



BC K-12 Education Funding Technical Survey

A SUMMARY OF KEY RESULTS

Ministry of Education | March 2018

Table of Contents

Introduction.....	3
Survey Methodology.....	3
Summary of Key Results.....	3
Detailed Survey Results.....	6
Basic Allocation.....	6
Enrolment.....	7
Special Purpose Grants and Targeted Funding.....	12
Unique Student Populations.....	15
Cost Pressures.....	18
Geographic Supplements.....	19
Distributed Learning.....	22

INTRODUCTION

In October 2017, the BC government launched a funding model review to fulfill its commitment to ensure the K-12 public education system receives stable and predictable funding. Secretary Treasurers were invited to participate in a **technical** survey on their school district's financial and operational challenges. This report summarizes the key results from this **technical survey, which will inform the remainder of the funding model review process, including the work of an Independent Review Panel, set to make recommendations to the Minister of Education in the summer of 2018.** Once government has had an opportunity to review and consider the recommendations, the Ministry of Education will then develop the new model, which is expected to be in place for the 2019/20 school year.

SURVEY METHODOLOGY

The survey was conducted by R.A. Malatest & Associates Ltd. (Malatest). Malatest tested the survey with a user group, conducted quality checks and assisted with developing the survey instrument. Malatest provided the survey data to the Ministry and ensured respondents anonymity. The Ministry analyzed the data and identified emerging themes and key results. The survey was conducted in the fall of 2017. Secretary Treasurers from each of BC's 60 school districts were invited to complete the survey, as they have in-depth knowledge of their district's finances and awareness of the management challenges that these create. A total of 42 responses were received, representing a 70% response rate.

SUMMARY OF KEY RESULTS

A high-level overview of the results is presented below; **with more** detailed results **outlined** in subsequent sections of this report. The survey results are consistent with the [Perspective Survey Report](#) results.

Basic Allocation

The current funding model may not meet the actual costs of education

- School districts in the North Coast/Northern Interior area reported significantly higher per-student costs for all grade levels compared to other areas of the province as they often have to run courses with lower enrolment levels.
- Respondents most frequently cited outdoor education, trades programs, information technology, and special education courses as costing considerably more than other types of courses.

Enrolment

How well the current funding covers increasing or decreasing enrolment varies greatly by geographic location

- More than 75% of respondents from Vancouver Island, Fraser Valley, Metro & South Coast felt that due to increased or decreased enrolment, there are operational costs that have not been covered by the total per-pupil basic allocation.
- However, only 25% of respondents from Thompson/Okanagan and 33% from North Coast/Northern Interior felt the same.

Special Purpose Grants and Targeted Funding

Respondents would generally prefer fewer special purpose grants

- 76% of respondents indicated special purpose grants unnecessarily restrict their ability to utilize funding in an efficient manner.
- 90% felt reporting requirements for special purpose grants are onerous.
- 90% of respondents agreed that special purpose grants should not be expanded in scope.

Special Student Populations

Some student needs may not be addressed by the current funding model

- Survey respondents reported spending an average of 9% of funding for special education funding on assessments, and not on direct services to students.
- Respondents felt the special programs that are least well addressed by the current funding model include Psychiatric, Addictions, Behavioural Needs, Academically Gifted, and Mental Health.
- 100% of respondents indicated their school district is providing Indigenous education programs or initiatives; the most common types are culture, language, and health & wellness programs.

Cost Pressures

Some variable cost pressures may not be addressed by the current funding model

- 64% of respondents indicated that variable cost pressures (such as energy, maintenance, and health-related costs) are significant enough that they can create a gap in total operational funding to their school district.
- The least predictable cost types identified were: weather-related, those related to regulatory and policy changes, and health-related costs.

Geographic Supplements

The effectiveness of current geographic supplements may vary greatly by geographic regions

- 46% of respondents felt their school district has additional unique factors that are not captured by the current geographic supplements; however, responses varied greatly by geographic region.
- The most common examples provided include travel costs for students and administrators, neighborhood socio-economic factors, and remote/rural factors.
- There was also a great deal of variability in responses regarding the ideal ratio of basic per-pupil funding to geographic supplements, with rural areas preferring a higher proportion of funding allocated based on geographic factors.

Distributed Learning (DL)

The sufficiency of funding for distributed learning programs vary greatly by geographic region

- Nearly 79% of school districts operate a DL program.
- 67% of respondents in the Kootenay/Boundary area and 57% in the North Coast/Northern Interior area felt funding was insufficient to cover the cost of their DL program.
- In contrast, 71% of respondents from Vancouver Island and 70% of from the Fraser Valley, Metro & South Coast area felt funding for DL was sufficient to meet the costs of operating their DL program.

Detailed Survey Results

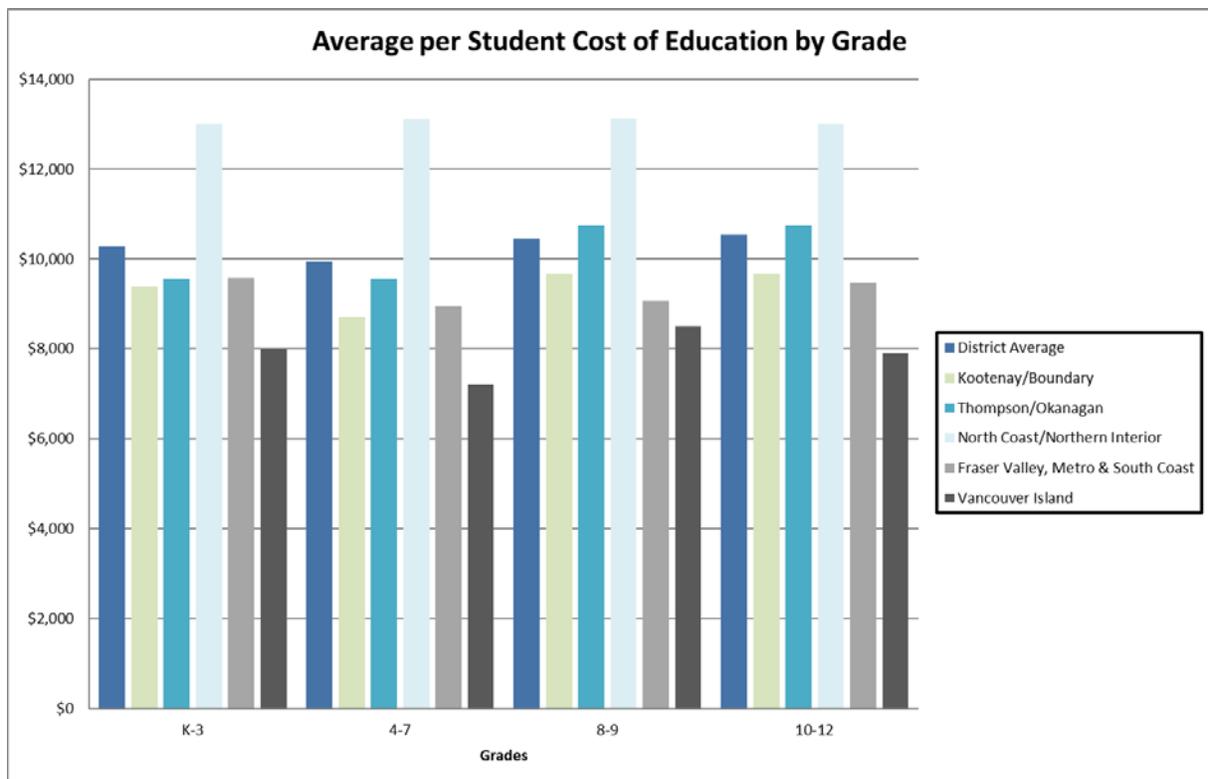
BASIC ALLOCATION

This section of the survey gathered information about basic per student funding of school districts currently and what preferences respondents have for the funding allocation system in the future.

