

# Highest funding ever?

Why a funding crisis for BC school districts?

SD 41 Burnaby Presentation

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# We face a “structural shortfall”

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*A structural funding shortfall occurs when available revenue lags persistently and chronically behind that required to pay for the delivery of publically-mandated programs and services.*

*Shortfalls can & do occur even when total funding is going up*

*A shortfall obliges a district to balance its budget*

# Three elements in boards' shortfall problems

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1. Downloaded new responsibilities with costs not fully covered (e.g. carbon tax, BCeSIS, pension costs, etc.)

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2. Inflationary pressure on current costs (e.g. salary + benefits like EI, MPP costs, plus hydro increases, transportation costs, etc. )

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3. Crisis management-oriented cuts (like changes to the AFG)

# Falling enrolment worsens the shortfall...

- Most districts still have fewer students in 2010-11
- Financial impact of falling student numbers (BCASBO):

For every lost student ->	- \$6,740 reduced revenue
Cost savings (average) ->	+ \$3,000 approx.
Net impact to district ->	= loss of approx. \$3,700+ per student

# Overview of shortfall : 2000-01 to the present

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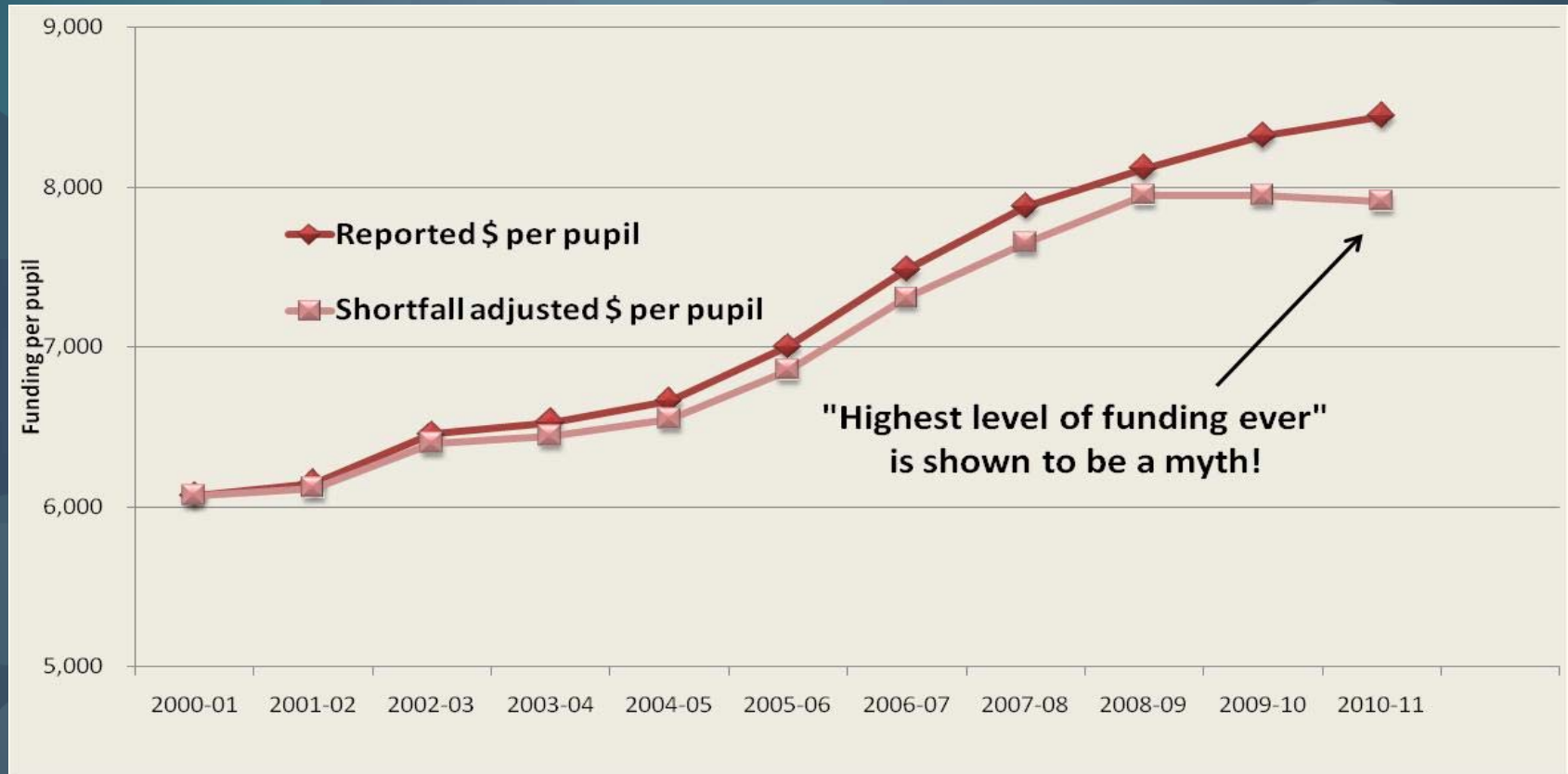
2000-2009 entrenching the problem: total block increases of \$673 M fall short of real cost increases (after enrolment decline is taken into account) by \$132 million.

2009-10 more slippage: AFG cuts, lack of formula indexation (transportation and geographic costs), more enrolment decline

2010-11 and beyond: teacher and support pension increases, carbon tax compliance, SmartTool, MPP premiums, BC Hydro rates, termination of support staff trades adjustment, more enrolment decline

Total current shortfall: in excess of \$300 million.

# Measuring the shortfall: \$ / student



Real per pupil spending is at least \$500 less than figures reported for the current year

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- ❖ Direct funding comparisons only work if the system stays the same over the period of comparison – ours has changed markedly in the past ten years
- ❖ Highest funding argument → apples / oranges
- ❖ Real funding (apples / apples) has dropped
- ❖ BCASBO has estimated that \$300 M of new funding was required in 2010-11 to reverse past losses
- ❖ “Highest funding ever” → a sleight of hand argument, a myth.