equivalent enrolments in public elementary and secondary schools, Canada, provinces and territories, 2002/03 to 2008/09, p. 10 and Table A.13, Full-time equivalent educators in public elementary and secondary schools, Canada, provinces and territories, 2002/03 to 2008/09, p. 21.

## **E. Other provinces support fair compensation for teachers. Why not British Columbia?**

### **What would a “zero” mean for BC teachers?**

BC teacher salaries lag far behind teacher salaries in most of the country, even though BC has the highest cost of living in Canada. In 2010–11, a *Vancouver* teacher at maximum salary for Category 5 earned \$10,969 less than an elementary teacher in *Toronto*, \$11,876 less than a secondary teacher in *Ottawa*, and \$16,860 less than a teacher in *Edmonton*.

If BC teachers receive no salary increase for 2011–12, a teacher in Edmonton with equivalent years of experience and education will earn \$95,354 compared to \$74,353 for a teacher in Vancouver. The earnings gap will widen from \$16,860 to \$21,001.

All provinces in Canada are dealing with the effects of a global economic crisis, yet only the BC government is imposing a freeze on teacher salaries. Ontario teachers are scheduled to receive a 3% salary increase as of September 2011. In February 2011, Alberta government budget documents indicated a 4.4% salary increase for Alberta teachers for 2011–12.<sup>9</sup> A recent mediator’s report recommended salary increases for Saskatchewan teachers of up to 10.51% over three years depending where teachers place on the salary scale. This report also shows that the minimum and maximum average annual teacher salary in British Columbia is the lowest of all Western provinces.<sup>10</sup>

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<sup>9</sup> Legislative debate indicating a 4.4% teacher salary increase for Alberta teachers:

<http://www.teachers.ab.ca/News%20Room/EyeOnTheLegislature/Highlights%20from%20the%20Assembly/2011/Spring%202011/Pages/Budget-covers-forecast-44-per-cent-increase-in-teachers'-salaries.aspx>.

A comparison of 2010–11 and 2011–12 salary figures in the Collective Agreement between the Board of Trustees of Edmonton School District 7 and the ATA (2007–12) shows a 4.54% salary increase as of September 1, 2011.

<sup>10</sup> Report submitted by Richard I. Hornung, Q.C. to The Minister of Labour Relations and Workplace Safety. Saskatchewan, July 5, 2011.

## Salary comparison: Canadian teacher salary rankings as of 2011

Equivalents to BC's maximum for Category 5, which is the salary ranking for most BC teachers

Prov.	City/Province/Territory	2011* Cat 5 Max
NT	NWTTA	\$111,929
NT	Yellowknife Catholic	\$106,800
NT	Yellowknife School District #1	\$103,365
NU	Nunavut	\$101,334
AB	Edmonton SD 7	\$ 95,354
AB	Lethbridge SD 51 **	\$ 95,162
YT	Yukon	\$ 95,153
AB	Calgary SD 19 **	\$ 95,073
ON	Toronto Secondary	\$ 89,614
ON	Eastern OECTA	\$ 88,933
ON	Ottawa-Carleton Secondary	\$ 88,816
ON	Elementary Teachers of Toronto (ETFO)	\$ 87,882
ON	Near North Elementary (ETFO)	\$ 87,589
ON	Ottawa-Carleton Elementary (ETFO)	\$ 86,717
MB	Brandon ***	\$ 78,341
SK	Saskatchewan - Step 15 (2010)	\$ 76,593
MB	Winnipeg (2010)	\$ 76,424
NB	New Brunswick	\$ 75,241
<b>BC</b>	<b>Prince George (at June 30, 2011)</b>	<b>\$ 74,353</b>
<b>BC</b>	<b>Vancouver (at June 30, 2011)</b>	<b>\$ 74,353</b>
<b>BC</b>	<b>Victoria (at June 30, 2011)</b>	<b>\$ 74,353</b>
QC	Quebec	\$ 71,946
PEI	PEI	\$ 68,117
NS	Nova Scotia (2010)	\$ 67,186
NL	Newfoundland and Labrador	\$ 67,001

\* Unless otherwise specified. Effective dates for Winnipeg (Jan. 1, 2010), Saskatchewan (Jan. 1, 2010 to Aug. 31, 2010) and Nova Scotia (Aug. 2009 to July 31, 2010).