The survey asked respondents to report the average per student cost of education, by grade level, not including distributed learning students.

As shown in Figure 1., school districts in the North Coast/Northern Interior area reported significantly higher per-student costs for all grade levels compared to other areas of the province. School districts on Vancouver Island reported the lowest per-student costs for all grade levels.

Figure 1.



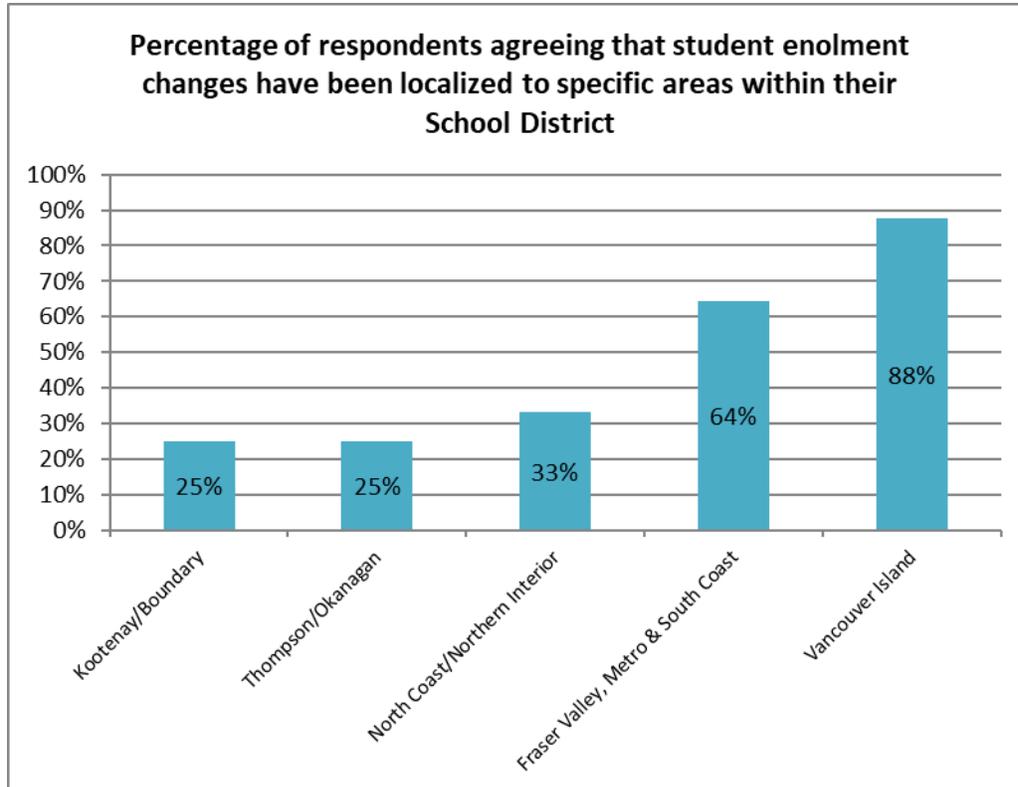
Respondents were also asked to describe whether there are courses offered by their school district that cost considerably more than others. School districts most frequently cited specific program areas such as outdoor education, trades programs, information technology, and special education courses as costing considerably more than other types of courses. Some school districts indicated enrolment size drives per student cost rather than or in addition to a specific program area.

ENROLMENT

This section of the survey gathered information about enrolment patterns of different school districts, operational challenges, and about the efficacy of related Ministry programs.

Respondents were asked whether student enrolment change had been localized to specific areas within their school district over the past two years. Results are presented in Figure 2.

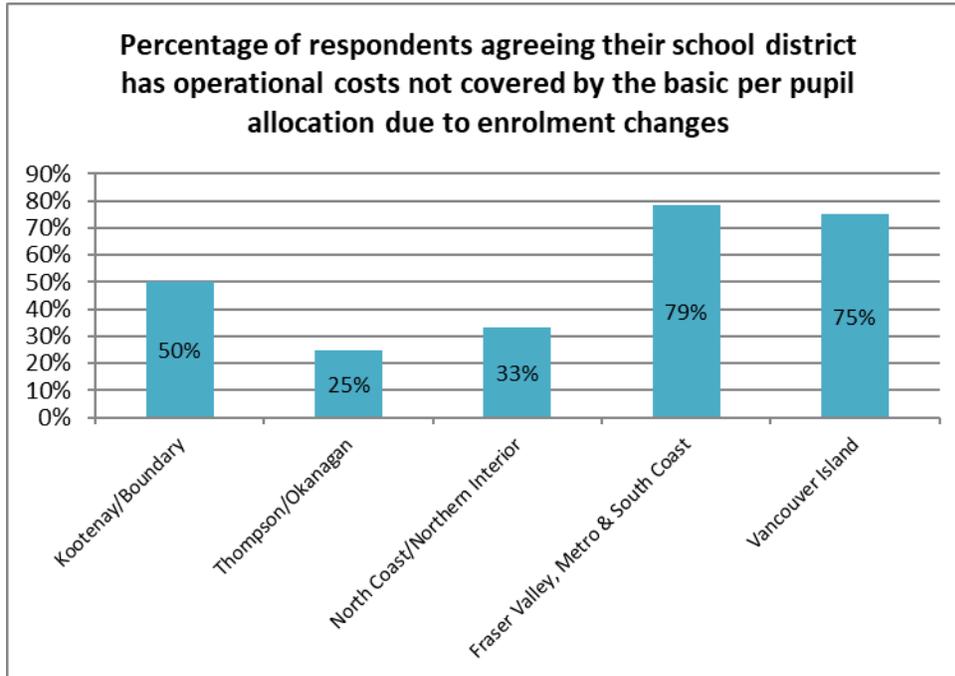
Figure 2.



At a provincial level, 52% of respondents agreed enrolment changes have been localized to specific areas within their school district. School districts in the Fraser Valley, Metro & South Coast (64%), and on Vancouver Island (88%) were most likely to agree with this statement. Many of the school districts identified particular areas where localized enrolment change, especially growth, had been significant and several also identified that most were of elementary age.

The survey asked whether there are operational costs due to increased or decreased enrolment that have not been covered by the total per-pupil basic allocation of each school district. Responses are summarized in Figure 3.

Figure 3.



At a provincial level, 57% of respondents agreed their school district has operational costs not covered by the basic per-pupil allocation as a result of enrolment changes. School districts in the Fraser Valley, Metro & South Coast, and on Vancouver Island were most likely to agree with this statement. In the open-ended responses to the enrolment questions in this section, several respondents raised the cost of portables as not being covered.

