

## **BRITISH COLUMBIA**

School Finance and Capital Planning Branch  
Ministry of Education, Skills, and Training

### **I. GENERAL BACKGROUND**

In 1998–1999, there are 60 public school boards operating elementary and/or secondary schools in British Columbia. This is a reduction from 75 school boards through an amalgamation process that took place in 1996–1997.

In 1998–1999 there are 631,612 students enrolled in 1,776 publicly funded schools. These figures include adults and Continuing Education Centers.

Included in the above number is the Francophone Education Authority (FEA), serving 2,536 students, defined as “French-speaking” under Section 23 of the Canadian Charter of Rights and Freedoms. These students are entitled to receive elementary and secondary education in the French language. The FEA covers the entire Province and provides French language education within the boundaries of the other school districts.

29,434 students are enrolled in French Immersion programs; 7,969 in Japanese language programs; and 5,169 in Mandarin language programs.

English as a Second Language (ESL) programs, primarily in the Lower Mainland and Vancouver Island, have enrolments of 1,409 adults and 76,917 school age students for a total funding of \$72million.

British Columbia has no public, provincially funded religious schools. Schools that fall into this category are independent (private) and may receive funding as detailed later in this section.

In the early 1990s, one school district began offering an electronic distance education program (now called Distributed Electronic Learning) to students learning at home. This innovation caught on in other districts and with regional distance education schools; there are now 18 jurisdictions offering electronic distance education to over 2,000 students in their homes. The option has increased student choice and teacher alternatives. Distributed Electronic Learning courses must be approved by the Ministry and, under the School Act, school districts

must: provide the prescribed provincial curriculum, direct a student's learning, provide approved learning resources, and assess and report on student's progress

School Districts were approved with the following understanding: (a) Funding/Full-time Equivalent (FTE)—\$3,500 with no additional learning resource funds, and (b) the FTE allocation is capped according to district or regional distance education schools

In the Spring of each year, preliminary funding for the coming school year is estimated, using projected figures. This gives school districts an estimate of their funding for the new school year beginning in the Fall. On September 30<sup>th</sup> of each year, a snapshot of enrolments and other cost factors is taken and the funding is recalculated using actual figures resulting from this snapshot. Final grants to the school districts are based on these data.

Timelines around the recalculation process are as follows:

September 30 <sup>th</sup>	enrolments are recorded by schools
October	data received by Ministry
November	corrections and adjustments made to data
December	recalculation process and actual funding announced
January – March	random enrolments audits are made and grants adjusted where appropriate

During the summer and fall the Finance and Facilities Advisory Committee meet to discuss funding issues raised by the school districts and the ministry. Any changes to the Funding Allocation System (FAS) recommended by this Committee are passed to the Minister for approval.

## **II. LOCAL SCHOOL REVENUE**

All school funding is provided by the Province, although individual school boards have the option of holding a local referendum to raise money for:

- a) new and enhanced programs
- b) additional activities for students, and/or
- c) local capital project initiatives in addition to those recognized by the Province.

### III. TAX AND SPENDING LIMITS

With few exceptions, school boards are responsible for the allocation of the funding they receive. The exceptions are in the targeted areas of Special Education; Aboriginal Education; district and school-based administration; Provincial Learning Network funds and funds for the hiring of teachers to meet the terms of the 1988 Provincial Collective Agreement. Funds are targeted when the government wishes to monitor the services provided and the level of funding required to provide those services.

Areas targeted in 1998–1999 were:

Special Education Programs and Aboriginal Education. In 1998–1999, \$407.8 million and \$36.9 million respectively were allocated to school districts under these headings. These are minimum spending amounts which districts may exceed if they so choose.

Provincial Learning Network funding is centrally managed within the Ministry of Education. The purpose and goals of the Provincial Learning Network are set out under the Technology section.

District and school based administration. Funding in the amount of \$305.3 million was allocated in this category. This is the maximum school districts can spend in this area.