\*\* Lethbridge and Calgary: BCTF Research calculation based on 4.54% increase as indicated in the updated salary grids for Edmonton School District No 7 (2007–12).

\*\*\* BCTF calculation based on 2% salary increase (The Manitoba Teachers' Society settlements: <http://www.mbteach.org/collective-bargaining/salarysettlements.html>).

Source: BCTF report (June 2011): *Canadian teacher salary rankings, provinces and territories*, available on the BCTF website at <http://bctf.ca/uploadedFiles/Public/BargainingContracts/2011-12SalaryRankings.pdf>.

## **The BC public sector has fallen behind the private sector**

A salary freeze in the provincial public sector will further widen the gap between private and public sector employees. Over the last decade, public sector wages have not kept pace with the private sector. Between 2000 and 2010, average annual wages increased by a total of 25.0% in the BC private sector compared to only 16.9% in the BC public sector.<sup>11</sup> Of the 23 private sector wage settlements negotiated during February 2011 and April 2011, 20 settlements resulted in increases ranging from 1% to 4% in 2011. Canadian National Railway employees recently settled for an 11% increase over four years.<sup>12</sup>

Fairness requires that government sector workers in BC be able to negotiate salaries that are more reflective of those of other workers.

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<sup>11</sup> BCTF Research calculation of total change from 2000 to 2010. Figures from Statistics Canada reports. Wage increases in major collective agreements (February 3, 2011). Average annual percentage wage adjustments, 500+ employees, Public Sector, Provincial Jurisdiction, British Columbia, 1990–2010/11. Average annual percentage wage adjustments, 500+ employees, Private Sector, Provincial Jurisdiction, British Columbia, 1990–2010/11.

<sup>12</sup> BCTF Research calculations with figures from BC Bargaining Database, Vol. 04, NO. 02 – April 2011: Settlement Summaries (February 2011 to April 2011).

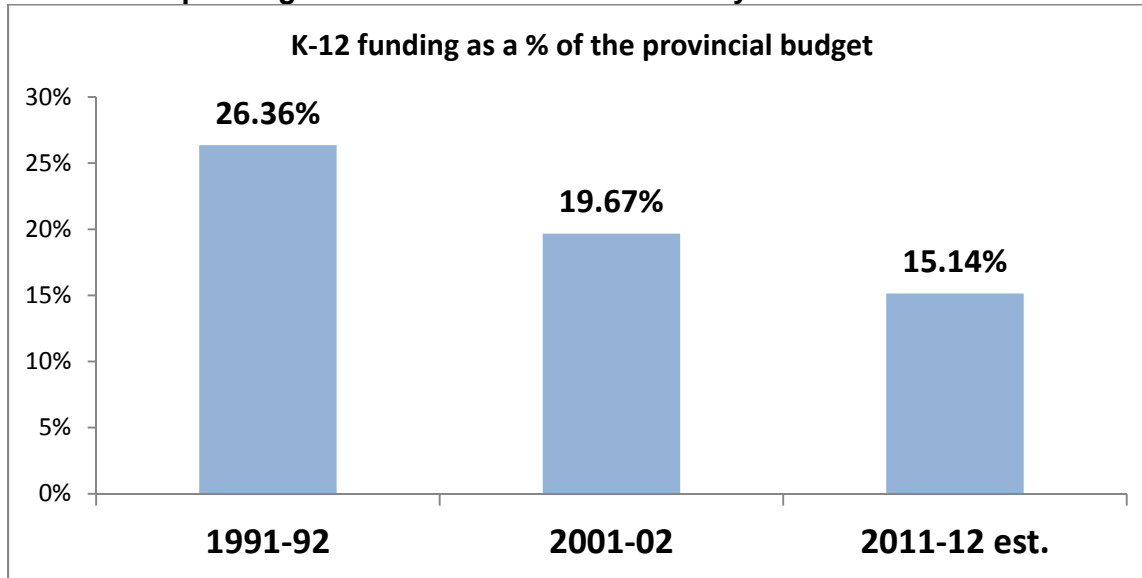
<http://www.bcbargaining.ca/Reports%5C2011%5CApril%5CSEV04N02.pdf>