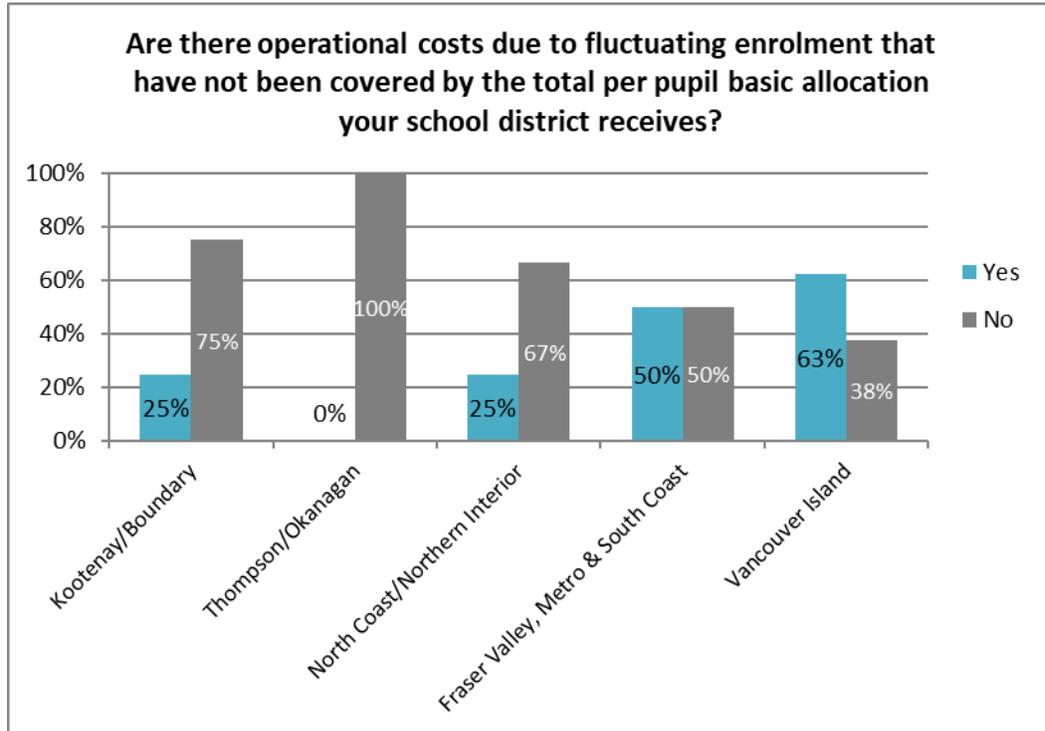
Comments addressing the operational costs not covered by the basic pupil basic allocation due to enrolment changes include the following examples:

“There are often baseline fixed costs that are necessary to run a school regardless of small changes/decline in student enrollment.”
- Survey Respondent

“For rural and remote schools, a class will cost the same regardless if there are 20 students or 15 students as the costs are fairly fixed. E.g. Teachers salary and benefits, still require 1 teacher.”
- Survey Respondent

Respondents were also asked whether there are operational costs due to fluctuating enrolment that have not been covered by the total per-pupil basic allocation their school district receives. A summary of responses is presented in Figure 4.

Figure 4.



At a provincial level, 39% of respondents agreed there are operational costs due to fluctuating enrolment that have not been covered by the total per-pupil basic allocation their school district receives. School districts in the Fraser Valley, Metro & South Coast, and on Vancouver Island were most likely to agree with this statement.

In relation to the costs of fluctuating enrolment, examples of comments include:

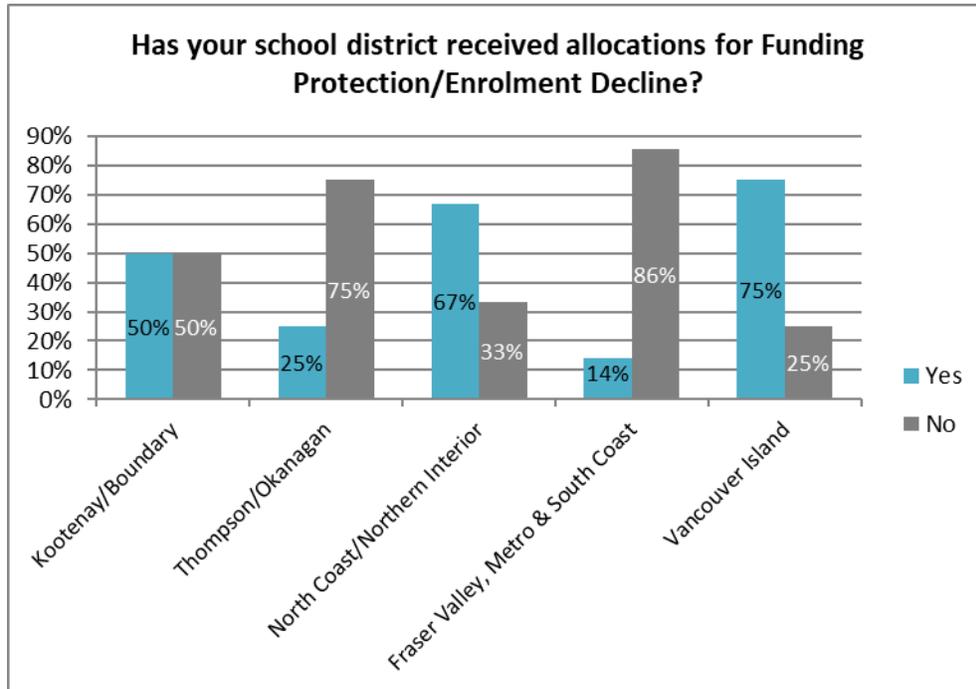
“The funding model does not reflect the actual balance between fixed and variable costs and how this balance varies depending on the size of the district and whether or not it is growing or declining.”
 - Survey Respondent

“The Ministry of Education does not fully fund the cost of enrolment growth and it takes away too much funding when enrollment declines. The impact of reduced funding is mostly felt in urban school districts that do not decline fast enough to qualify for funding protection and lose funding due to enrolment decline. From a facilities perspective the portables needed due to enrolment growth are not funded and the maintenance of excess capacity that cannot be reduced through school closures is not funded. This results in increased deferred maintenance and deteriorating facilities condition indexes for schools.”
 - Survey Respondent

“...over the three years, we saw a net gain of 430 students but wild fluctuations within that net gain. By the time the 1701 count happens, we already have the resources and staff in place no matter if we will realize an increase or decrease. We do our best to be responsive and reallocate where possible...”
 - Survey Respondent

Respondents were then asked whether their school district received allocations for Funding Protection/Enrolment Decline. At a provincial level, 39% of school districts reported they had received these allocations. A summary of responses by geographic area is presented in Figure 5.

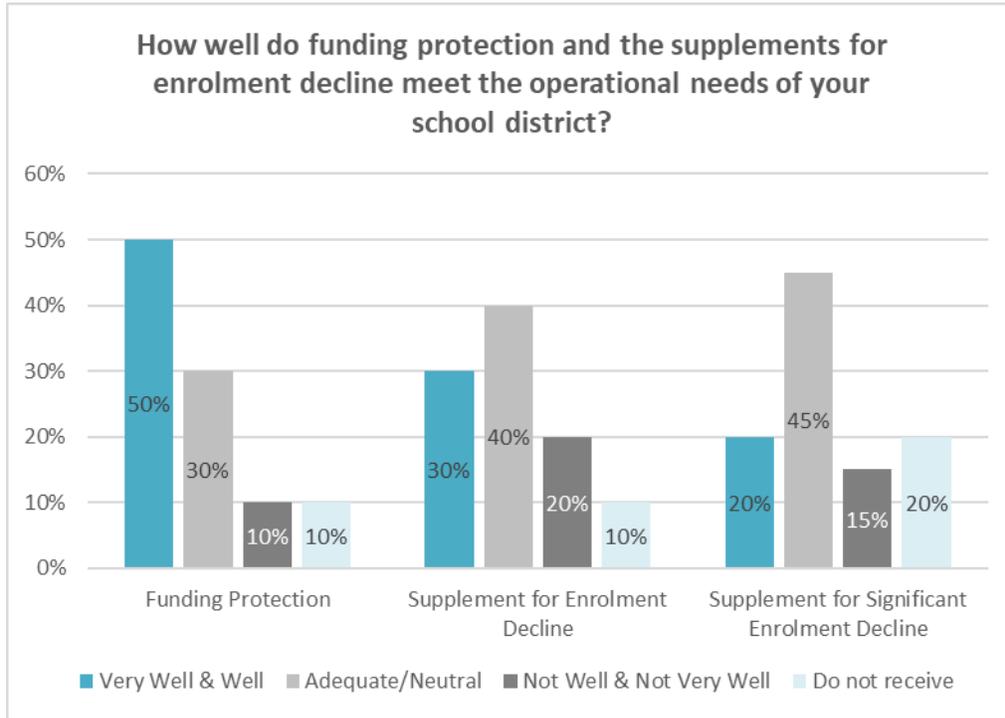
Figure 5.



