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 CHAIRPERSON: Barbara Holland  
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**Meeting Date:**  
 March 29, 2016

## BOARD REPORT

**Public**  **In-Camera**

**PRESENTED FOR:** Information  Approval

**PRESENTED BY:** Senior Administration

**SUBMITTED BY:** Paul A. Picard, Director of Education  
 Mario Iatonna, Executive Superintendent of Corporate Services

**SUBJECT:** **2016-17 BUDGET PRESSURES AND CHALLENGES**

**RECOMMENDATION:**

**That the report on 2016-17 Budget Pressures and Challenges be received as information.**

**SYNOPSIS:**

The Windsor-Essex Catholic District School Board (WECDSB), like all school districts, is required to approve and submit its annual budget in June for the coming school year. In order to enhance communication and consultation with the community with respect to the Board's progress in budget development and in order to bring budget parameters to the attention of the Board early in the budget process, this report identifies the Provincial and local contexts in which the 2016-17 budget is being developed and outlines the pressures and challenges that must be considered in bringing a balanced budget to the Board.

**BACKGROUND COMMENTS:**

The Board's strategic plan is key to its sustainability. Just as important to the Board's long-term sustainability is its budget. In fact, the development of the Board's annual budget is one of the most strategic, but also the most time consuming and labour intensive functions undertaken by Administration. Further, budgeting does not solely belong to business departments. In the Ministry of Education's Financial Orientation for Trustees (December 2014), the Ministry notes that, "Directors, Superintendents and other senior program staff must be involved in the planning processes and be held accountable for budget performance".

The budget is the Board's fiscal plan that supports the delivery of educational programs and services and reflects the Board's strategic plan for the upcoming academic year. It also provides the authority for Administration to spend on a variety of programs and services. It is important that the budget be developed in a thoughtful manner and that decisions respecting the expenditure of funds carefully weigh the impacts and benefit to stakeholders across the near and long-term horizons. Further, when developing the budget, both the Provincial and local context must be considered.

## PROVINCIAL CONTEXT:

The Provincial context must be considered by WECDSB as it proceeds through budget development. Some of the key considerations are as follows:

- Provincial Outlook:  
The challenging Provincial fiscal outlook that impacted the development of prior year budgets will continue into the 2016-17 budget development process, as the Province remains committed to eliminate the provincial deficit by 2017-18. This commitment means that the Ministry of Education is now in a period of prioritization – a period in which strategic choices need to be made about how best to focus the limited resources it has to deliver on its renewed goals while achieving fiscal sustainability over the long term. The Ministry has indicated that this era of fiscal restraint is going to continue into the foreseeable future, and has noted that all organizations should plan for the possibility of a reduction in revenue.
- Labour Negotiations:  
As noted above, the Ministry remains focused on the difficult decisions that need to be made to stay fiscally sustainable. Part of the required sustainability is being achieved at the labour table given that about 80% of spending is on compensation (salary, wages and benefits). 2016-17 will be the third year of the current three year labour framework, and the Province has reached central agreements with teachers' federations and education workers' unions. The agreements are consistent with the government's net-zero bargaining framework meaning that offsets have already been identified, through the collective bargaining process, for the modest salary increases and grid movement restoration that has been established. While the Ministry will continue to focus in 2016-17 on efficiencies and opportunities for reinvestment through its continued phase-in of the SBEM (School Board Efficiencies and Modernization) strategies, they have indicated that it is not the intent to offset compensation costs arising from the collective agreements with SBEM savings.
- Employee Benefits:  
Also included in the 2014-17 Central Collective Agreements is the transformation and streamlining of health, life and dental benefit plans into five Employee Life and Health Trusts (ELHTs). Over 1,400 different benefit plans for teachers and education workers across the sector will be collapsed into these trusts. The cost and inefficiency of District School Boards maintaining so many different plans across the sector presented the Ministry with an opportunity to unlock significant long-term savings which will now be bargained at the central table. Trusts will be established by September 1, 2016 for the teacher federations (OECTA), and no later than February 1, 2017 for Education Worker Unions (CUPE). The participation date for all groups is no later than August 31, 2017.
- Provincial Priorities:  
Provincial priorities continue to be grounded in the four goals within the Ministry's renewed vision, *Achieving Excellence*. These goals are outlined below.
  1. Achieving Excellence
  2. Ensuring Equity
  3. Promoting Well-Being, and
  4. Enhancing Public Confidence.