## F. Relative funding of K–12 has been falling by all measures

K–12 education has received a diminishing share of the provincial budget over the past two decades. If public education received today, the same percentage of the provincial budget as it did in 1991–92, many of the goals to improve learning conditions could be attained, such as:

- smaller classes
- increased support for students with special needs and grey-area students
- fully resourced libraries
- programs to fully meet the needs of all vulnerable students.

### BC relative spending on K–12 education falls steadily



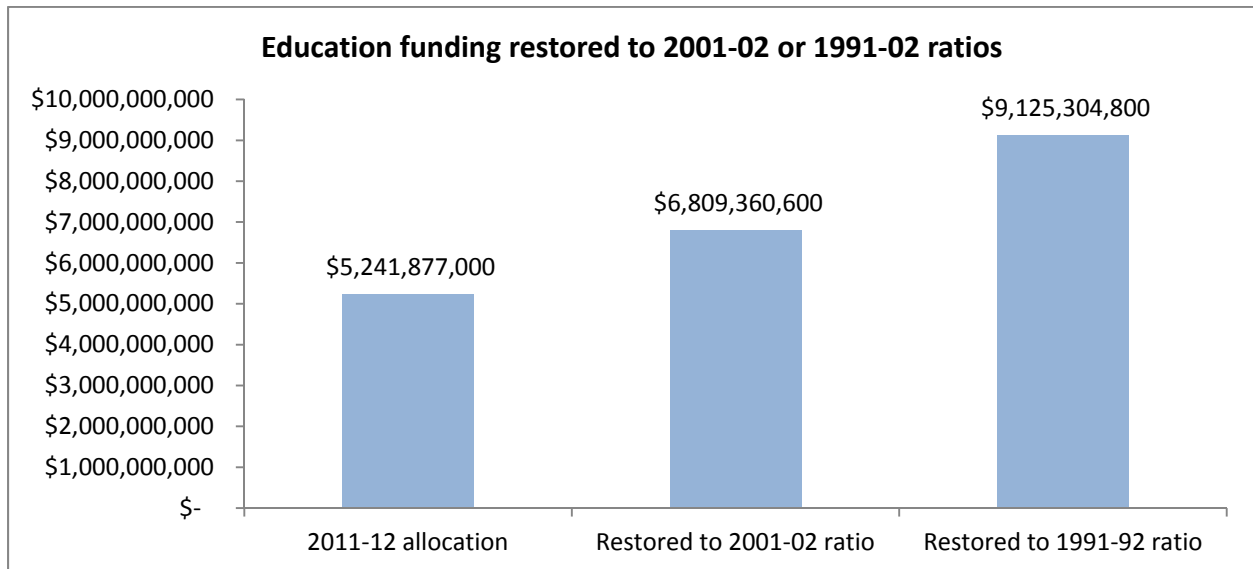
BCTF Research chart with data from: Saanich School District. *Public Education Funding: Learning from the Past*, Presentation to VISTA, February 27, 2010 (available at [www.sd63.bc.ca](http://www.sd63.bc.ca), from Departments—Finance/Secretary-Treasurer). Figures are based on budget estimates for Ministry of Education expenses as a percentage of Consolidated Revenue Fund total expenditure in the table Estimated Expense by Organization, *British Columbia Estimate, fiscal year ending March 31* for each of the fiscal years. 2011/12 estimates from *Ministry of Finance. Estimates: Fiscal year ending March 31, 2012*, p.7.

