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Op-Ed

Tim Dunford, Board Chair, Saanich Board of Education

K-12 Education Funding Falls Short

The Saanich School District and many school districts in British Columbia are in the very difficult position of having to reduce services to students and families because inflationary pressures are not being funded by the Province.

Unfunded inflationary pressure effectively reduces program funding for the 2022/23 school year by about \$1.2 million in the Saanich School District (1.4% of the 2022/23 Operating Budget). These inflationary pressures include increased Canada Pension Plan (CPP) contribution rates, increased medical and dental plan premiums, and recent changes to the Employment Standards Act (enacted by the Provincial government) increasing annual illness and injury leave benefit costs by an estimated \$0.4 million. Budgeted inflationary pressures also include unavoidable cost escalation in services and supply budgets (utilities, fuel, software licenses, etc.), but it does not reflect a broader decrease in the purchasing power of service and supply budgets that is impairing the district's ability to sustainably maintain facilities, renew technology and learning resources, and fund needed equipment and supplies.

A contributing factor increasing the budget pressure experienced by Saanich and many other school districts is that the funding formula in British Columbia is disproportionately leveraged to enrolment change. As enrolment grows funding generally increases faster than enrolment-based program costs, and growing school districts are often able to fund inflationary pressures using this growth in funding. However, when enrolment declines funding actually decreases faster than enrolment-based program costs resulting in budget pressure. And because basic inflationary costs are not being funded, even a school district with stable enrolment like Saanich experiences budget pressure that can only be addressed through program reductions. In May 2021 and again in February 2022, the Saanich Board of Education wrote to the Minister of Education urging the Ministry to resolve these issues with the K-12 funding model which effectively penalize school districts that are not growing.

Historically, when budget reductions have been necessary in Saanich and in other school districts, reductions have been made first to administration and operations to the extent possible. In fact, in 2015/16 and 2016/17 school districts were mandated by the Province to achieve administrative cost savings of \$54 million (Saanich's share was \$0.7 million). In response to this mandate, in December 2015 the BC Association of School Business Officials (BCASBO) published a study concluding that, when looking at the 2013/14 school year, BC school districts were already spending 30% less on district administration per student FTE when compared to other provinces.

It is not possible for school districts to fund inflationary pressure through further administrative reductions and also continue to meet basic administrative requirements including human resources management, facility maintenance, retaining necessary financial processes and controls, and managing risks such as those related to health and safety, protection of data (cybersecurity) and regulatory compliance. As a result, when funding does not keep pace with inflation, there are no good options left for Boards of Education needing to find reductions to achieve budget balance.