



Volume 7 · Number 1
Winter 2004

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Who's Cutting Classes: Untangling the Spin about K-12 Education in BC

By Marc Lee

Parents and teachers — and most of all, students — know that schools have been closed, teaching and administrative positions have been cut, and class sizes have grown in the past couple of years. The provincial government, on the other hand, argues that per-pupil funding is rising and that the government is spending more money on education than ever before. The blame for cuts, according to Victoria, lies with local school boards not the provincial government.

Technically speaking, the government is right. School boards have had to make tough decisions due to the funding allocated them by the government. But the government seems more interested in game-playing with statistics and finger-pointing at school boards than in facing up to the challenges in K-12 education. Education has been under-funded for more than a decade, the "easy" cuts have long since been made, and there will be grave consequences for the BC economy if it continues.

A Primer on K-12 Education Financing

There are three principal components of K-12 education financing that really matter: the growth of provincial financing for K-12; changes in the number of students enrolled; and, changes in the cost of providing education services. To show the relative changes in each going back to 1990/91, the three



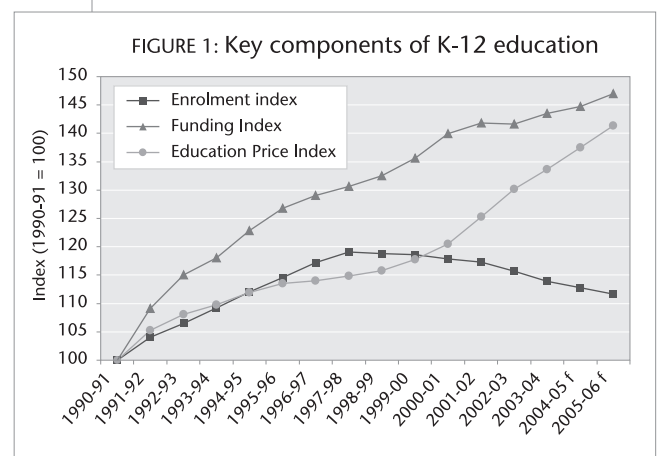
PHOTO: ROGER BROWN

Muriel Baxter Elementary School, Cranbrook, closed in 2002.

components have each been converted to an index and are shown in Figure 1.

The top line of Figure 1 shows the percentage increase in total operating funding for public education (capital expenditures are not considered here) from

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From the BC Commentary Team

Welcome to the new *BC Commentary*. This issue marks a change in the way we publish *BC Commentary*. After six years, we are expanding to eight pages, in order to bring you more articles and information in a more engaging magazine-like format. But instead of being a quarterly publication, we will publish three times per year (a “thirdly”?).

What has not changed is our commitment to publishing research and commentary that you will not find anywhere else. With the new eight-page format, we are sure that you will find *BC Commentary* even more informative about BC’s economy, society and public policy.

As always, *BC Commentary* is committed to articulating policy alternatives on the issues of the day and over the long haul. We hope to bring you a mix of shorter and longer pieces on where BC should be heading and how we can enhance people’s quality of life. We value your feedback, so let us know what you think.

Marc Lee and Shannon Daub

The government seems more interested in game-playing with statistics and finger-pointing at school boards than in facing up to the challenges in K-12 education.

Continued from page 1 (K-12 Education)

1990/91 to 2003/04, with projections to 2005/06, based on Ministry estimates. Provincial operating grants grew from \$2.7 billion in 1990/91 to \$3.8 billion in 2003/04, an increase of 43.5%.

Little of this growth, however, has come in recent years. The education system received some large annual increases in the early 1990s. Operating grants continued to increase, though more modestly, from the mid to late 1990s. Since 2001/02, operating grants have experienced minimal growth and are projected to continue this trend for the next two years.

The second factor in education financing is student enrolment. As Figure 1 shows, student enrolment expanded rapidly from 1990/91 to 1997/98. Over this time frame, almost 100,000 additional students came into the education system, adding to a base of more than 507,000 at the start of the decade — an increase of 19% in a relatively short period of time. Many of these new students arrived due to an immigration boom in BC during this time, thereby posing additional challenges, such as ESL education, to the system beyond simply the number of students.

Since the high point of 1997/98, enrolment has been declining steadily, a trend that is expected to continue for the foreseeable future. By 2005/06, projected enrolment will be about 38,000 students less than the peak of 604,000 in 1997/98 — or at the same level as 1994/95. Nonetheless, estimated enrolment in 2005/06 will still be about 12% higher than in 1990/91.