## Restoring funding to prior ratios

The falling funding ratio has resulted in a significant loss of funding to public education.

If 2011–12 funding<sup>13</sup> for K–12 education were restored to the 2001–02 percentage of the provincial budget, an additional \$1.6 billion would be available for public education.

If restored to 1991–92 ratios, an additional \$3.9 billion would be available to meet the unmet needs of students and resolve the outstanding issues facing public education in the coming years.



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, *British Columbia Estimate, fiscal year ending March 31* for each of the fiscal years. 2011-12 allocation is based on estimates published in *Ministry of Finance. Estimates: Fiscal year ending March 31, 2012*, p.7.

<sup>13</sup> Based on estimates; final funding figures are not yet available.

## BC is falling behind other provinces in education funding increases

There is growing evidence that British Columbia is falling behind other provinces in its funding commitment to public education. While the BC government claims to be committing record levels of funding to public education, most provinces have increased education funding more than BC. Statistics Canada publishes several education-funding indicators for the provinces and territories. While funding for elementary and secondary public schools increased across Canada between 2002–03 and 2008–09, funding increases in British Columbia were among the lowest of all provinces. This is the case for a wide range of the funding indicators used by Statistics Canada.

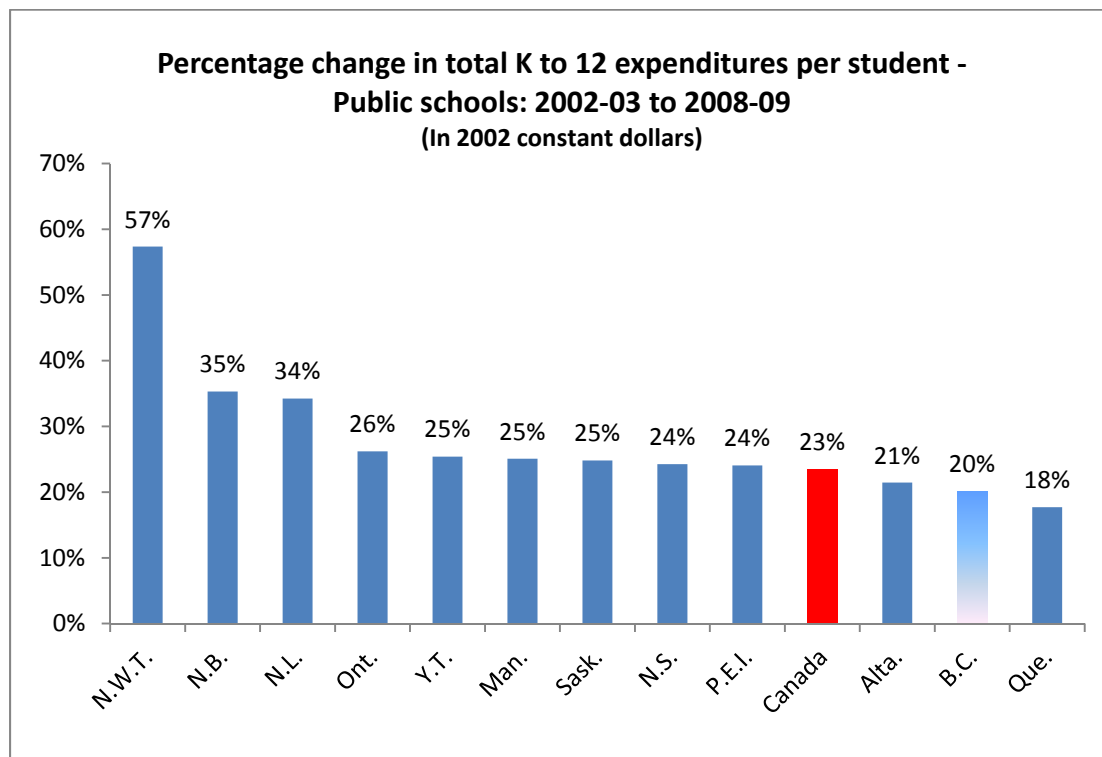
### Percentage change in funding for elementary and secondary schools between 2002–2003 and 2008–09