Learning Resources Funding - In the 1998–1999 fiscal year a total of \$28.5 million was formula generated as targeted funding for learning resources for BC schools. Of this amount, 17.5% was retained by the Ministry for video licensing, closed captioning services, software resources, a provincial photocopy license, instructional materials and on-line resources. The remaining \$23.5 million was distributed to school districts for their discretionary use for the acquisition of learning resources. School districts may retain any unspent surplus at the end of the year but must place it in a trust account for future learning resource acquisitions.

Provincial Collective Agreement - In 1998–1999, the first year of a three year agreement, \$10.5 million was provided to hire additional primary teachers and thus reduce the class sizes in Kindergarten to Grade 3. \$25 million was made available for the hiring of additional non-enrolling teachers in the areas of Special Education, ESL, Counseling, Learning Assistance and Librarians. The Agreement

states that a further \$50 million (\$25 million in each category) will be available in the year 1999/2000 and \$69.5 million in 2000/2001, the final year. School districts must keep this additional funding in Trust Accounts and use it only for the specified purposes.

#### **IV. STATE/PROVINCIAL EARMARKED TAX REVENUE**

Not applicable

#### **V. BASIC SUPPORT PROGRAM**

**Funding in 1998–1999:** \$3,500 million.

**Percentage of Total Provincial Aid:** Not reported.

School District funding is determined in two steps.

1. Determination of overall provincial funding levels, which are based on total provincial funded enrolment and the established per pupil amount. Therefore, the total funds equal the number of students times the per pupil amount.
2. The allocation of those funds to the individual districts is done using a series of formulae called the Funding Allocation System (FAS). The FAS is composed of over 50 factors used in over four hundred formulae.

In 1998/1999 about 99% of the funding, however, can be explained using 10 major funding factors. They include: district enrolment, number of schools, transportation, operations & maintenance (associated with square meters of space), special program enrolments, 1998 Provincial Collective Agreement funding, variations in educator salaries, and geographic factors

The most significant factor in the allocation system is enrolment. At a base of \$4,000 per student, this factor accounts on average for 67% of the funding to districts. The number of schools, number of square meters of school space, and enrolments in special programs on average account for about 25%.

Transportation, district funding and geographic factors account for relatively small amounts at the provincial level; however, for individual districts these can be significant.

## **VI. TRANSPORTATION**

Funds for transportation are based on actual historic costs per kilometer and on the current annual number of approved bus kilometers. Funding is generated by multiplying the approved bus kilometers by the cost per kilometer.

Additional funds are identified for water, train, contract busing (not kilometer based), Transportation Assistance, Special Program transport (transportation for special needs students), extra-curricular transportation and Student Housing.

The Province determines the level of funding based on established eligibility walk limits. School Districts may vary their eligibility limits, but any additional costs are borne solely by the district.

## **VII. SPECIAL EDUCATION**

**Funding in 1998–1999:** \$407 million.

**Percentage of Total Provincial Aid:** Not reported.

Funding for special education programs is targeted, meaning that school districts must spend this funding in the area of special education. The school district may, however, spend it in any section of special education, not necessarily in the area that generated it.

Varying funding amounts, in addition to the basic per pupil amount, are generated by students with different needs. These amounts range from an additional \$341 for each child in the gifted category to \$32,042 for each child in the dependent handicapped category.

## **VIII. COMPENSATORY EDUCATION**

The only program in British Columbia that would fall into this category is the full day Kindergarten program. This is only open to students who are eligible for the following:

Dependent Handicapped programs that include: physically dependent and deaf/blind

Low Incidence/High Cost special education programs that include: moderate to severe/profound intellectual; physical disabilities or chronic health impairment; visual impairments; deaf or hard of hearing; autism; English as a Second Language programs; and aboriginal education programs

### **IX. GIFTED AND TALENTED EDUCATION**

For each gifted, school age, full-time equivalent student, school districts receive \$341, up to a maximum of 2% of the district's total enrolment.

### **X. BILINGUAL EDUCATION**

A number of languages are identified for funding purposes. These include: French, French Immersion, Programme Francophone, Mandarin, Japanese, English as a Second Language, Aboriginal programs (which may include Aboriginal language studies)

### **XI. EARLY CHILDHOOD EDUCATION**

Early Childhood Education is not part of the K–12 public system and is funded through other Ministries such as the Ministry for Children and Families.

