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April 24, 2018

Independent Review Panel  
K-12 Sector Public Education Funding Model Review  
[K12FundingReview@gov.bc.ca](mailto:K12FundingReview@gov.bc.ca)

Attention: Chris Trumpy  
Chair

Dear Mr. Trumpy and panel members,

I am writing on behalf of the Board of Education of School District No. 52 (Prince Rupert) to provide you with our input on the funding formula review currently underway. We appreciate this opportunity to provide input and to speak with the panel.

#### Funding protection

The funding issue that is currently most significant for our district is funding protection. Funding protection can best be described as both a blessing as a curse. While funding protection for the Province consists of only 0.18% of the estimated 2018-19 operating grants, the \$1,470,223 allocated for our district makes up 6.59% of our district's operating grant. This is the third largest amount in the province both in absolute dollars and as a percent of the operating grant. The availability of these funds has blessed our district with the ability to maintain levels of staffing and availability of programs that would not otherwise be affordable.

The curse associated with funding protection is its temporary nature. From a peak of \$2,352,572 in the 2012-13 school year, there has been a reduction in this funding almost every year. The issue came to a head when our district cut \$2.4 million from the 2016-17 budget. Additional cuts were made when the Board passed the 2018-19 budget earlier this month.

The current funding model, which maintains funding at a minimum of 98.5% of the previous year, provides predictability to the Board on future funding levels. Given the small amount of Provincial money designated for funding protection, it is our Board's hope that the existing system would be grandfathered for those districts that remain in funding protection. In particular, we are not looking at any future increases, but we would hope that there would be gradual reductions until funding protection is eliminated.

### Monitoring of Funding

School districts put a significant amount of administrative time and effort into monitoring and reporting requirements for the Ministry of Education and for other funding agencies. This is particularly true in the area of special education. Teachers who support students with special needs are among the most highly trained teachers in our district. It is unfortunate that they spend a significant portion of their time dealing with reporting requirements – and disheartening when a Provincial auditor tells them they haven't done enough, and the district will no longer be eligible for funding to support that student's needs. We believe the funding for students with special needs should be based on district-wide indicators of vulnerability rather than relying on specific diagnosis.

There are numerous other examples where significant time is spent to meet reporting requirements. This includes the 1701 reporting process and many specific special purpose fund reports. We encourage the Panel, and the Ministry of Education, to carefully consider the cost-benefit of reporting requirements.

The Funding Model Review Discussion Paper raises a number of questions about a possible link between funding and student results. There is a risk that this would create additional reporting requirements for districts. More importantly, this would seem to move the Province towards an American model where "successful" schools receive more money, and schools with poorer results receiving less money. We all know that there are many factors that influence a student's success that are outside the school's ability to influence. Our district does not support tying funding to student results.

### Funding of Rural/Remote Districts

As one of the district's furthest from the Lower Mainland, we know firsthand the challenges that arise as we seek to meet the needs of our students. Many of these challenges are clearly outlined in the BC K12 Draft Rural Education Report. Access to services; recruitment & retention; lack of community support networks; and the cost of building and maintaining infrastructure are all significant concerns for our district.

Prince Rupert has had many economic challenges in the past decade. While the growth of the port industry is bringing new life to our community, there are significant numbers of vulnerable students living in poverty. Given the significant need in our district, and the high cost of meeting that need, it is imperative that the funding provided to remote and rural districts is not just maintained, but enhanced.

### Transportation

The provision of transportation services is, at times, a very public issue for school districts. Specific transportation funding was removed from the funding formula for the 2012-13 school year. In the 2016-17 annual budget, as part of the \$2.4 million removed from the budget, our district eliminated all bus and ferry transportation services with the exception of the operation of busses for students with special needs.

A few months later the Ministry announced new funding for transportation. This funding allowed a limited restoration of bussing for those students most in need, but was not sufficient for the restoration of all of the services that had been eliminated.

The most pressing need is the provision of ferry services for students living in the Metlakatla First Nation. This community, supported by the First Nations Education Steering Committee (FNESC), continues to press for the restoration of funding for this service. We understand that FNESC is negotiating with the Federal and Provincial governments to address this, and other, transportation issues affecting students living on reserves. We ask the Panel to monitor the outcome of these negotiations as part of their deliberations.

The cost of travelling between communities is a significant issue for our students and families. Whether it is a sports team, band or drama ensemble, the ability to compete against other schools requires trips down the highway – or a flight to Vancouver for a Provincial tournament. Long distances, winter driving conditions and one of the most expensive airports in the Province all contribute to added cost for our families. We hope the Panel will find ways to ensure that all students have an equal opportunity to participate in intra-mural competitions at a reasonable cost.