Type of funding	BC's rank among provinces (1=highest & 10th=lowest)
Operating expenditures (in current dollars)	8th
Total expenditures (in current dollars)	9th
Total expenditures per student (in current dollars)	9th
Total expenditures per student (2002 constant dollars)*	9th
Total expenditures per capita (in current dollars)	10th
Total expenditures per capita (2002 constant dollars)	10th
Total expenditures as a percentage of GDP	7th
Total expenditures as a percentage of total expenditures by local and provincial governments	9th

Source: BCTF Research table with information from Statistics Canada. *Summary Public School Indicators for Canada, the Provinces and Territories, 2002/2003 to 2008/2009*, Charts A.17.2, A.19.2, A.20.1.2, A.20.2.2, A.26.1.2, A.26.2.2, A.27.2, A.29.2. \* Statistics Canada note: Nova Scotia data prior to 2005/06 is not comparable.

## BC ranks 2nd lowest in Canada in percentage increase in per-student funding

The Ministry of Education most commonly uses the amount of funding per student to claim that the BC public education system is receiving “more money than ever.” 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 of all provinces and territories between 2002–03 and 2008–09.<sup>14</sup> The following chart shows that this is the case even after adjusting for inflation.



Source: BCTF chart with data from Statistics Canada. *Summary Public School Indicators for Canada, the Provinces and Territories, 2002/2003 to 2008/2009*, Table A.20.2 Total expenditures per student in public elementary and secondary schools, Canada, provinces and territories, 2002/2003 to 2008/2009 (in 2002 constant dollars), p. 29.

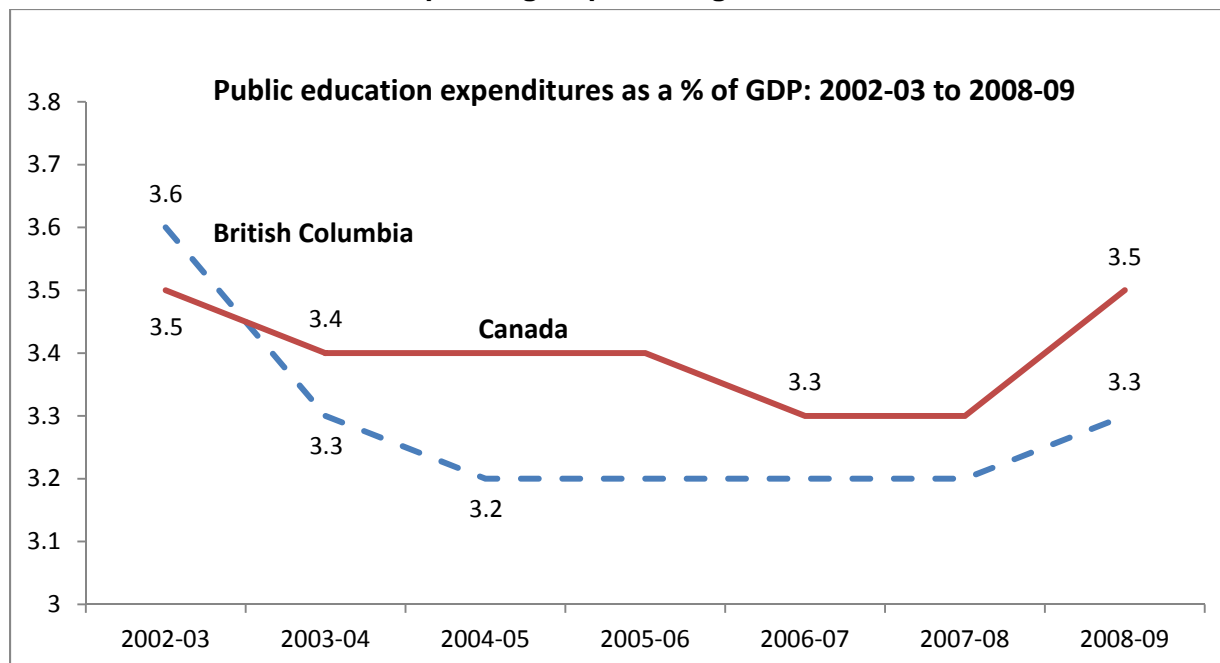
<sup>14</sup> Ivanova, I. (2011). *K–12 funding problems in context: BC after a decade of tax cuts*. Vancouver: Canadian Centre for Policy Alternatives. Presented February 2011; available online at: [http://cupe.ca/updir/CCPA\\_Education\\_Funding\\_in\\_Context.pdf](http://cupe.ca/updir/CCPA_Education_Funding_in_Context.pdf).