75% of respondents from Vancouver Island, 67% from the North Coast/Northern Interior, and 50% from Kootenay/Boundary areas have received allocations for funding protection and/or enrolment decline. Smaller percentages were noted for Thompson/Okanagan (25%) and Fraser Valley, Metro & South Coast (14%) school districts.

Respondents were then asked how well Funding Protection and the Supplements for Enrolment Decline meet the operational needs of schools in their school district. Results are summarized in Figure 6.

Figure 6.



A majority of respondents reported that funding protection, the supplement for enrolment decline, and the supplement for significant enrolment decline was adequate or did well at meeting the operational needs of their school district. 20% of respondents felt the supplement for enrolment decline did not do well at meeting their school district’s operational needs; 15% of respondents felt this way about the supplement for significant enrolment decline.

One respondent raised a particular challenge with funding protection:

“Funding Protection is set to be received when the base level differential of the SD’s operating grant is less than 98.5% of the previous Autumn.... However, labor settlement funding is excluded from this calculation and it is extremely difficult to anticipate the funding that will be received for labor settlement. These numbers can be calculated by School Districts, but the exact dollars received may vary, thus creating the challenge of what the 98.5% budget amount really will be.”

- Survey Respondent

In contrast, some others pointed out that it had a narrow purpose:

“Funding protection and the supplements tend to do well in handling the decline but is not effective when coming into growth”

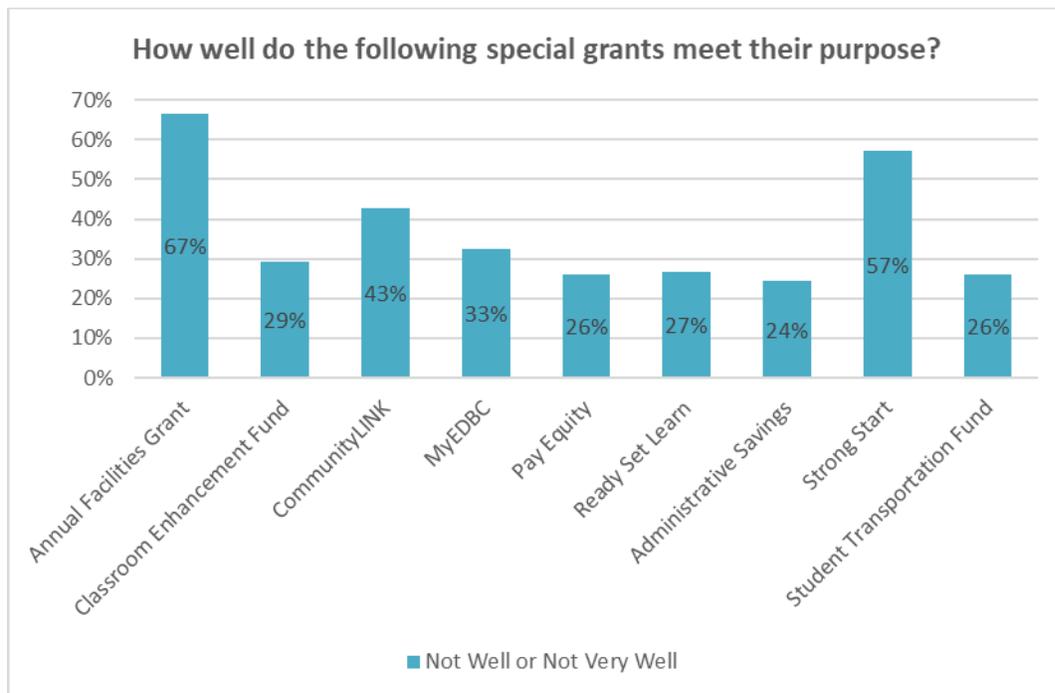
- Survey Respondent

SPECIAL PURPOSE GRANTS AND TARGETED FUNDING

The Ministry provides funding through a number of special grants. This section of the survey assessed the efficacy of these grants.

Respondents were asked to rate how well a series of special grants meet their purpose. Grants that were rated as ‘not well’ or ‘not very well’ by a significant proportion of respondents are presented in Figure 7.

Figure 7.



Survey respondents raised the issue of special grants remaining either at a fixed level or not keeping pace with increases in costs (e.g. negotiated wages, aging facilities, etc.) and inflation. Special grants are viewed as insufficient for the needs they are meant to address.

In relation to the special grants, examples of comments include:

“Programs like [Annual Facilities Grant] (AFG), CommunityLINK, Pay Equity and StrongStart have not had any increase in funding for many years, but costs for wages benefits and supplies have continued to increase.”

Survey Respondent

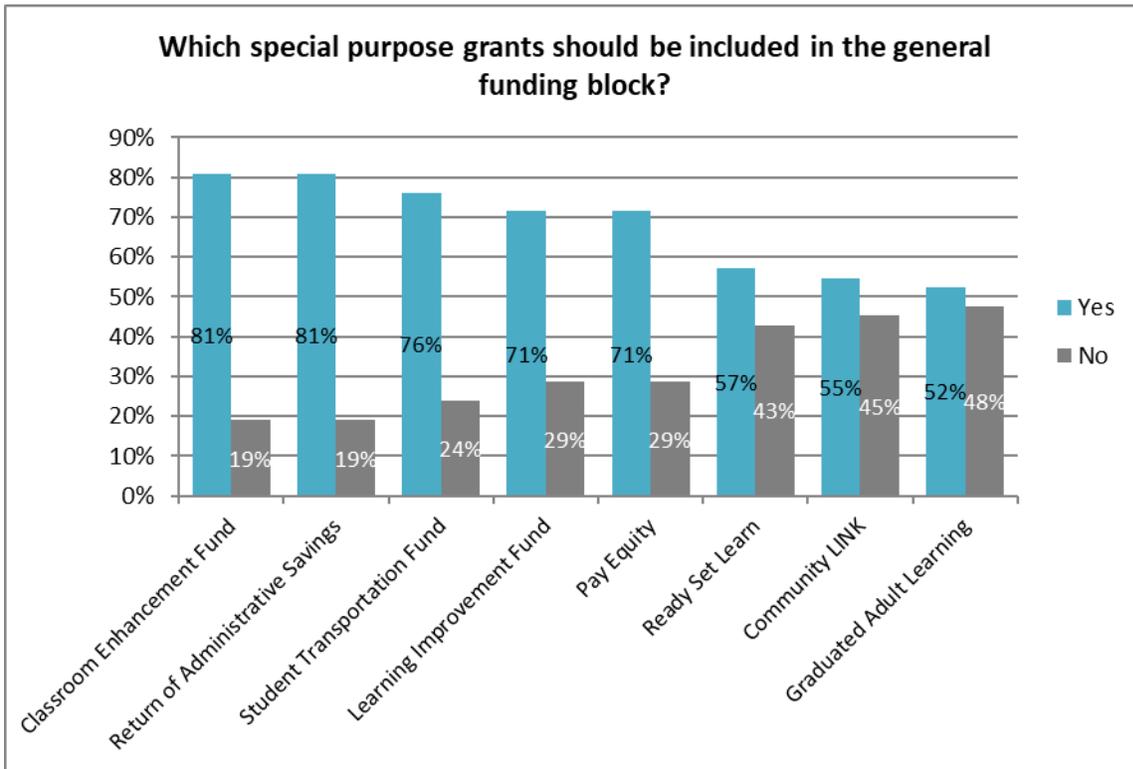
“The CommunityLINK funding needs to be increased as the demand for service far exceeds the funding.”

