

## *Independent Review Panel – Report Out on What We Heard From School Districts*

### Introduction

This paper provides a brief summary of what the Independent Review Panel (the Panel) has heard from school districts so far as part of the K-12 public education sector funding model review process. The Panel met with all 60 school districts between mid-March and early May 2018, through 10 face-to-face meetings and one teleconference meeting. This paper does not include feedback from stakeholder/partner meetings and it should not be read as the views or conclusions of the Panel.

### Themes and Issues

#### **Part I: Overarching Themes – Independence, Funding and Certainty**

We have heard a range of different comments and suggestions on many specific issues, but also heard some consistent messages. Overall, it is clear that British Columbia is a large and diverse province, and the issues faced by individual school districts reflect this – growing or declining enrolment, recruitment and retention issues, access to services, weather, transportation, and facilities condition were identified in meetings as examples of challenges that vary significantly from district to district. For this reason, there is not a great deal of consensus amongst districts on the most pressing issues/challenges that need to be resolved.

In general, Boards of Education agreed that they:

- Do not want to lose funding through reallocation of existing funding or have a “win” at the expense of another district.
- Want the ability to plan for the future, which means some certainty of funding for several years.
- Are concerned that any move to performance-based funding would punish districts (and students) that need the support the most.
- Appreciate additional funding that shows up from the Ministry, but expressed frustration about the timing and administration of some grants. In the past, some special grants have come too late in the school year to be spent effectively.
- Believe that surpluses and cash balances are needed to deal with uncertainty and cover unfunded items.

However, there were some differences that we observed as well. Specifically:

- Some Boards of Education and school district staff have an in-depth understanding of the funding model and its reporting processes, while others do not.
- Boards and staff are protective of their independence, and there are a range of perspectives on how accountable they should be to the Ministry, ranging from not at all to fulsome.

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- Funding levels, which are outside of this Panel’s mandate, are an issue for many, but a few indicated that their current funding level is sufficient.

### **Part II: Specific Issues Identified**

#### *1. Special Education*

Special education funding was a topic at all meetings. All school districts are committed to meeting the diverse learning needs of students despite a number of concerns expressed about how difficult and expensive it is to diagnose and report them to the Ministry, especially within the parameters of strict funding eligibility policies. Other issues identified included out of date linkages to collective agreement language; diagnoses that create expectations for service that may not be required to meet student learning needs; spending far in excess of supplemental funding; lack of access to specialists (especially for rural and remote districts); and some parental resistance to assessment due to concerns about labelling.

A number of districts suggested moving to a prevalence model based on the incidence of special needs in the population as an alternative to the current assessment and reporting-driven funding model. While concerns were raised about data sources, all agreed that this approach would reduce the administrative burden and provide districts with more time and resources to deliver services to students.

#### *2. Collective Agreements*

Each school district has its own collective agreement which includes different class size and composition limits. This is a source of frustration and is leading to service inequities across districts, and is being exacerbated by the implementation of the restored collective agreement language and the Classroom Enhancement Fund (CEF) process, which is complex, time consuming and has a high administrative burden.

#### *3. Targeted Funding for Indigenous Students*

A few school districts said that funding should not be targeted, while most said that the current model works well. Not all supports that are needed by students can be funded from the targeted funding in its current form.

#### *4. Unique School District Features*

Rural and remote school districts highlighted a number of characteristics that increase their operating costs, including the delivery of goods to remote locations, transporting students across expansive areas, accessing professional development or specialist services and higher utility costs. The requirement for a certain level of administrative support does not change with

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smaller schools. These examples were used to support continuation of the unique district feature of the current funding model.

As well, districts experiencing rapid enrolment growth or decline may require constant reorganization of school boundaries, putting significant pressure on school facilities as districts try to ‘right size’ their facilities and operations to match enrolment. Some districts commented that there should be more incentives for regional shared services.

### *5. Recruitment and Retention*

Virtually all school districts cited challenges with recruitment and retention of staff. Barriers included high costs of housing in urban and metro areas and lifestyle in rural and remote districts. Specialist teachers are difficult to attract to small, rural, or remote districts. One-time grant funding provided to assist with recruitment and retention in rural districts has worked well.

### *6. Learning Transformation and Choice for Students*

There was no agreement of whether funding by course or by individual student better supports the curriculum changes underway. On the one hand, per course funding can support student engagement, but smaller schools struggle to offer enough courses to maintain flexibility and choice for students under this approach. Some of the suggestions put forward included base funding up to a certain amount and per course funding over the base, or providing higher per course funding for secondary schools with smaller student populations.

The current model of funding distributed learning (DL) is not working for most school districts. There is an artificial division in the current model between ‘bricks-and-mortar’ and DL which should not exist, especially in the context of the new curriculum.