### **XII. OTHER CATEGORICAL PROGRAMS**

Funding is provided for specific school boards to provide specific regional services. These include:

Regional Correspondence Schools. Nine correspondence centers managed by specific school districts provide services to students resident in the area serviced by that center. In 1997–1998, these centers serviced 1,771 elementary students and 16,315 courses for secondary students. Funds for these programs totaled \$14.2 million in 1997–1998.

Containment Centers and Regional Resource Programs for special needs students. Twenty school districts provide services to students with specific needs and/or who are in specific settings. Funding for this regular program; for summer programs for three school districts; transportation costs for deaf and hard of hearing students and the Provincial School for the Deaf total \$19.5million.

Regional sites for the distribution of equipment for students with special needs. Funding for Special Education Technology-BC (SET-BC), Provincial Resource Center for the Visually Impaired (PRCVI), Special Health Equipment, Auditory Training Equipment Program (ATE) totaled \$6.6million.

Home Schooling. Parents may opt to educate their children at home. These children must be registered at a public school, independent school, or a correspondence center. Funding for these children is provided to the school districts/independent schools/correspondence centers to allow them to assist parents with evaluation and assessment activities. This funding was based on 0.0625 full time equivalent (FTE) per child. (This is a separate program from the Distributed Electronic Learning described earlier.)

### **XIII. TEACHER RETIREMENT AND BENEFITS**

Funding for the employer's portion of teacher pensions is included in the operating grant. School districts are required to pay these funds directly to the Superannuation Commission for teacher pensions. Funds for teacher pensions are allocated to school districts using formulae identified in the funding allocation system. The employer's share is recognized on the basis of 9.13% of base salary for the first \$36,900 and 10.63% for the remainder.

### **XIV. TECHNOLOGY**

The Provincial Learning Network (PLNet), a common telecommunications network interconnecting British Columbia's 1,700 schools, 60 school district offices, 22 university colleges, colleges and institutes, public libraries, museums, science and cultural organizations, was officially launched on April 14, 1998. The PLNet will provide universal and affordable Internet access to BC's learners, regardless of where they are located in the province.

The PLNet is to be implemented over the next 5 years at a cost of \$123 million, and will be built upon existing government network infrastructure. It will increase the range of K-12 courses available in small and remote schools, and will also extend programs to students not traditionally served by post secondary institutions, increase student and teacher access to learning resources, and increase student and worker access to career information.

The fundamental goal of the Provincial Learning Network is to provide equitable access to educational opportunities and information resources. The PLNet addresses two inequities:

**Program and Resource Inequity:** caused by inadequate telecommunications connectivity to many education institutions that prevents students, teachers and faculty from accessing education and information resources available electronically.

**Geographic Inequity:** caused by the high cost of telecommunications services to schools and colleges located in small urban and rural and remote communities. To reduce the cost barrier faced by school districts serving students in small urban centers and remote and rural areas, the PLNet services are priced on an equal price basis.

As of February 1999, approximately half the province's public schools and 30 college campuses were connected to the PLNet. All remaining sites are scheduled to be connected by July 2000.

## **XV. CAPITAL OUTLAY AND DEBT SERVICE**

Capital projects must meet with the approval of Treasury Board before receiving funding. School districts are required to submit annually their capital project applications ranked in order of priority in a five year capital plan. The School Finance and Capital Planning Branch then rank the projects on a provincial basis and approve the highest priority projects within the available funding.

For administration purposes capital projects are segregated between minor projects (up to \$1,500,000) and major projects (over \$1.5 million). Day to day funding is financed by the Province through lines of credit that are established with each school district's financial institution. A separate line of credit is established for each major project and minor project.

The Province changed the method of Capital Funding for school districts effective April 1, 1998. Loans to school districts for capital projects in the form of temporary borrowing (certificates of approval) and debenture debt have been replaced by prepaid capital advances from the Province. These long-term capital advances are recorded by school districts as deferred revenue in the Capital Fund.