- Survey Respondent

“AFG does not even come close to allowing school districts to address the deferred maintenance needs identified. CommunityLINK funding is insufficient as it does not recognize the current needs of our community. Return of administrative savings only returns \$25 of the \$54 million taken away from us and is outside the block so there is no certainty that it will continue in the future.”
 - Survey Respondent

Respondents were asked to indicate which grants they believe should be included in the general funding block. A summary of responses is presented in Figure 8.

Figure 8.

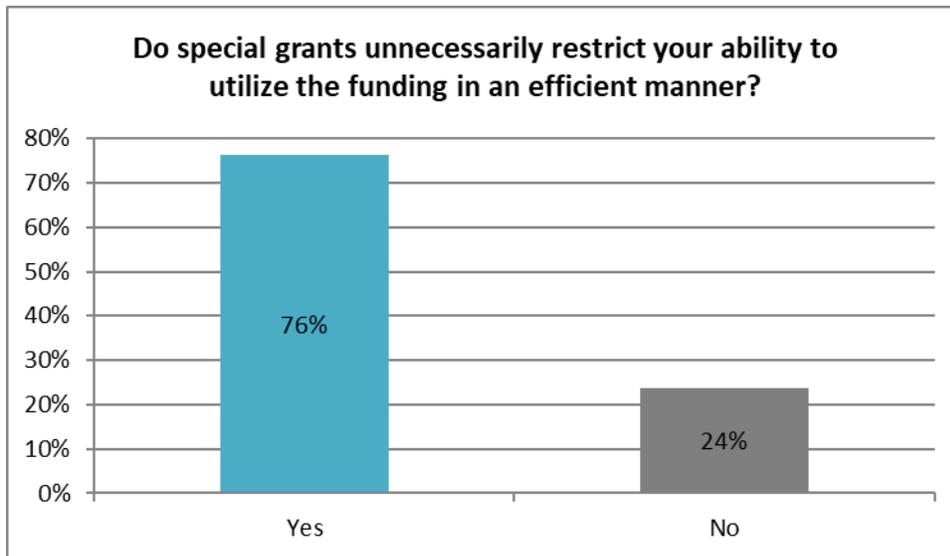


Based on responses, there is strong support (greater than 70%) to include the following special purpose grants in the general funding block: Classroom Enhancement Fund, Return of Administrative Savings, Student Transportation Fund, Learning Improvement Fund, and Pay Equity. There was mixed support (50-60%) for inclusion of Ready Set Learn, CommunityLINK and Graduated Adult Learning grants to be included in the general funding block.

The survey results also indicated that approximately 70% or more respondents believe the following special grants or programs should not be included: Rural Education Enhancement Fund, Annual Facilities Grant, Public Education Benefit Trust, and Provincial Resource Programs and Leases.

The survey also asked respondents to indicate whether special grants unnecessarily restrict their ability to utilize the funding in an efficient manner. 79% of respondents agree this is the case in their school district (see Figure 9).

Figure 9.



Special grants may come with reporting requirements; 90% of respondents indicated they are onerous for their school district to complete and should not be expanded in scope.

Respondents provided comments related to special grant reporting requirements; some examples include:

“The reporting is massive, putting incredible demands on the overworked Superintendents, Secretary Treasurers, and Assistant Secretary Treasurers and Director of Learning. The waste in time, human capital is significant! We have emergent and changing needs and the special grants make it difficult to allocate resources where we actually need the funds.”

- Survey Respondent

“The sporadic announcement / allocation of these funds inhibit strategic planning and the general delivery of programming to students.”

- Survey Respondent

“Special grants don't always align with the priorities of the school district and often come with high administrative burden.”

- Survey Respondent

In addition, 100% of respondents preferred that no allocations currently in the operating block should be delivered as targeted funding, rather than as a general allocation. Respondents were supportive of specific special grants and programs being funded through the general operating block but strongly against any current allocations within the operating block being delivered as targeted funding.

UNIQUE STUDENT POPULATIONS

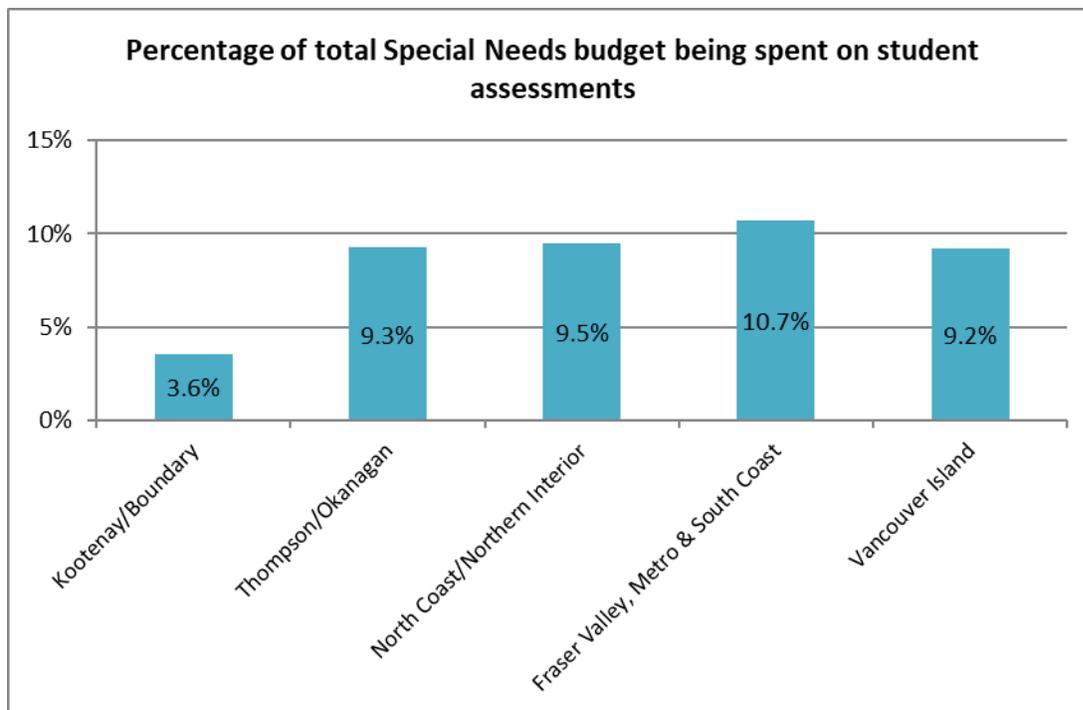
This section of the survey gathered information on the composition of school districts' student populations and the groups of students that may require additional services and supports.