#### Predictable Funding

So long as our district remains in funding protection, the majority of our operating budget is quite predictable. The exception would be the funding implications from an influx of students. This would result in a need for additional classroom teachers (and classroom furnishings and supplies) without any increase to the district's funding.

The Classroom Enhancement Fund is much less predictable, and it can have impacts on the regular operating budget. In a district with smaller schools, it is difficult to forecast accurately the enrolment of students. As many of our district's families live in poverty, they tend to be renters who frequently move between school catchment areas. This contributes to the difficulty in forecasting both total enrolment and the numbers of students with special needs at each school.

As with most districts, our schools are staffed in the Spring. This is especially important with the current Provincial shortage of teachers – if the teachers are not in place by the end of this school year, it will be far more difficult to find them in September.

Our district therefore completes its staffing using the forecast allocation from the Classroom Enhancement Fund. If actual enrolment at a school declines, the allocation from the Classroom Enhancement Fund could be reduced, which would result in an additional teacher that must be paid from the operating budget.

Under the principle of stable and predictable funding, we recommend that Boards of Education have funding certainty over a three-year period. Access to contingent funding to address unexpected cost pressures should also be considered.

### Fixed Funding Allocations

There are many aspects of district funding that were provided at fixed amounts, and have not been increased – sometimes for many years. Examples of these include:

- Pay Equity
- Community Link
- Annual Facilities Grant
- StrongStart
- Learning Improvement Fund

As wages, benefits and other operating costs increase, other programs often suffer as the school district seeks to maintain these programs.

Inflation on operating costs is also rarely accommodated through the current funding formula. The new Payroll Tax is just one example of times that district costs have increased without sufficient funding to cover these increasing costs.

The provision of pay and benefit increases for exempt staff is an ongoing issue. While our Board appreciates having received permission to provide appropriate pay increases for our exempt staff, the lack of funding for these issues is inappropriate. With respect to benefits, our Board continues to wait for permission to bring our exempt staff benefit plans up to a level that is at least comparable to the benefit plans for unionized staff. Increases for all other employee groups are funded by the Ministry – and so too should increases for exempt staff.

Our recommendation is that both operating and special purpose funds must be adjusted on a regular basis to address cost increases – particularly those that are outside the control of the Board of Education.

### Surplus Funds

The prevalence of surplus funds in school districts has been a hot topic in recent years. In our view, there are many valid reasons for district's to hold surplus funds, including:

- Managing enrolment fluctuations from year to year;
- Purchase of capital items not generally funded by the Ministry, e.g. vehicles, technology upgrades, and refurbishment or replacement of administrative buildings;
- Accommodating the loss of funding protection; and
- Contingencies for unexpected items, such as cost overruns on capital projects.

In the current year, our district has implemented a formal surplus policy so that the designation of surplus funds is clear and transparent. The policy includes the possibility that funds may need to be accumulated over a number of years to address specific capital projects. We believe that discretion over surplus funds should remain with boards of education.

### Student Choice and Board Flexibility

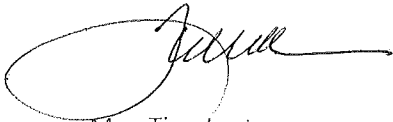
Boards of education have the responsibility to offer programs in their district that are relevant to their student's needs. As a result, it is appropriate to provide boards with as much flexibility

as possible. This would lean towards fewer special purpose funds and greater latitude for the use of operating funds.

This ties very closely to the design of the new BC curriculum, which encourages student choice in their education. Beyond funding, a significant obstacle to providing greater student choice is the nature of the restrictions in the teacher collective agreement. Our Board is hopeful that some of the restrictions can be addressed in the next round of bargaining, with the realization that there will be a cost to the Ministry if any significant changes are to be accomplished. As a result, we do not have any recommendations for changes to the funding formula to address student choice.

In conclusion, we want to express our appreciation to all of the panel members for their willingness to undertake this daunting task. We are one of sixty school districts, and we each have our unique needs. We are hopeful that your recommendations will be able to meet the conflicting needs of our districts in a fair and equitable manner; and we exhort the Provincial government to increase their funding to the K-12 system so that we can achieve more than just "robbing Peter to pay Paul."

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Tina Last', written over a large, light-colored oval shape.

Mrs. Tina Last  
Chair

/hdg

cc: MLA Jennifer Rice  
BCSTA