

BCSSA Funding Model Review Submission – February 2018

What's Working Well – Structures to Keep in the Funding Allocation System

The BCSSA acknowledges that while there are certainly challenges with the current funding formula, there are elements that do work well for most school districts. Districts appreciate the following:

- Transparency: knowing the factors that constitute the funding formula
- Long term planning:
 - Accounting in advance for salary costs
 - Funding timelines provided well in advance
- Funding targeted for the most vulnerable students:
 - Ensuring that indigenous students, students with diverse learning needs, English Language learners and other vulnerable learners receive additional funding
 - Blending of per pupil funding as well as special needs funding
- Recognition of unique demographic and geographic features:
 - Acknowledgment of the additional costs to provide education in rural and remote areas of the province
- The concept of Funding Protection to deal with declining enrolment
- Per course funding for Graduation Years courses that allows for more choice and flexibility for personalization of learning, and career and post-secondary partnerships
- Cross-enrollment between Distributed Learning and brick and mortar neighbourhood schools
- Holdback funding now provided up front, rather than in holdback reserve which assists growing enrolment districts

Five Key Recommendations for Change

Recommendation #1: Ensure Equity and Access for All Learners

Recommendation #2: Increase Flexibility in the Funding Model to Support All Learners

Recommendation #3: Revise the Current Funding Protection Model

Recommendation #4: Ensure that the Funding Model Provides for Increased Costs and Inflation

Recommendation #5: Review Compliance Audit System

Recommendation #1: Ensure Equity and Access for All Learners

Ensure Equity for ALL Learners

- ✓ *Continue to provide measures to address equity and access to high quality learning for all learners.*
- ✓ *Ensure that funding allocation assists in leveling the playing field and maximizing success for our Aboriginal learners, those with diverse learning needs, learners in urban centres, and those in rural and remote contexts.*
- ✓ *Continue with Aboriginal Education targeted funds*
- ✓ *Consider Revision of Special Education Funding Factors*
- ✓ *Consider Student Socio-Emotional Support and Mental Well-being*
- ✓ *Ensure access to a high quality education, choice and options for ALL learners*
- ✓ *Increase Access to Educational Programs for Rural and Remote Learners*
- ✓ *Review Inequities and Risk/Volatility of Districts Generating Funding through International Education Programs*

Recommendation #2: Increase Flexibility in the Funding Model to Support All Learners

Increase Flexibility in the Funding Model to Support Learners

- ✓ *Ensure we can do what we need to do: flexibly support learning and success for learners*
- ✓ *Build greater flexibility in Capital Funding*
- ✓ *Consider Volatility and Financial Risk in International Education Programs*
- ✓ *Impact of current Capital funding rules on District Operating budgets*
- ✓ *Consider Complexity of Capital Funding, Surplus Policy and District Operating budgets*
- ✓ *Revise Funding Protection Model*

Recommendation #3: Revise Funding Protection Model

Recommendation #4:

Ensure the Funding Allocation System provides for Increased Costs and Pressures

Ensure that the Funding Model Provides for Increased Costs and Pressures

- ✓ *Address Funding Predictability for Districts with Enrolment Growth.*
- ✓ *Address Costs of Inflation.*
- ✓ *Fund Exempt Compensation costs.*

Recommendation #5: Review Compliance Audit System



Suite 208, 1118 Homer St
Vancouver, British Columbia
Canada V6B 6L5
tel: 604.687.0590 fax: 604.687.8118
www.bcssa.org

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A. Introduction

The British Columbia School Superintendents Association (BCSSA) is pleased to provide a written submission to the Ministry of Education regarding the current Funding Model Review.

The information provided in this response originates from the Association's Executive Committee and BCSSA members serving on the Technical Review Committee. The comments and recommendations reflect the vision and values of the BCSSA. As provincial educational leaders, we believe that the Funding Allocation System should align with the redesigned curriculum and with Ministry of Education, School Districts', and Boards of Education vision and values. Through effective, transparent, and equitable resourcing to the K-12 Education sector, together we demonstrate to the system what we value in education.

While there is certainly a need for a larger quantum of funding to be directed towards the education system, the BCSSA also recognizes the need for structure and accountability within the allocation formula and for the efficient use of existing funding. It is incumbent upon all stakeholders to use available resources as effectively as possible to support all learners' success.

The main principles of equitability, understandability, balance, efficiency, and effectiveness highlighted in the Education Finance Advisory Committee Report from 1993 are still pertinent and likely will form a similar set of shared principles adopted by the BCSTA and the Ministry of Education in the current 2018-19 Funding Allocation System Review.