Respondents were asked whether they provide Indigenous education programs or initiatives to their student population. Survey results confirmed that all school districts offer Indigenous education programs or initiatives. The programs offered by the highest percentage of school districts include:

- Cultural programs (98%)
- BC's history, including residential schools (95%)
- Language courses (86%)
- Health and wellness programs (83%)
- Environmental concerns (81%)

Respondents were also asked to report the percentage of their total Special Needs budget that is being spent on student assessments in their school district. At a provincial level, school districts reported spending 9% of their special needs budget on student assessments. Results by geographic area are summarized in Figure 10.

Figure 10.



The Provincial Resource Programs (PRP) are specialized education programs and services established by Order of the Ministry, funded by the Ministry, and hosted by school districts. The survey asked respondents to indicate how well the funding model addressed the needs of each PRP. The PRP with the highest satisfaction was that serving the visually impaired with over 80% respondents finding the program serves the needs of the clients with 22% indicating very well, 25% well and 38% adequate/neutral. The provincial resource areas identified most frequently by school districts where funding did not meet the needs of each program area included:

- Psychiatric(64%),
- Addictions (61%),
- Behavioral needs (58%),
- Academically gifted (55%), and
- Mental health (52%) programs.

PRP, which serve the needs of vulnerable students, are not easily resourced or delivered by any single school district. At least 25% of respondents indicated student needs are not being met well from the following PRP areas:

- Ministry of Children and Family Development (MCFD) Custody (45%),
- Severe/profound multiple physical and cognitive disabilities (36%),
- MCFD Residential Attendance (33%),
- Medical rehabilitation (33%),
- Eating disorders (32%),
- Autism and related disorders (31%),
- Fetal alcohol spectrum disorders (30%),
- Hospitalized (30%), and
- Terminally ill (25%).

Examples of respondents' comments addressing the composition of school districts' student populations and the groups of students that may require additional services and supports include:

“The consultative services available through the PRPs are often inadequate to assist the district in addressing the increasingly complex needs of students with Special Needs and the increasing expectations from families and community partners. In other words, the needs of learners with Special Needs are becoming increasingly complex - and this requires increased technical skill and increased community-family-district partnering.”

- Survey Respondent

“Our kids are battling very challenging circumstances and we are doing our best to serve them. There are wait lists for support and minimal consultation time available for us.”

- Survey Respondent

“We commit close to double the funding/resources we receive to our Special Education Department. High Incidence categories should be funded as these students definitely require additional support/resources. Many K-3 students have extremely high needs and require significant support but are not funded as their testing/diagnosis is delayed.”

- Survey Respondent

COST PRESSURES

This section of the survey gathered information that will help develop a better understanding of some factors impacting the stability and predictability of the current and future funding allocation model.

The survey asked respondents to review different variable cost categories, and indicate how predictable each is to plan in their school district. The least predictable cost categories, as measured by the percentage of school districts indicating it was slightly predictable or not predictable, included:

- Weather-related costs (85%)
- Other (73%)
- Health-related costs (66%)
- Legal costs (59%)
- Energy – natural gas (53%)
- Maintenance (50%)

Of the least predictable categories, health-related costs had the highest reported level and range as a percentage of variable costs relative to their total operating budget. Overall, 64% of respondents believe that variable cost pressures are significant enough that they can create a gap in total operational funding to their school district.

In the related open-ended question, most respondents identified specific programs (e.g. AFG) where costs do not align with the amount of funding received. In addition, four funding gaps were reported: salary increases of exempt staff (including Principals and Vice-Principals), general inflation, technology and software, as well as new regulatory requirements (especially OHS and Worksafe).

Respondents provided comments related to cost pressures; some examples include:

“In order to manage these cost pressures the district needs to maintain surplus funds for contingencies. As funding protection decreases over time, the district's ability to maintain surplus funds will be increasingly difficult.”
- Survey Respondent

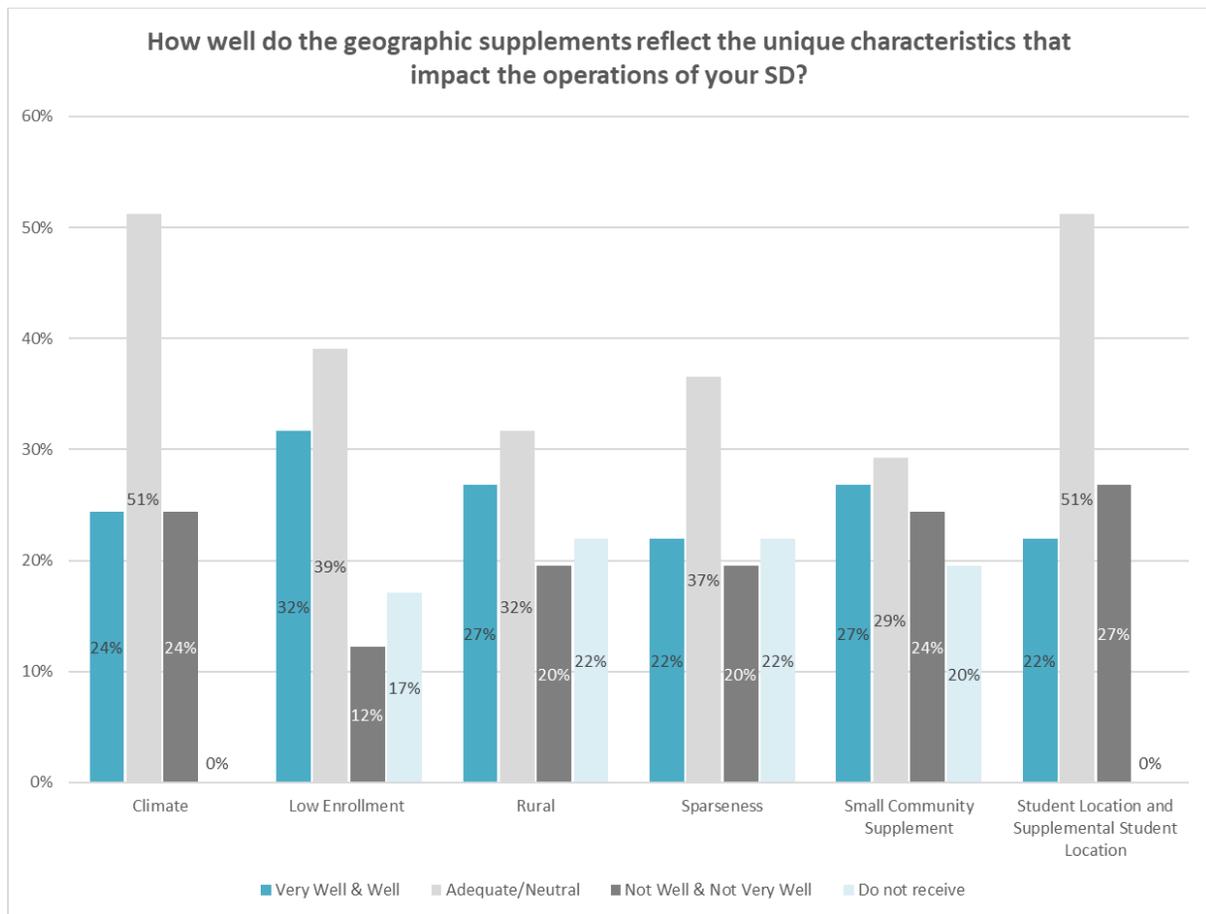
“Our winters can vary both with mildness and snow loads. It is very difficult to predict and particularly winters where we both have colder than normal and increased snow create a double pressure on our budget. We do our best to look at our averages and Environment Canada predictions, but this area can fluctuate greatly from year to year. At amended budget time, we look closely at our projected expenditures and determine where areas of over-spending are so we can reduce in other areas. “
- Survey Respondent

GEOGRAPHIC SUPPLEMENTS

This section of the survey gathered information about the efficacy of the geographic supplements for school districts within the current funding allocation system.