Declining enrolment levels in the context of a flat education budget mean that funding per student is actually increasing — a point made in full-page newspaper ads taken out by the government at taxpayers’ expense. But these claims are misleading because they ignore the third aspect of education financing: the rising cost of providing education services.

In the same way that consumer prices tend to rise over time (i.e. inflation), so does the “price” of education services. This includes increases in the cost of salaries for teachers, administrators and support staff, the cost of books and classroom materials, the cost of utilities such as electricity, and costs related to transportation and other education-related supplies and services.

These costs are calculated in Statistics Canada’s education price index (EPI), also shown in Figure 1. Based on the EPI, the cost of providing the same level of education in 2003/04 is about 34% higher than it was in 1990/91. This rise in education costs eats up a large share of the increase in the operating budget. Since 2001/02, education costs have been rising more rapidly than the growth of funding.

When all three factors are combined, all of the “real world” pressures experienced by educators, parents and students become apparent. In Figure 2, total operating funding is put into real terms (2003/04 dollars as deflated by the EPI) then divided by the number of students to view the changes in real funding per student from 1990/91 to 2005/06.

Figure 2 shows that real education funding levels per student were at their highest levels at the beginning of the 1990s (\$7,046 per student at the 1990/91 peak), then declined steadily from 1992/93 to 1997/98. Funding per student climbed for the next three years up to 2000/01, but all of this regained ground has been more than lost since then.

Funding levels in 2002/03 and 2003/04 are at their lowest levels over the entire period analyzed. Given current projections for operating funding, enrolment and cost increases, real funding per student will continue to fall in 2004/05 and 2005/06 to new lows — even after accounting for new money announced in the 2004 budget. By 2005/06, funding will be more than \$485 per student lower than in 1990/91.

Even though enrolment has been declining, the provincial government is simply not providing increases in funding commensurate with the cost pressures being faced by school boards, much of which (in the form of legislated salary increases and hikes in MSP premiums) was imposed by the government itself. As a result, the K-12 education system is at great risk in terms of its ability to deliver high quality services to BC's children.

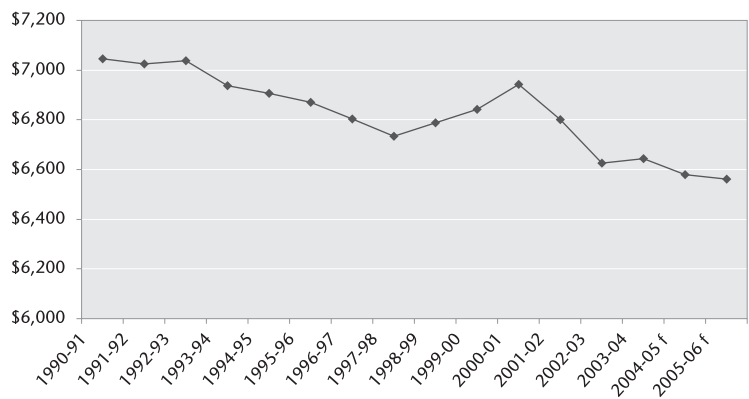
Under Pressure

While the current situation of education funding has its roots in the 1990s, budget restraint over the past few years has made a bad situation worse. This is evident in school closures, larger class sizes and teacher layoffs in recent years.

The signs of strain are also evident in more insidious ways. In order to find additional money for the public system, school boards have become more interested in attracting international students (who pay high tuition fees for education), and running distance and continuing education programs. Teachers are paying out-of-pocket for school supplies needed to do their jobs.

In addition, parents are increasingly required to pay for school materials, field trips, music fees, and so on, while feeling compelled to pay again to support local schools through bake sales and pizza day fundraisers. Schools themselves have pursued exclusive contracts for vending machines and have contracted out cafeteria operations — both

FIGURE 2: Real K-12 Funding per Student



of which have biases towards junk foods that undermine the health of students.

The result is a system of growing inequities, as schools in more affluent neighbourhoods have more access to extra funds from well-heeled parents. Schools in lower-income neighbourhoods are not so fortunate.

The government needs to do more than conjure up numbers that create the illusion that they are spending more on education. They need to actually put the financial resources in place to ensure the reality of a high quality education system. Imagine a BC where every child had an equal opportunity to develop to his or her potential. That is an investment that would benefit us all.