### *7. Community Use of Facilities*

In many rural and remote school districts, schools are community resources, but there is no reimbursement of costs. In urban districts, there are more opportunities to recover costs.

### *8. Special Grants (outside of Operating Grants)*

Government has provided school districts funding outside of operating grants to meet specific needs or requirements. There were a number of comments on these grant programs including:

- The CommunityLINK formula is out of date.
- The level of government support for the Strong Start program is not clear.

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- Provincial Resource Programs are insufficient, unpredictable, and the pre-existing programs may not align with new challenges that have emerged.
- REEF program was welcomed by school districts that use it, but those that had previously closed schools felt disadvantaged.
- Annual Facilities Grant does not meet the needs of many school districts, which means that they have to supplement this grant with surpluses to address facility maintenance issues, which can be costlier in the context of older and/or underutilized facilities.

The timing of these grants, which often come too late in the school year to use effectively, was also an issue for many districts.

### *9. Capital*

Though out of scope for this review, most Boards of Education and school district staff expressed frustration with the capital program. In larger, faster-growing districts, new space is not coming online fast enough, while smaller, rural districts struggle with higher costs to operate older inefficient buildings, deferred maintenance, and 'right-sizing' their operations. All districts pointed out the need to use accumulated surpluses to deal with these and other capital issues – buying portables, undertaking renovations, and making minor capital purchases such as white fleet and IT infrastructure.

### *10. Funding Protection*

School districts not in funding protection tended to criticize it. Their view is that it allows those districts to postpone the difficult decisions needed to 'right size' their operations. Districts in funding protection indicated that, although it has some design issues, it provides the means to continue to offer a reasonable level of service to students over time. One design issue highlighted was that, for districts coming out of funding protection it is difficult when overall enrolment continues to decline, but the number of students with special or additional needs increases without a resulting increase in funding to account for the higher cost of these students. It is also a challenge for districts coming out of funding protection if regular enrolment increases because there is no new funding for that either.

### *11. Locally-Generated Revenues*

Locally-generated revenues are an important source of revenue for a number of school districts. However, not all districts have the same ability to generate revenues. While there were some suggestions for some sort of equalization to account for this, most districts felt that these revenues should remain outside the funding model.

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### *12. Compliance Audits*

Ministry compliance audits, whether for special needs funding, enrolment or targeted grants were criticized by most school districts. They are not seen as a learning opportunity, were characterized as punitive and time consuming, and are sometimes viewed as a barrier to innovative education practice.

### *13. Implementation Issues*

Two quite different perspectives were presented on implementing any changes to the funding formula. Some school districts were in favour of an immediate implementation, while others supported a phased approach over multiple years with assurances that no funding decreases would occur. Any changes to special education funding may require more focused consultation.

There was agreement that the funding model should be reviewed on a regular cycle.

### *14. Other Provincial Services Supporting Youth*

Over time, school districts have had to deal with complex socio-economic issues such as poverty, mental health, and addictions. These issues can require additional social services and supports for students which are not always readily available in their community. Districts often step in to provide these services even though they are not directly within scope of their educational mandate and are not recognized in the current model. Some concerns were expressed about the offloading of services by other provincial Ministries on to districts. A number of districts asked for greater coordination between Ministries to support the increasing complexity of issues being dealt with in schools.

### *15. Accumulated Surpluses*

School districts are protective of their annual and accumulated operating surpluses, noting that surpluses are needed to fund portables for enrolment growth, renovate facilities (funds often saved over multiple years), or pay for other minor capital items that are not funded through the capital program. Districts are also frustrated that they are expected to contribute to capital projects, as requested by Treasury Board.

### *16. Unpredictable Funding*

A number of school districts felt that it was difficult to plan properly because of the lack of predictability in costs and/or funding. Specific examples cited include:

- Fluctuations in the salary differential supplement, which does not recognize all employee groups.

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- Changes in what gets funded from year to year (e.g. move from head count to per course, DL per-pupil not increased to recognize labour settlement costs, move to completion-based funding for graduated adults, etc.).
- Federal/Provincial changes to the cost base that are not specifically recognized (e.g. Employer Health Tax, Canada Pension Plan and EI premiums, exempt staff compensation, etc.).
- Administrative savings exercise, which meant cuts that impacted school districts and students.

Many districts were supportive of having three year rolling budgets.

*Members of the Independent Review Panel:*

- *Chris Trumpy (Chair)*
- *Philip Steenkamp*
- *Kelly Pollack*
- *Piet Langstraat*
- *Angus Wilson*
- *Flavia Coughlan*
- *Lynda Minnabarriet*