There are aspects of the current Funding Allocation System that are working well, and other areas in which improvement is recommended.

This document highlights key themes from the BCSSA's perspective as system leaders, and provides recommendations for moving forward as we vision a new Funding Allocation System together.

B. What's Working Well – Structures to Keep in the Funding Allocation System

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C. Five Key Recommendations for Change

- Recommendation #1: Ensure Equity and Access for All Learners
- Recommendation #2: Increase Flexibility in the Funding Model to Support All Learners
- Recommendation #3: Revise the Current Funding Protection Model
- Recommendation #4: Ensure that the Funding Model Provides for Increased Costs and Inflation
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Recommendation #1: Ensure Equity and Access for All Learners

Ensure Equity for ALL Learners

- ✓ *Continue to provide measures to address equity and access to high quality learning for all learners.*
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- ✓ *Continue with Aboriginal Education targeted funds*
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- ✓ *Review Inequities and Risk/Volatility of Districts Generating Funding through International Education Programs*

In every conversation regarding the funding model, the concept of equity is at the forefront of the dialogue. Equity is complex, and equity is also key to ensure a successful resourcing model to school districts.

Continue to provide measures to address equity and access to high quality learning for all learners

Equity is contextual in nature, dependent upon location, climate, demographics, and access to services. Equity must consider student and community socio-economic factors. The diverse equity needs are faced in both rural and remote, as well as larger urban districts.

There is a moral imperative to provide equitable opportunity and access to a high quality education for all learners. Currently there is targeted funding for Special Education, Aboriginal Education, and English Language Learners. Funding for these learners must continue.

Continue with Aboriginal Education targeted funds

We concur that targeted funds are essential for Aboriginal Education to ensure that our indigenous learners are provided with services and support to meet their needs. Targeted

funding helps ensure that Aboriginal learners are resourced and that we continue to raise the bar on Aboriginal learner success and achievement. Reporting on Aboriginal learners in District Plans for Learning, in School Growth Plans and in Ministry data is also key to keeping our focus.

Consider Revision of Special Education Funding Factors

In the area of Special Education, we agree that specific funding for Special Education must continue as this funding supports some of our most vulnerable learners. Yet there are problems with what the current funding allocation system has begat. Based on designating students through assessment and then placing them in categories to gain funding has driven behaviour. The time and resources spent assessing and documenting Special Education designations takes time away from direct service to those learners. Long wait periods for assessments and high costs for district consultants and specialists burden the system. Increases in the number of “grey area” or vulnerable learners with Q designations with funding through the block not targeted challenges district budgets and resources.

Most districts far exceed the amount received in Ministry Special Education funding in order to serve the needs of their diverse learners. The positive shift in practice in the past fifteen years to Inclusion of students with diverse needs in classrooms is very successful educationally, yet often means higher costs to support high needs students. This is an area to examine how best to ensure equity whilst considering accountability and the many political pressures.

Consider Student Socio-Emotional Support and Mental Well-being

There are a growing number of students requiring socio-emotional and mental well-being support in our schools. This is critical to many students’ success. The funding formula could allow greater flexibility in allowing districts to access community supports if they exist locally and if not, then to provide the means to create solutions that address their unique community needs.

Some learners don’t fit within Special Education designated categories and have multiple vulnerabilities. Currently districts do not receive specific funding to support these learners. In previous years, the Learning Improvement Fund allowed for some degree of flexibility, however there is now less flexibility with the restored contract language and CEF. In some cases, the parameters required by the Classroom Enhancement Fund have actually created further inequities among districts. With the expectation that there are more specialist educators such as school psychologists, counsellors, and resource teachers required, smaller districts struggle with the ability to recruit qualified staff and to program for small multi-grade classrooms, let alone find places for these teachers to live. This adds further pressure to provide services for already vulnerable learners.

Ensure access to a high quality education, choice and options for ALL learners

In addition, it is essential that the funding model provides equitable access for all learners to choose from a rich array of secondary courses and learning experiences, especially in the Graduation Years. Likewise, all learners need access to socio-emotional support, to community services and resources, to transportation, to athletics, arts programs, trades, career and post-

secondary experiences, and to extra-curricular activities. Access is not equitable for all learners as communities, socio-economic factors, and school and community size contribute to wide variations across the province. Provision in the funding formula to address these factors is critical. The funding allocation system needs to better align with the redesigned curriculum to ensure success for each child.