## BC falls behind in K–12 education spending as percentage of GDP

BC spent a higher percent of gross domestic product on public education than Canada as a whole in 2002–03. Since then, BC has fallen behind the rest of Canada. Statistics Canada<sup>15</sup> figures show that total expenditures in public elementary and secondary schools as a percentage of the GDP decreased from 3.6% in 2002–03 to 3.3% in 2008–09 in British Columbia. K–12 expenditures as a percent of GDP for Canada reached 3.5%, once again widening the gap between BC and Canada, and leaving BC public schools relatively worse off than the rest of the country.

## BC falls behind in education spending as percentage of GDP

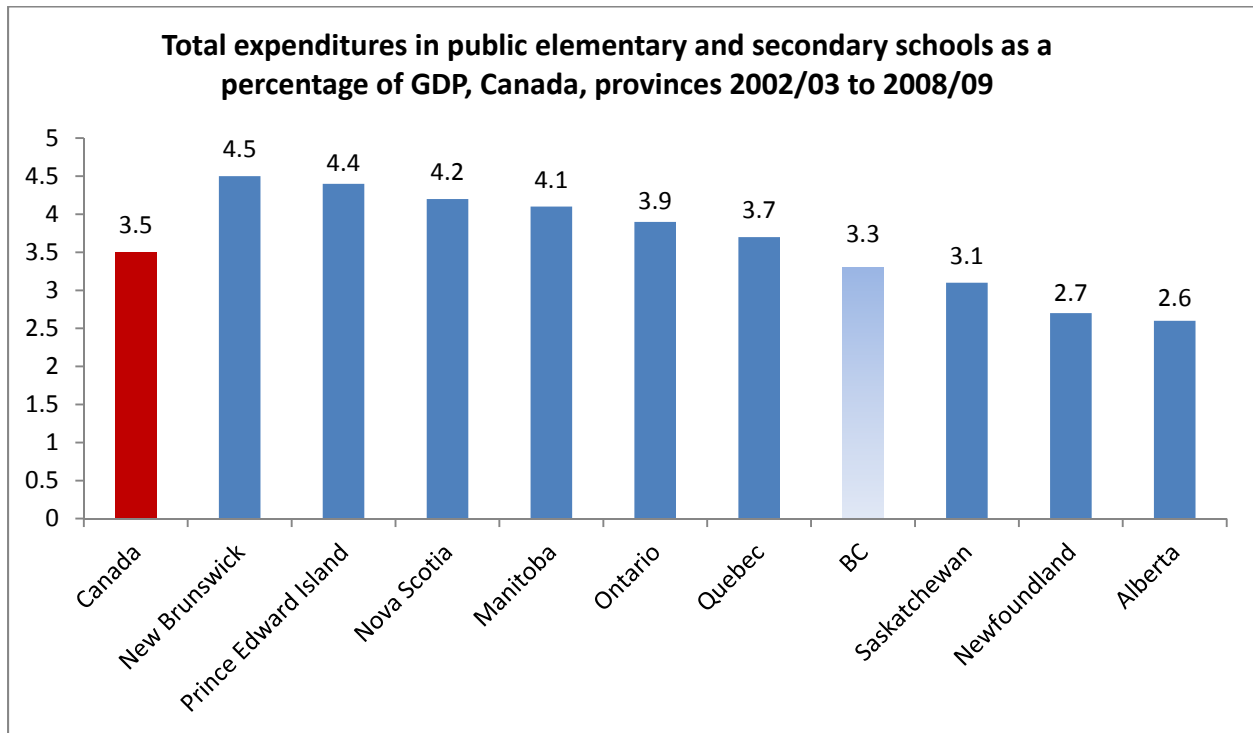


Source: BCTF Research chart with data from Statistics Canada. *Summary Public School Indicators for Canada, the Provinces and Territories, 2002/2003 to 2008/2009*—Table A.27. Total expenditures in public elementary and secondary schools as a percentage of GDP, Canada, provinces and territories, 2002/2003 to 2008/2009, p.37.

<sup>15</sup> Source: Statistics Canada. *Summary Public School Indicators for Canada, Provinces and Territories, 2002/03 to 2008/09*, Table A.27, p.37.

## BC ranks 4th lowest among provinces in K–12 funding as a percentage of GDP

In 2008–09, of all provinces, BC ranked the fourth lowest in terms of the percent of the GDP spent on elementary and secondary public schools.



Source: BCTF Research chart with data from Statistics Canada. *Summary Public School Indicators for Canada, the Provinces and Territories, 2002/2003 to 2008/2009*—Table A.27. Total expenditures in public elementary and secondary schools as a percentage of GDP, Canada, provinces and territories, 2002/2003 to 2008/2009, p.37.

### 3. Conclusion

#### Restore fairness and equity

This brief has already indicated how far behind other provinces British Columbia is in providing funding to public education. Similarly, BC has a smaller public sector overall to deliver the services that British Columbians need and want.