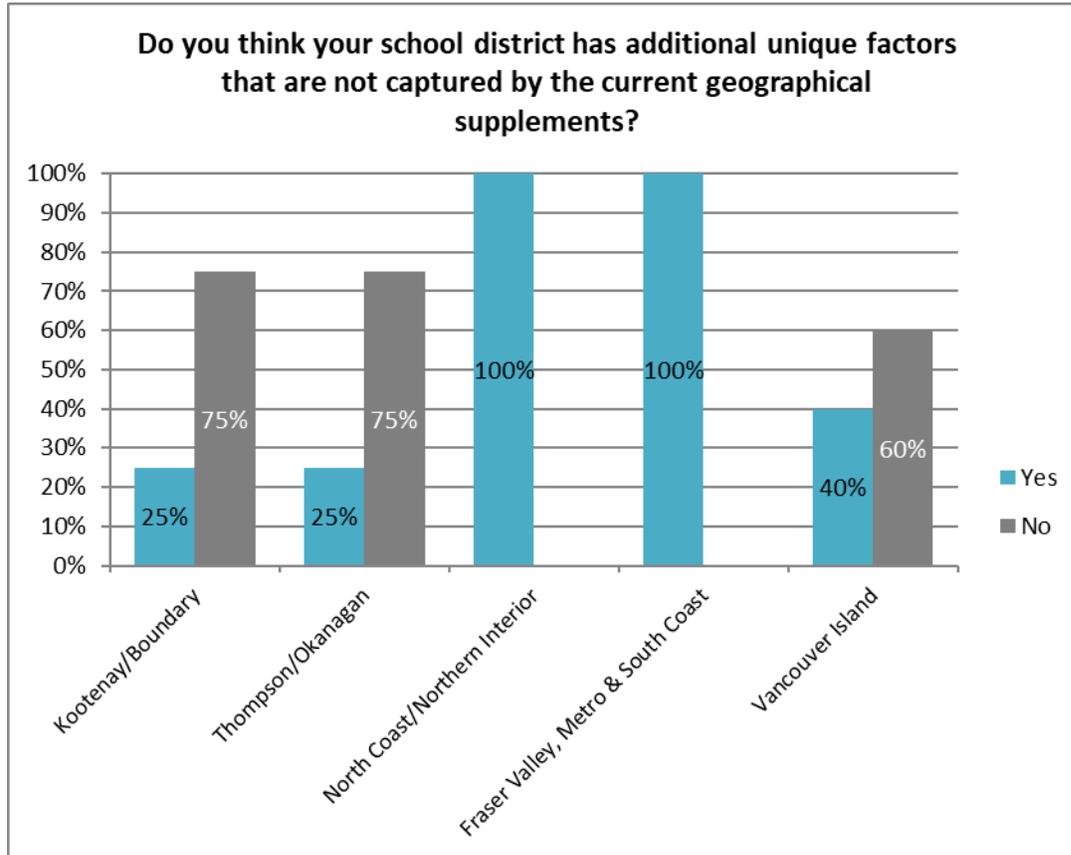
Respondents were asked how well the geographic supplements reflect the unique characteristics that impact the operations of their school district. Responses are summarized in Figure 11.

Figure 11.



Respondents were also asked if their school district has additional unique factors that are not captured by the current geographic supplements. Province-wide, 46% of school districts felt they have unique factors that are not captured by the current geographic supplements. 100% of respondents from the North Coast/Northern Interior and Fraser Valley, Metro & South Coast regions agreed with this statement. Results are summarized in Figure 12.

Figure 12.



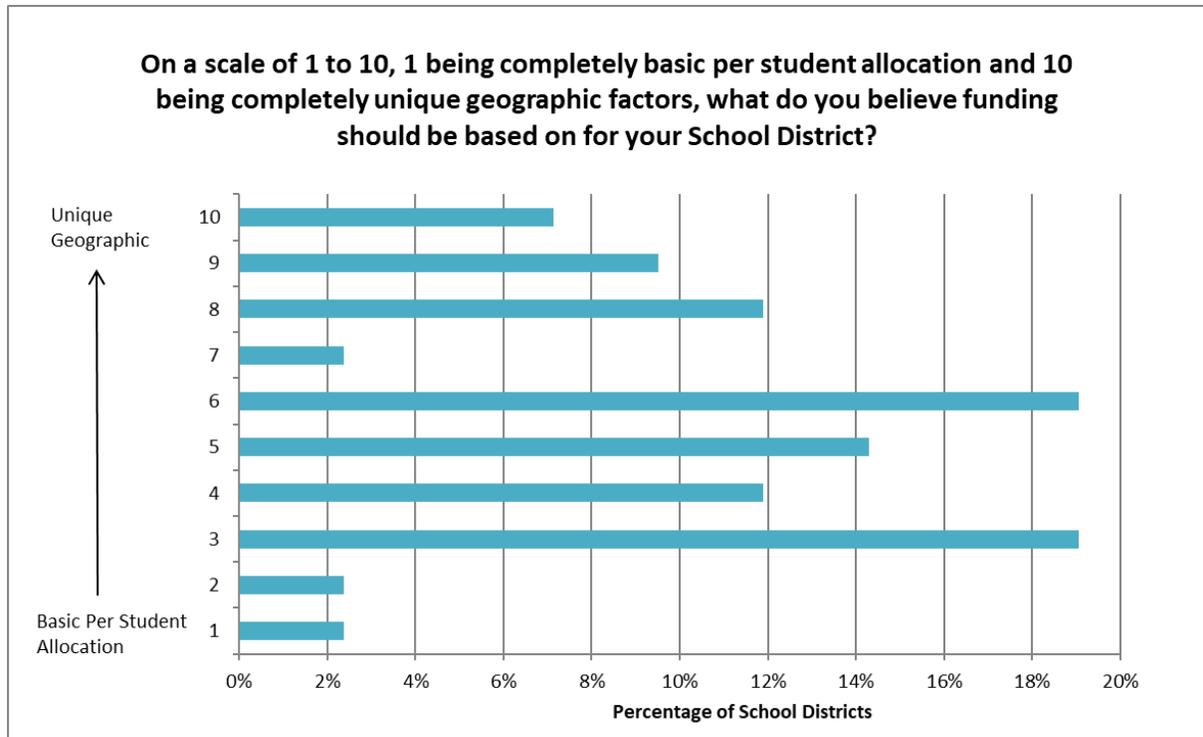
Common examples of unique factors not captured in the current supplements include higher costs for transportation services (e.g. bussing, ferry/water taxi), special education specialists, weather-related costs, and recruitment. Respondents’ comments also addressed the broader efficacy of the geographic supplements, such as:

“The amount we receive for the Rural Factor is negligible, yet we’re one of the most rural/remote communities in BC. The small community supplement doesn’t appear to consider the basic costs to administer a school no matter the size: staffing considerations such admin assistants, principals, custodians, as well as the need for learning resource teachers to support students with [Individual Education Plans] (IEP), especially those that are not funded. The amount of reporting is the same no matter the size of the school.” - Survey Respondent

“Transportation costs for students are not just busses but also field studies to support the new curriculum and to attend sports games and tournaments. Every team has to travel at least 150 km to play another team in another school district. Busses, bus driver wages, hotel costs, all are significant.” - Survey Respondent

Respondents were also asked to suggest the best proportion of funds that should be based on a basic per student allocation or on unique geographic factors. Results are presented in Figure 13.