Increase Access to Educational Programs for Rural and Remote Learners

Students in smaller or more rural districts deserve as much of a robust selection of educational opportunities as do their counterparts in larger more urban areas. The new diverse and rich secondary program course options become challenging to operationalize in smaller districts and some families choose to leave a district or region because of their lack of options. The flexibility and choice offered for students because of the vast and exciting curricular options are almost a “double edged sword” for those districts hindered by small student populations. The Ministry needs to consider a funding model that accounts for a more creative vision of blended learning, perhaps with a provincial learning hub that is funded for all districts.

Review Inequities and Risk/Volatility of Districts Generating Funding through International Education Programs

Access to creating and sustaining lucrative International Education programs is inequitable across the province, with larger urban districts or those closer to regional centres and airports, benefiting from this increased district-generated revenue as well as the benefits of global learning for their local students. Small rural and remote districts are disadvantaged by their geography and the scale of the human resources needed to develop, market and administer International Education programs, thus intensifying the already significant rural access and equity issues and lack of resources that districts with International Ed can provide.

Yet, even for those districts who generate significant dollars to their budgets each year through International Education programs, there are challenges and risks inherent. International Education is not a reliable source of funding given the volatility of international markets and competition amongst districts for the dollars that these students bring into district budgets.

Recommendation #2: Increase Flexibility in the Funding Model to Support All Learners

Increase Flexibility in the Funding Model to Support Learners

- ✓ *Ensure we can do what we need to do: flexibly support learning and success for learners*
- ✓ *Build greater flexibility in Capital Funding*
- ✓ *Consider Volatility and Financial Risk in International Education Programs*
- ✓ *Impact of current Capital funding rules on District Operating budgets*
- ✓ *Consider Complexity of Capital Funding, Surplus Policy and District Operating budgets*
- ✓ *Revise Funding Protection Model*

Ensure we can do what we need to do: flexibly support learning and success for learners

The redesigned curriculum and our heightened focus on the personalized needs of each learner, demands that we re-examine the need for flexibility in funding. We teach learners differently than in the past. We use space and time in different ways than in previous times in education with a focus on meeting our learners' needs in flexible ways.

Both the allocation system and the audit compliance aspects of the current funding allocation system need to be aligned with educational transformation and our curriculum redesign to meet both current and future needs of our learners.

Build Greater Flexibility in Capital Funding There is also a need to allow districts to have more flexibility relating to capital expenditures and planning. While operating grants and capital grants are currently different funding streams, at the District level, capital and operating budgets intersect and need to be considered together. There are significant restrictions on both sets of funds that create challenges in long term capital planning and which force districts to make difficult choices between much-needed staffing and critical building maintenance or building new schools.

Districts find themselves compensating for a lack of Annual Facilities Grant funding (AFG) with their operating budgets in order to support student learning. Repairing and maintaining school buildings and creating safe classroom learning environments are fundamental to successful learning.

Consider Volatility and Financial Risk International Education Programs

Districts do not have a way to generate revenue other than relying on International Education Programs. Yet, International Education programs pose fiscal management issues and risks to school districts should there be serious changes in the international economy. International programs are one of the few ways that district who are able, can generate significant additional operating funds, so the flexibility is needed. Yet the stability of these revenues and equitability of these programs are challenging.

Consider Complexity of Capital funding, Surplus Policy and District Operating budgets

There appears at times to be a lack of transparency regarding the process regarding the ability of districts to build new schools. Likewise, the funding system discourages districts to retain surplus funds to "save" for such large-scale projects. In fact, districts can sometimes feel penalized for having strong fiscal management with plans for long-term goals. On the other hand, it is challenging to expect that Districts provide fifty percent of the costs required to build new schools as they do not have the ability to generate revenue.

At present, districts often find themselves in the difficult position of having to sacrifice future progress and much needed capital facilities in order to accommodate staffing needs. The same applies to the re-purposing of space. Districts would benefit from having more flexibility in the parameters imposed on space to more easily accommodate facility changes required by the re-

designed curriculum (such as Maker Spaces and Career Programs) if they had the ability to use funding more flexibly. Secondary and middle school programs are a prime example of such a need. That said, inequity also exists in this area as small districts without the ability to provide Career programs and without access to post-secondary partner institutions are hindered as they receive no additional funding to renovate existing facilities or offer programs.

In sum, there is a need for transparency, predictability, and clarity around the long-term planning and capital funding processes.