Marc Lee is the CCPA-BC's Economist and Editor of BC Commentary. This piece is an abbreviated version of a *Behind the Numbers* policy brief, *Who's Cutting Classes? Untangling the Spin about K-12 Education in BC*, available on the CCPA web site. Some new data from *Budget 2004* was added to update the information presented in Figures 1 and 2.

Given current projections... real funding per student will continue to fall in 2004/05 and 2005/06 to new lows — even after accounting for new money announced in the 2004 budget.

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Are Welfare Time Limits Constitutional?

By Shelagh Day

Editor's Note: In response to public outcry to welfare time limits, the BC government recently introduced a large number of exemptions to the rule. A few hundred, instead of a few thousand, people are expected to be forced off welfare starting April 1. Nonetheless, the time limits rule remains on the books, and is an affront to basic human rights.



A denial of social assistance to a person in need... violates any reasonable interpretation of the rights to security of the person and equality protected by sections 7 and 15 of the Charter of Rights and Freedoms

British Columbia is the only province in Canada to place an arbitrary time limit on welfare eligibility. The flat denial of welfare, and the reduction of an already inadequate rate, based on a time limit is a serious break with Canadian social policy of the last fifty years. Canada has built a somewhat patchy but important social safety net, based on an understanding that collectively we should provide everyone with protections against “universal risks to income”, that is, against those natural and market events that can make any one of us unable to provide for ourselves and our families — sickness, disability, old age, child-bearing and unemployment.

Not only is the 24-month cut-off bad social policy, based on inaccurate assertions and prejudices, it also violates basic human rights that are expressed in both the *Canadian Charter of Rights and Freedoms*, and in international human rights treaties that Canada has ratified. A denial of social assistance to a person in need, based solely on the duration of their reliance on social assistance, violates any reasonable interpretation of the rights to security of the person and equality protected by sections 7 and 15 of the *Charter of Rights and Freedoms*.

Section 7 of the *Charter* states: *Everyone has the right to life, liberty and security of the person, and the right not to be deprived thereof except in accordance with the principles of fundamental justice.* Access to welfare is so closely connected to issues relating to one's basic health and survival, a meaningful interpretation of section 7 rights must recognize a government obligation to provide welfare to a person in need.

Section 15(1) of the *Charter* states: *Every individual is equal before and under the law and has the right to the equal protection and equal benefit of the law without discrimination and, in particular, without discrimination based on race, national or ethnic origin, colour, religion,*

sex, age or mental or physical disability. For any individual to be denied access to the means of subsistence is a profound affront to the inherent worth and dignity of the person, which is the core value of section 15.

In a country as wealthy as Canada, for a government to refuse welfare assistance to a person in need is a blatant signal that that person is not regarded as equal in worth. For persons in need, social assistance is a crucial dignity-constituting benefit. The Supreme Court of Canada has held that section 15 requires more from governments than mere same treatment of individuals. Rather, it is a guarantee of substantive equality that requires government decision-making take pre-existing group-based inequalities into account.

Lack of access to adequate social assistance exacerbates the inequality of disadvantaged groups. People who rely on social assistance to meet their basic needs are a group that is the target of negative stereotyping, and they lack political power. Also, certain groups that are already disadvantaged by discrimination — women, Aboriginal peoples, people of colour, people with disabilities — are concentrated among the poor. Their higher rates of poverty are one outcome of the diverse forms of discrimination they experience. Each of these groups suffers reinforced social exclusion because of their lack of economic security.

In addition, section 36(1)(c) of the *Constitution* commits the government of Canada and the provincial governments to: *...providing essential public services of reasonable quality to all Canadians.* For Canadians who rely on social assistance, or who may at some point in their lives find themselves in need of social assistance, it is an essential public service. The plain language of section 36 of the

Get a Job?

The BC government claims that there is employment in BC for those who want it. In their opinion people choose to be on welfare, and need to be forced to choose work instead.

Besides the contempt of this approach for the poorest among us, the “get a job” line shows that the government is out of touch — not just with the lives of welfare recipients and the inadequacy of welfare rates, but also with the labour market in general.