Clearly, the fiscal situation of the province is not a case of spending being out of control. It is a case of a decade of tax cuts that have primarily benefited corporations and higher income earners. A recent report by the Canadian Centre for Policy Alternatives (CCPA) on BC's provincial tax system shows that "Between 2000 and 2010, the share of provincial government revenues coming from personal income tax dropped by nearly one third" and that "the province now collects more revenues from sales taxes (28% of revenues) than from personal income taxes (27% of revenues)."<sup>16</sup> The shift in income taxation policy benefited the richest 20% of BC households the most. Over the same period, corporate income taxes have decreased from 16.5% to 10%. The CCPA report notes that "BC families now contribute more in MSP premiums than businesses contribute in corporate income taxes."

Based on their analysis, the CCPA report shows that BC's taxation revenues as a percentage of GDP have fallen by 1.7%, from 11.6% of the GDP in 2000–01 to 9.9% of the GDP by 2010–11. This amounts to a loss of \$3.4 billion that would be in the provincial treasury if the BC government had collected the same share of the provincial economy in taxes as in 2000. As the CCPA points out, this extra \$3.4 billion in government revenues would be enough to balance the BC budget and pay for much-needed public services.

At the same time, government must acknowledge the HST referendum and articulate a process of public consultation when contemplating an increase in taxes to increase government's capacity to adequately fund valuable public services, including public education.

However, government revenue must be increased, and this *must* be done through a fair and just tax regime that places the responsibility on those most able to contribute, and returns corporate taxes to more appropriate levels. In so doing, government will be able to resource critical government services adequately.

In particular, we urge the Select Standing Committee to recommend that the level of public education funding increase to provide students and teachers in British Columbia the conditions needed to maintain and improve one of the best systems of public education in the world.

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<sup>16</sup> Source: Lee, M., Ivanova, I., & Klein, S. (2011). *BC's regressive tax shift: A decade of diminishing tax fairness, 2000 to 2010*. Vancouver: Canadian Centre for Policy Alternatives.