Recommendation #3: Revise Funding Protection Model

Revise Funding Protection Model

The Funding Protection model, designed to address a provincial challenge around declining enrolment is not as effective as in the past. There is no question that there needs to be something in place to support districts who continue to struggle with decreasing enrolment. When Funding Protection was in place for districts without annual reductions, it served as some protection, though most districts faced significant cuts to programs and staff each year as they prepared for the hardship of losing funding protection.

The hardship of “coming out of Funding Protection” for the past four years has meant annual funding reductions of 1.5% compounded every year for districts who are already struggling to provide service for their learners. Equity is a concern as these districts have already made all feasible reductions in staffing, operations and overhead, and each year face having to make more and more cuts to staffing and programs for learners while intensifying workload and job complexity for those remaining staff.

Recommendation #4:

Ensure the Funding Allocation System provides for Increased Costs and Pressures

Ensure that the Funding Model Provides for Increased Costs and Pressures

- ✓ *Address Funding Predictability for Districts with Enrolment Growth.*
- ✓ *Address Costs of Inflation.*
- ✓ *Fund Exempt Compensation costs.*

Address Predictable Funding for Districts with Enrolment Growth

While some districts still face declining enrolment, many districts face steady and often unpredictable enrolment growth. Enrolment growth brings pressures in capital areas with the need to increase space for more students and also causes challenges to provide equitable service and support as student enrolment climbs.

Whilst we appreciate the efforts of the Ministry to more frequently monitor enrolment and enrolment trends to better anticipate increases in enrolment, there also needs to be consideration in the Funding Allocation System to account for these dramatic changes happening across the province. The pressures are intense.

Address Costs of Inflation

Districts continue to struggle with the rising costs of inflation and so many factors that are out of their control. Although the easiest factor to predict is the cost of staffing, unanticipated growth in enrolment creates challenges in other areas and districts face significant increases in costs they have little or no control over.

Inflationary costs due to increases in hydro, gas, propane, electricity, transportation, carbon tax, technology infrastructure and hardware, snow removal, municipal water rates, educational consultants, and the cost of portables and many other supplies need to be considered in the funding formula. While districts do receive some funding for student travel and transportation for example, the current funding model does not account for high travel costs for staff or trustees to events such as BCSTA, Ministry meetings, or, travel to support students attending athletic or arts events. At present, districts find themselves cutting supports to students to pay for these necessary and rising expenses.

Fund Exempt Compensation Increase Costs

Significant and rising costs are borne by districts each year due to the need to internally fund exempt compensation increases approved by PSEC. Each year, compression is exacerbated between teacher wage and benefit increases and exempt staff, and districts struggle to retain their exempt staff and deal with intense recruitment challenges. Boards of Education are funding exempt compensation from operating budgets, which are already constrained. The Funding Allocation System should ensure that exempt compensation as well as teacher and support staff compensation increases are within the formula.

Recommendation #5: Review Compliance Audit System

Review Compliance Audit System

While we agree that there needs to be accountability for tax dollars, there are some inherent challenges with the current Compliance Audit system. A review of this system is needed to put resources where they will most make a difference. We suggest better training and preparation for districts well in advance of potential audits is essential. Staff change quickly in our new recruitment and retention paradigm, and the relative infrequency in these checks for some districts, and inconsistent communication of expectations around documentation are challenges.

Both the Ministry and districts spend much significant time and many dollars in the Compliance Audit system. How could compliance be improved and resources be better spent? How can

compliance audits better align with the goals of the redesigned curriculum and reflect the transformative and flexible practice that is going on in schools to better meet the needs of all learners? How can the implementation of innovative and personalized structures for learners be encouraged rather than discouraged through the compliance audit system? How can the abrupt reduction in funding lost due to an audit be better mitigated? For BC to be a world leader in educational transformation, our funding formula and audit criteria need to align with innovative practice and high impact strategies and structures for teaching and learning.

D: Conclusion

The British Columbia School Superintendents Association is proud of our high performing education system and of our role as educational leaders to continue to improve outcomes for all learners. Ensuring the Funding Allocation System aligns with our efforts and success in transforming teaching and learning and focuses on student success is key. There is good work happening across our province and the FAS is a foundational structure to support that work.

The BCSSA appreciates the opportunity to have input into this process and to continue to collaborate with the Ministry, together ensuring success for all of our learners.

We humbly submit this response to help inform a revised funding formula that includes processes and procedures that are clear, understandable, predictable, and transparent, while allowing flexibility to best meet those aims.