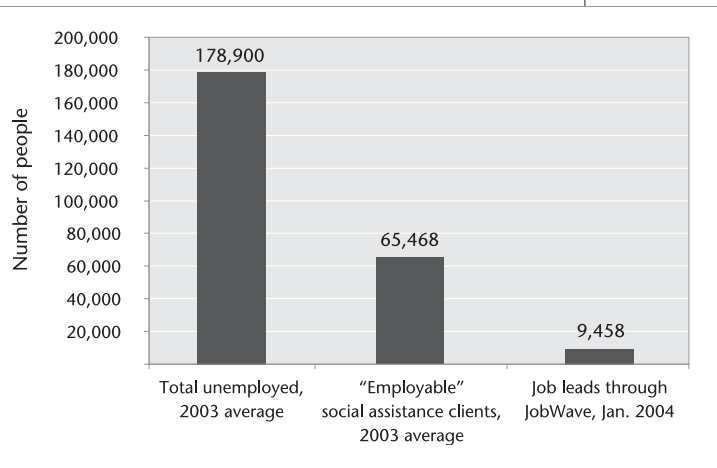
BC’s gloomy economy over the past few years is hardly conducive to gainful employment for the most marginalized in society.

Consider that JobWave, the lead private sector contractor paid to find jobs for people on social assistance, cited about 9,458 job leads on its website in January (see Figure). The government claims that 25,000 jobs have been found (mostly through JobWave) for welfare recipients since this program began.

But compare this to 2003 averages of 65,468 “employable” adults on social assistance and 178,900 officially unemployed in BC (not including discouraged workers who have given up looking for work and are not counted). Even with an improvement in employment in the last quarter of 2003, the pool of unemployed is still three times larger than the number of “employables” on welfare.

There is always a high degree of turnover in welfare caseloads. Many people are on welfare for a short period of time and then move into paid work. It is easy for companies like JobWave to cream off the easiest to place, and get paid by the provincial government for the unimpressive task of placing people in jobs they would have found on their own. But there are others with long-term problems who are not likely to find work so easily.

Marc Lee and Seth Klein



Note: social assistance figure is year-to-date average for 2003 as of end-November 2003.

Sources: Ministry of Human Resources, Monthly Caseload Statistics – November 2003, released January 2004; BC Stats, BC Monthly Labour Force Data, January 2004; JobWave website, www.jobwavebc.ca, accessed January 29, 2004.

Constitution demonstrates a clear legislative commitment to adequate social assistance programs.

Rights to social security and an adequate standard of living including food, clothing and housing are also recognized as fundamental human rights under the *Universal Declaration of Human Rights* and in numerous international human rights treaties that Canada has ratified. Particularly important is Article 11 of the *International Covenant on Economic, Social and Cultural Rights*, which obligates Canada to progressively realize the right of everyone to an adequate standard of living including adequate food, clothing, and shelter. Canada ratified this treaty in 1976, with the consent of British Columbia.

Sections 7 and 15 of the *Charter* and section 36 of the *Constitution* are understood to give life to Canada’s

international human rights obligations, and to provide for the enforceability of those rights by Canadian courts. During times when governments’ commitment to human rights is weak, it is especially important that courts do not shrink from their responsibility to ensure that every person, including the poorest and most disadvantaged, is treated with respect and concern.

The BC government should simply repeal this bad law. It breaks with the Canadian social contract, violates basic human rights and abandons the most vulnerable people in the province.

Shelagh Day is a Director of the Poverty and Human Rights Project in Vancouver, and a research associate with the BC office of the Canadian Centre for Policy Alternatives.

BC's INCREDIBLE Shrinking Environment Minister

By Dale Marshall

Joyce Murray — BC's former Minister of the "Environment" (formally Water, Land and Air Protection) — never did wield a whole lot of power in the BC Cabinet room. Her presence in Victoria was shrinking day by day, and with the recent Cabinet shuffle she has now disappeared from the Ministry.

The government's "one-window" approach to approving everything from oil and gas development to fish farms to selling off BC land does not include a view from the Environment Ministry

Being "Environment" Minister in the BC government is a post loaded with irony. Last Fall, Ms. Murray introduced a new bill dealing with provincial parks — legislation that undermines the responsibilities of the Ministry. Bill 84 allows mega-resorts in provincial parks, oil drilling underneath parks, and an oil and gas access road through a northern park. That bill, and another introduced in January 2003 that allowed private operators into our parks while increasing park fees, nicely bookend the year of the Incredible Shrinking "Environment" Minister.

Unfortunately, there is more. In 2003, the responsibilities of BC's "Environment" Minister were eliminated for 80% of BC's toxic waste and most pesticide use. The Minister will not have to consider licenses, or even issue codes of practice, for all but the most high-risk toxic waste sites. Monitoring what is left of waste management regulations has been downloaded to municipalities.

