



Briefing Note (for information)

To: CUPE and other Support Staff unions in K-12

From: John Malcolmson, CUPE Research Representative, K-12

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The 2010 budget speech presented to the BC legislature on March 2nd by Finance Minister Colin Hanson announced that “we will provide \$110 million to school districts between now and March 2011 for annual facilities grants” (p. 5). At first glance, this announcement seemed to satisfy widespread public demand that last year’s cut to AFG funding be reversed.

However, it appears that acceptance of the Minister’s statement at face value is ill-advised. Closer examination of Ministry of Education estimates reveals that the \$110 million in referenced AFG funding will span both the 2009-10 and 2010-11 school fiscal years. What this means is that the cut in AFG funding announced last summer is only being half-restored. As districts gear up to face a difficult budget environment for the coming year, they will have to do so in the knowledge that their ability to make critical investments aimed at lengthening the useful life of buildings and other assets will continue to be compromised.

The August, 2009 AFG cancellation

In August of 2009, the BC Ministry of Education’s announced the cancellation of annual facilities grant to school districts for 2009-10. Coming in the wake of mounting speculation that grant monies would not be forthcoming, the announcement touched off a firestorm of indignation and protest around BC.

In making the announcement, Deputy Minister James Gorman reported that, “(g)iven the current global economic circumstances and available cash reserves in school districts, the Annual Facility Grant funding will not be provided for 2009-10.” Gorman went on to state that boards intent on pursuing AFG-related projects in the year would have to do so using any unspent grant reserves left over from previous years.

The following month, Minister MacDiarmid herself was quoted in a community newspaper interview that the AFG might not be restored for “a year or two,” raising the possibility that districts would have to do without grant funding for the 2010-11 year as well.

Usage of AFG monies

Ministry of Education policy specifies that annual facility grants must be spent as follows:

- upgrading or replacing existing building components throughout the expected economic life of an existing capital asset;
- enhancing the service potential of an existing capital asset or a component of an existing capital asset by correcting deficiencies in design or construction, and unsafe conditions;
- significantly lowering the associated operating costs of an existing capital asset; or
- extending the life of an existing capital asset or a component of an existing capital asset beyond its original life expectancy.

More specifically, grants can be applied to any of the following 12 categories of eligible expenditure:

1. Roof Replacements (including scheduled roof replacements and major roof repairs)
2. Mechanical System Upgrades (improvements, replacements or provision of heating, ventilation, air conditioning or plumbing systems)
3. Electrical System Upgrades (improvements or replacements of power supply and distribution systems)
4. Facility Upgrades (improvements to protect the fabric of the plant, including exterior painting, window and door replacement, building envelope repair and replacement, structural and nonstructural seismic mitigation)
5. Loss Prevention Projects (improvements, replacements or provision of fire protection system)
6. Functional Improvements (improvements of school facilities related to the provision of educational programming)
7. Technology Infrastructure Upgrades ("behind the wall" improvements to accommodate computer and telecommunications wiring and cabling)
8. Site Upgrades (site improvements including positive site drainage; repairs to sidewalks, parking lots, site access/egress, paved work areas, paved play areas, and play fields; perimeter safety fencing; contaminated soil remediation; underground storage tanks removal)
9. Disabled Access (improvements related to access for persons with physical disabilities)
10. Asbestos Abatement
11. Health and Safety Upgrades (improvements related to indoor air quality, seismic vulnerability, traffic safety, and structural upgrades)
12. Site Servicing (improvements, replacements or provision of sewer, drainage or water services; underground irrigation systems).

Problems with grant cancellation & partial restoration

- “Penny wise and pound foolish.” Saving money to contain a rising provincial budget deficit may well cost the province more in the medium to long run if it results in districts not having the

financial capacity to undertake necessary maintenance and upgrade work on buildings and other facilities. Something that might cost a small amount to fix or attend to now may cost several times more if left unattended for any significant period of time.

- The carbon compliance regime placed on boards last year requires that strategic investments be made in retrofitting various aspects of board maintenance and operations. To the extent that AFG monies are typically applied in areas that assist Broads in becoming carbon compliant, cutting the grant later runs at cross purposes to the Ministry's carbon compliance initiative. As such, it also points to major policy incoherence at the Ministry of Education level.
- AFG funding is also linked to allocations made pursuant to the MOE's multi-year seismic mitigation program. To the extent that AFG funding support remains restricted, it reduces the opportunity for school districts to dovetail AFG and seismic projects so as to maximize benefits and efficiency in the way funds are used.
- In January, BC Association of School Business officials estimated that BC's 60 school districts together faced an impending structural funding shortfall of about \$300 million. Insofar as AFG-related projects spill over into the area of school district operations and maintenance spending, continued restrictions on AFG allocations into 2010-11 will further hamstring board abilities to grapple with challenges produced by the deepening underfunding crisis.

Conclusion

There are many CUPE support staff jobs dependent on the flow of AFG monies to boards of education throughout the province. Work on projects employing construction, trades and maintenance workers is in many cases predicated on the availability of these funds.

At the same time, broader issues of proper school facility care, upkeep and safety underline the urgent need for full restoration of AFG funding support. While the idea of "devoting maximum resources" to the classroom may have public relations appeal, quality education and student safety will suffer if financial commitments to building maintenance and upkeep are not properly attended to in a timely manner.