The deferred capital revenue is recognized over the expected life of the capital asset, by amortizing to Capital Fund equity (Investment in Capital Assets). For district assets with existing debt at March 31, 1998, the deferred revenue will be amortized over an average useful asset life of 32 years.

School District Capital Funding. The Government of British Columbia has provided capital expenditures over the past five years as follows:

1994–1995	\$507.0 million
1995–1996	\$376.1 million
1996–1997	\$370.5 million
1997–1998	\$300.0 million
1998–1999	\$378.0 million

## **XVI. STANDARDS/ACCOUNTABILITY MEASURES**

Regular and Special Education enrolment audits are done annually. They are undertaken to ensure that enrolment is claimed and reported in accordance with eligibility criteria set by the Ministry.

Special Education enrolment audits encompass special education classifications.

Regular enrolment audits encompass regular school enrolment as well as program classifications such as Aboriginal Education, Career Preparation, English as a Second Language and other language programs.

Audits are conducted by independent contracted specialists.

The results of enrolment audits are used as the bases for adjustments to either claimed enrolments or grant funding to school districts.

Enrolment information is one of the major data elements used by the Funding Allocation System.

The Enrolment audit process begins when the completed September 30th enrolment data is finalized. The audit usually starts in late January and finishes by the end of March.

There is an appeal process available for districts that have undergone enrolment audits. This process of audit with right of appeal has been reviewed by the Provincial Office of the Ombudsman and found to be fair and reasonable.

Regular Enrolment Audits cover an average of approximately 5% of total funded enrolment. Grant adjustments as a result of the audit have ranged from (\$187,000) to (\$477,000) province wide over the past few years.

Special Education Enrolment Audits cover enrolment as determined by a review of enrolment data collected. The audit has been steadily expanding as resources become available. Audit finding adjustments have ranged from (\$0.8 million) to (\$1.0 million) province wide over the past few years.

In the area of Career Programs specifically, several accountability measures have been introduced. Funding is capped at September 1997 levels and an increase allowed only if reported enrolments are below the capped levels. Enrolments have been reviewed and all previously funded enrolments removed from funding. A Province-wide evaluation of Career Programs has been undertaken.

The above measures are for an interim period only, further changes are planned for future funding years.

## **XVII. SANCTIONS/REWARDS**

None.

## **XVIII. FUNDING FOR NON-TRADITIONAL PUBLIC SCHOOLS**

None.

## **XIX. AID TO PRIVATE (INDEPENDENT) SCHOOLS**

**Funding in 1998–1999:** \$135 million.

**Percentage of Total Provincial Aid:** Not reported.

All independent schools must be operated by an authority that may be a society under the *Society Act*, a corporation under the *Company Act* or a private Act or by an authority designated by Regulation. There are four group classifications of

independent schools. Schools in Groups 1 and 2 are eligible for provincial grants. Group 1 schools receive funding at 50% of local public school district per student operating cost and schools in Group 2 receive 35% of the local public school district per student operating cost. Schools in Groups 3 and 4 are not eligible for provincial funding.

In 1998–1999 funding for Group 1 was approximately \$120 million and for Group 2 approximately \$15 million, for a total of \$135 million.

## **XX. RECENT/PENDING LITIGATION**

A recent court case led to a 1997 decision from the Supreme Court of British Columbia.

The petitioners sought a declaration as to the validity of the policy of a School Board whereby certain “fees” were charged to students attending public schools in said School District.

The decision was based on whether or not the “fees” were an “education resource” or “goods and services” as defined in the *School Act*.

An “education resource” is free, “goods and services” can be charged for.

The Honorable Mr. Justice Drake’s decision stated that charges that are levied for activities not essential to participation in a specific course, i.e. fees for a school Yearbook or extra-curricular activities, are proper as being “goods and services”. However, fees charged for the provision of instruction materials for a specific course, i.e. art, woodworking, tourism, are “education resources” and are not proper charges.

The practice of levying such charges was enjoined and prohibited in the future.

## **XI. SPECIAL TOPICS**

None