Then there is the recently introduced Bill 75. It allows Cabinet to get around the normal approval process by declaring any proposed project — a rapid transit line, an offshore oil rig, you name it — as "significant." The Act does not override environmental assessments, but those were already made discretionary last year.

And don't expect the Minister of "Environment" to convince Cabinet colleagues that environmental oversight is required, no matter what the project. The government's "one-window" approach to approving everything from oil and gas development to fish farms to selling off BC land does not include a view from the Environment Ministry.

With fewer responsibilities and an overall 44% budget cut, the Ministry needs fewer people to monitor and enforce our dwindling environmental regulations. To be fair, before her disappearing act, Ms. Murray



increased some of her responsibilities, most significantly by expanding the recycling of containers, electronic waste, and used oil products.

But mostly the Minister left for others what should have been her job: being a watchdog for the environment when dealing with the province's economic ministries, and ensuring that environmental protection is balanced against industrial development interests.

Environmental groups in BC have stepped in with a scathing indictment of the province's environmental record (www.BCFacts.org). Critics might dub them "the usual suspects," but other not-so-likely environmentalists have also stepped up to fill the Minister's role.

The Forest Practices Board, the province's forestry watchdog, has released a series of reports that document the "Environment" Ministry's systematic inability to enforce forestry regulations and failure to set aside 99% of the province's wildlife protection areas.

The Union of BC Municipalities, whose member mayors gave Premier Campbell a standing ovation back in 2001, condemned Bill 75, the "significant" projects legislation. At their convention in September, delegates also passed a resolution asking the province to halt all coalbed methane activity until adequate environmental safeguards were in place. They unanimously asked the province to scrap Bill 48, which gives the BC Cabinet the right to impose agriculture and aquaculture developments on municipalities.

BC's Budget: Balanced Fiscally not Socially

by Marc Lee

The words "Balanced Budget 2004" were splashed across the cover of this year's budget and its accompanying binders, perhaps just to be sure that no one failed to get the message: after three of the largest deficits in BC history, the budget is now balanced for the first time since 2000/01.

Over the past few years, the government has tried to backfill the hole carved in the budget from its 2001 personal and corporate income tax cuts with spending cuts and regressive tax increases (such as hikes in MSP premiums). For those with low or middle incomes, their income tax cut has essentially vanished. The past three years could be considered an exercise in how to bring in unpopular upper-income tax cuts by stealth.

Besides the balancing act, the pain of spending cuts is what stands out most in this year's budget. New spending cuts of \$350 million are included in the budget, bringing the total spending cut outside health care and education to \$1.9 billion since 2001/02.

The province's most vulnerable will bear most of this load due to the large cuts in social services, in particular cuts to social assistance and to children and family services. Environmental protection, policing and courts, and transportation are also taking big hits to their budgets. Even forest fire fighting, after last year's inferno, took a 9% budget cut.

The spending cuts got buried in budget coverage, perhaps due to some cunning word-play. The government did not move ahead with some anticipated spending cuts, but called these non-cuts "spending increases." The *Globe and Mail* thus mistakenly reported an increase in the budget for Human Resources of \$80 million, when in fact the budget was cut by \$117 million.

In health care and education, new money has been promised, but most of it does not come on line until 2006/07, after the next election. In the meantime, cost pressures continue to mount that will lead to real reductions in service levels, even though budgets have not experienced cuts in dollar terms.

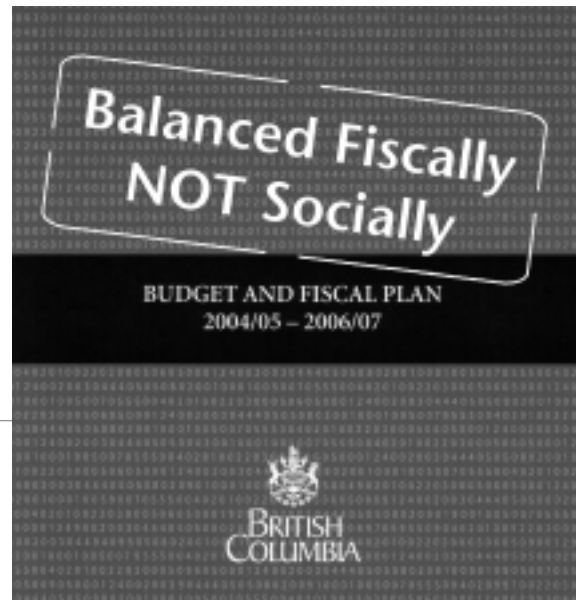
Low-income students will also be hurt by this budget. The elimination of the provincial grants program will lead to even higher debt loads for students, while universities and colleges use this "found" money for purposes of their choosing. The Budget also estimates tuition increases of 8% per year for the next three years.

