

# **Restoring the Percentage of the GDP Spent on K-12 Public Education**

**Institute for Public Education/ BC**

**Submission to the Select Standing  
Committee on Finance and  
Government Services**

**Budget Consultation 2023**

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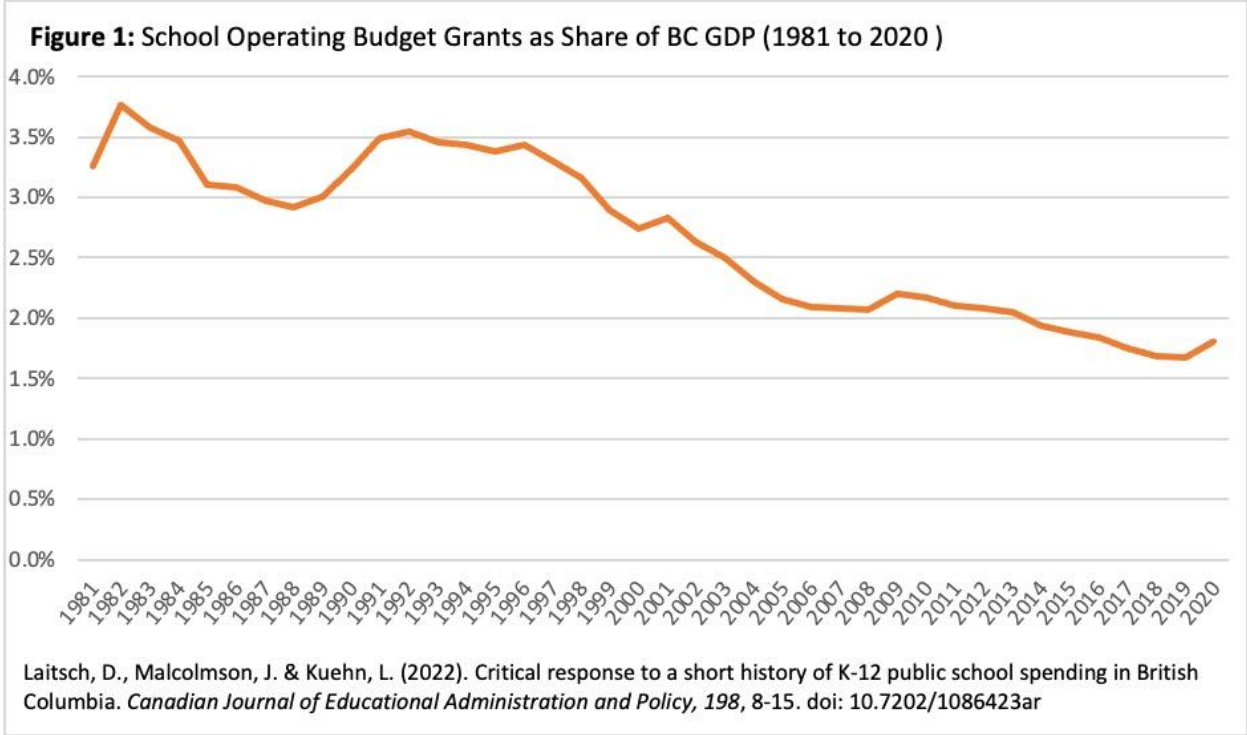
Thank you to the Select Standing Committee for its annual opening for the public to express our views on the priority for government program expenditures. The Institute for Public Education/BC (IPE/BC) appreciates that many of the suggestions made by the public find their way into the report the Committee each year makes after hearing and reading public input.

In the area of education, many of the same areas of need for further allocations of funds are repeated from year to year. Unfortunately, this indicates that the expressions of need, and sometimes the recommendations of the Committee, have not been included in the provincial budget, at least not to the degree that is required.

How can that be when year after year, regardless of which government, there is a claim that the education budget is “the highest funding ever”?

Not surprisingly, that statement is true if one is talking about the number of dollars that are in the budget. Every year there is some amount added to cover, at least partially, inflationary costs. For the previous several years enrolment in K-12 education has increased every year, bringing additional dollars from the per capita grants. Together these produce the highest number of dollars ever in the budget.

However, there is another way of looking at the question of how high funding is—what percentage of the GDP (Gross Domestic Product) of the province is spent by government on education. On that measure, education funding in BC has been declining throughout the 21<sup>st</sup> Century until a slight recent increase.



## **Why is percentage of GDP a legitimate way of measuring education spending?**

A definition of GDP is that it “is the total monetary or market value of all the finished goods and services produced within a country’s borders in a specific time period. As a broad measure of overall domestic production, it functions as a comprehensive scorecard of a given country’s economic health.”  
(1)

If GDP represents the total production in monetary terms in the province, the percentage of that resource that is spent on a particular category of services is an indication of the priority that is given to that activity—in this case, education. A constant decline in the percentage spent on education is an indicator of a declining priority—and the many requests submitted to the Committee for increases in funding for specific services is one indicator of that decline. As long as the focus is only on the total number of dollars going up it is easy to miss why there is a disconnect between more dollars being expended and failing to meet increasing educational needs.

## **The BC government should commit to increase the percentage of GDP spent on education to the 2.5% that it was in 2002.**

A government commitment to maintain and increase the percentage of GDP that goes into the education budget would provide a solid base for maintaining and improving education services.

The last two years of the pandemic have demonstrated the often underappreciated value of the education system, not just for the long term health of society and economy, but the day to day value it represents to maintaining stability in a crisis. This crisis also demonstrated cracks in the system, cracks that must be repaired if it is to serve our society well in the long term.

School Boards in the last two decades have often faced impossible choices. As new demands have arisen, or inadequacies have become apparent, they have been faced with having to eliminate or reduce important services to fund others. They have little scope to anticipate and invest in new services that could help to prepare for a precarious future. A commitment by government to maintain the priority of education funding on a GDP rather than just inflationary basis would provide the flexibility and confidence for long term planning of the changes that are needed for a sustainable society and economy in the context of climate change.

Many legitimate needs are not being met in the system currently. Students with learning differences are not guaranteed the services to meet the diversity of their needs. Few Indigenous students have access to their ancestral languages through the schools. Many students are at risk in schools that have not undergone seismic upgrading. Valuable programs in the arts disappear because of conflicting funding demands. Compensation levels are not adequate to attract and retain sufficient staff. Specialist staff are pulled away from providing services to designated students to cover classes of teachers who are ill.

The current practice of providing annual increases to per student grants, with some specially designated funds for some particular needs, has not kept up with the evolving and increasing demands on the public school system. Maintaining and even increasing the percentage of GDP allocated to education would allow the system to meet many of these needs. IPE/BC hopes the Committee will recommend that maintaining and even increasing the percentage of GDP devoted to education becomes a baseline for determination of the funding level of the education system.

(1) <https://www.investopedia.com/terms/g/gdp.asp>