Figure 13.



Responses varied significantly and there is no consensus on the ideal proportion of funding. Some school districts would prefer a heavier weighting towards unique geographic factors, while others prefer that more funding be allocated based on a per student amount. Some comments from respondents include:

“The current geographic adjustment works well for our District which equates to about 30% of total funding.”
- Survey Respondent

“Currently we receive about two-thirds of our districts funding through the per-pupil grant. I would like to see the allocation slightly more focused on the unique factors that impact our district due to us being primarily rural. We have small schools that do not have the same economies of scale that larger urban and metropolitan schools have. The overhead is proportionately larger in small schools than in larger schools and can be more equitably addressed through unique factor allocations.”
- Survey Respondent

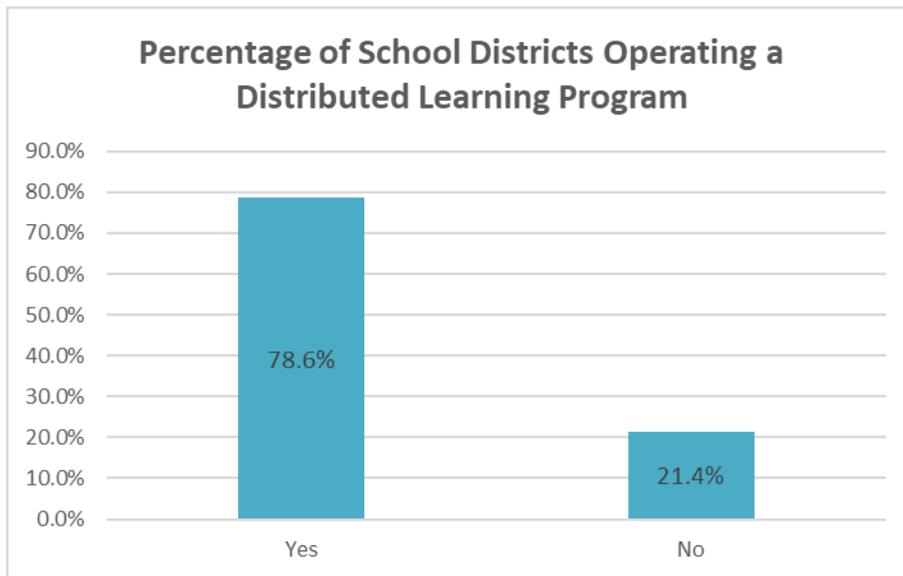
“The current per-pupil funding formula generally works well but needs to continue to have other factors such as average teacher salary changes, unique geographic and other factors also properly factored into the formula to help equalize and ensure fairness in the funding allocation.”
- Survey Respondent

DISTRIBUTED LEARNING

This section of the survey gathered information about distributed learning, including the changing enrolment dynamics, the costs and challenges in providing distributed learning programs, and the effectiveness of the funding allocation system.

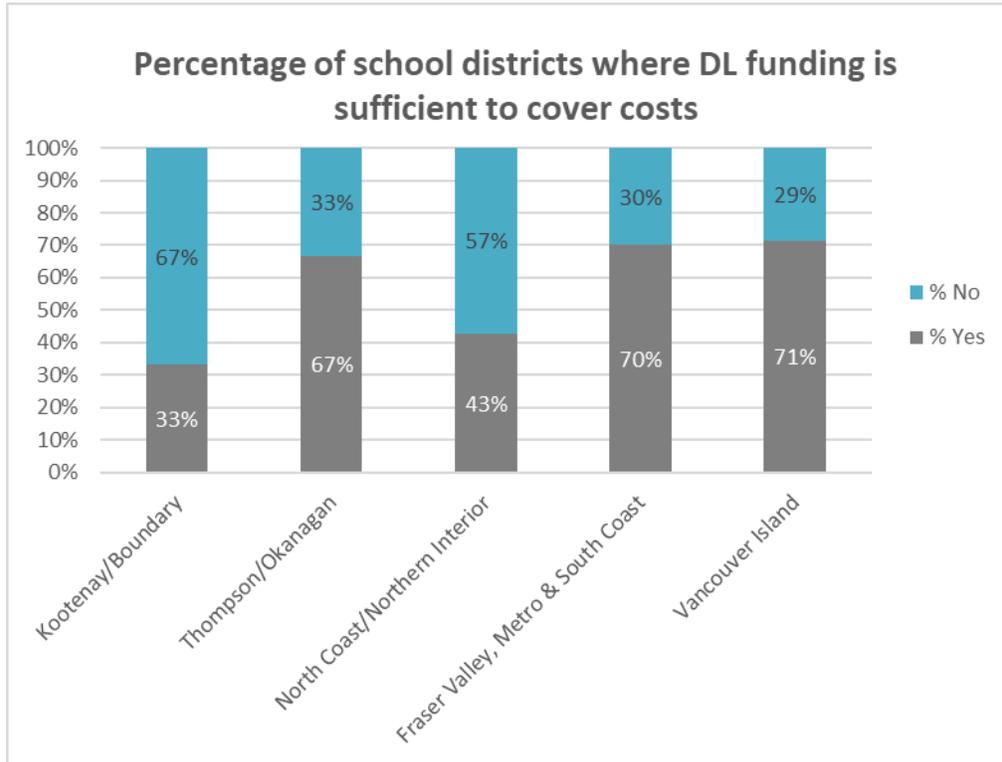
The survey asked each respondent to indicate whether their school district operates a distributed learning program. As shown in Figure 14., nearly 79% of school districts operate a DL program.

Figure 14.



The survey also asked whether the total funds each school district receives for distributed learning students meet the costs associated with operating their distributed learning program. Responses are summarized in Figure 15.

Figure 15.



67% of respondents in the Kootenay/Boundary area and 57% in the North Coast/Northern Interior area felt funding was insufficient to cover the cost of their DL program. In contrast, 71% of respondents from Vancouver Island and 70% of from the Fraser Valley, Metro & South Coast area felt funding for DL was sufficient to meet the costs of operating their DL program. Of the 30 school districts that responded to this question, 40% indicated that funding is not sufficient to cover costs and all regions had at least one school district reporting this.

Examples of respondents’ comments addressing the costs and challenges of the current distributed learning, include:

“Our DL program is very small, so it needs to be subsidized. At a minimum the funding should be increased to match the basic per-pupil allocation for school age.” - Survey Respondent

“Each year, our DL staff find that they are facing more complex student needs in the Grade 10-12 age groups (mental illness, Special Needs designations which we do not claim for as we cannot afford to provide service, children in respite care and in foster homes, ... These challenges are placing significant demands on our part time teachers.” - Survey Respondent

“Our students enrolled in DL are vulnerable students that were not successful in the regular K-12 program for reasons such as anxiety. These students require additional supports, yet DL is funded less than regular enrolment-based student funds. We are researching alternate school models which may be more appropriate for these students’ needs.” - Survey Respondent