Spending cuts alone were not enough to get the budget back to balance. A \$124 million accounting change (to fully count the activities of schools, universities, colleges and hospitals in the budget) worked in the government's favour.

The usual cushions against unforeseen circumstances are much smaller than in previous years. The balanced budget also benefits from one-time revenues due to the sale of BC Rail, and higher BC Hydro rates. And the government is counting on \$100 million from recent hikes in alcohol and tobacco taxes and \$125 million anticipated new revenues from lotteries.

The 2004 budget is balanced on a razor's edge. A negative economic shock could easily tilt the budget back into the red, as could a plan by the federal government to change the equalization formula that would see BC lose \$400 million in anticipated revenues. Despite the pronouncements, we will not know the final tally until after the books are closed and audited — a few months after the next provincial election.

For an alternative perspective on the budget, check out the BC Solutions Budget 2004: Getting Ready for 2010, available on the CCPA web site.



Cuts to be implemented in 2004/05 include:

- \$117 million from Human Resources;
- \$70 million from Children and Family Development;
- \$96 million from Community, Aboriginal and Women's Services;
- \$39 million from Transportation;
- \$34 million from Public Safety and Solicitor General;
- \$34 million from Small Business and Economic Development;
- \$19 million from the Attorney General.

Did you know?

Measuring Poverty

The federal department of Human Resources Development released a new poverty indicator in May 2003. Called the “market basket measure” (MBM), the indicator assesses the number of people who cannot afford reasonable expenditures on family needs, such as food, clothing, shelter, transportation and other goods and services.

Poverty advocates were concerned that this new measure would be used to “shrink” poverty in Canada by a sleight of hand. However, the new measure suggests an even greater incidence of poverty than does the more commonly-used Low Income Cut-off (after tax). One in five British Columbians fell below the MBM thresholds in 2000 (and it is not surprising that the threshold also far exceeds current welfare benefit rates).

Continued from page 6 (BC's Environment Minister)

The Oil and Gas Commission, a Crown corporation whose commissioner is appointed by the province, also had a scathing report for the “Environment” Minister. The Commission found that one-third of BC’s oil and gas operations violated regulations on stream crossings and one-third had improper sewage management practices.

With the “Environment” Minister playing a smaller and smaller role in protecting the province’s environmental resources, you would think that BC’s government would welcome all watchdogs. After all, the greatest role of public oversight is not to embarrass the government, but rather to point out where improvements can be made, hopefully before major mistakes happen.

Instead, beginning a year ago, the government cut the budgets of the Forest Practices Board and the

Ombudsman by 35%, with the Auditor General facing a 15% budget cut. This is on top of increasing the wait time and restricting the scope of freedom-of-information requests.

So, just as Ontario is waking up to the high costs of environmental deregulation — hazardous waste spills, contaminated water (Walkerton anyone?), risks to the food system, increased pollution — BC seems to be following the same deregulation path.

Percentage of British Columbians in Poverty, 2000

	Poverty Incidence (% below threshold)		Poverty depth (average income for poor people as a % of threshold)	
	Market basket measure	Low income cut-off (after-tax)	Market basket measure	Low income cut-off (after-tax)
All persons	20.0	12.4	68.2	64.1
Economic Families (2+ persons)	17.2	9.2	70.0	64.0
Unattached individuals	31.2	28.4	60.0	61.0

Source: Human Resources Development Canada. “Understanding the 2000 Low Income Statistics based on the Market Basket Measure.” May 2003.

Food Bank Usage

Number of people assisted by food banks in BC, March 2003:	72,573
Increase in food bank usage since 1997:	23%
Number of food banks in BC, March 2003:	88

Source: Canadian Association of Food Banks, Hunger Count 2003.

The risk to British Columbians from a disappearing “Environment” Ministry appears high. Thanks to Ms. Murray, the new Minister, Bill Barisoff, will arrive in his new position to find that much of his Ministry, like his predecessor, has simply disappeared.

Dale Marshall is the CCPA-BC's Resource Policy Analyst. His most recent CCPA publication is “Fishy Business: The Economics of Salmon Farming in BC,” available on the CCPA web site.

BC COMMENTARY

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