WECDSB must continue to consider these goals in its own budget development process. Further, in Deputy Minister's memorandum to Directors of Education of January 20, 2016, he noted that in 2016-17 focus will also be directed as follows:

- **Early years and child care modernization:** further integrating and increasing accessibility to programs and supports for children and families
  - **Math:** implementing a renewed Math Strategy that enhances access to resources for educators and parents, and supports professional learning for principals and teachers
  - **Global competencies and experiential learning:** providing learners with engaging, hands-on, practical learning opportunities via innovative teaching practices and instructional methods enabled by technology
  - **Equity:** continuing to support increased achievement and well-being for Aboriginal learners, children and youth in care, and children with special education needs.
- Grant for Student Needs:  
The Grant for Student Needs (GSN) provided by the Province is the primary source of revenue for school districts. There has been over a decade of investments by the province in public education, with total operating funding increasing by \$8 billion (56%) since 2002-03. The Ministry of Education has noted that going forward, program funding in the education sector will need to continue to be managed very carefully as the province is committed to balancing the budget by 2017-18. However, notwithstanding this period of restraint, there is a commitment to allocate an additional \$500 million in School Condition Improvement (SCI) funding in 2016-17 to help boards address the identified renewal backlog from the data collected through the Ministry's Condition Assessment Program.

The 2016-17 GSN will be announced on March 24, 2016. Given Administration's commitment to share its progress on budget development with stakeholders, this report was written and published in advance of that announcement. As such, this report contains broad estimates of funding pressures, which will continue to be refined as the budget development process progresses.

- Education Funding Consultations:  
Beginning in September 2014 and each year thereafter, the Ministry of Education continues to build on the Education Funding Consultation process through sessions with a broad range of education partners. The consultations occur over several months, and focus on a variety of topics. Consultation sessions for 2016-17 Education Funding were scheduled during October and November 2015. WECDSB was represented by the Executive Superintendent of Corporate Services and the Superintendent of Business at the November 5, 2015 London Regional consultation session. The structure of the session included:
  1. The 2016-17 Education Funding Consultation Guide (attached as an Appendix to this report) focusing on the following areas:
    - a. Identifying efficiencies and opportunities for reinvestment
    - b. Continuing to make more efficient use of school space
    - c. Equity in education, that is, funding for specific education priorities, and
    - d. Expanded accountability measures.
  2. Breakout room discussions focusing on the following topics:
    - a. Special Education Grant
    - b. First Nations, Métis and Inuit Education Supplement

- c. Language Grant, and
- d. Students at Risk (Learning Opportunities Grant and Safe and Accepting School Supplement).

The Ministry plans to use the feedback received to inform the development of the 2016-17 GSN. Follow-up consultation sessions after the GSN announcement are tentatively scheduled for April and May of this year.

## LOCAL CONTEXT:

### Enrolment

A preliminary enrolment forecast has been developed for 2016-17. Enrolment projections were established based on historical data, updated for current circumstances. The projections are conservative in nature, and have been reviewed and approved by Executive Council for use in 2016-17 budget development. The projected full-time equivalent (FTE) enrolment for 2016-17, with a comparison to 2015-16, is as follows:

	2015-16 Estimates (FTE <sup>1</sup> )	Projected 2016-17 Estimates (FTE)	Change in Enrolment
Elementary (ADE <sup>2</sup> )	12,881.00	12,700.00	(181.00)
Secondary (ADE) < 21 yrs	7,155.00	6,806.00	(349.00)
<b>TOTAL DAY SCHOOL ENROLMENT</b>	<b>20,036.00</b>	<b>19,506.00</b>	<b>(530.00)</b>
Total High Credit <sup>3</sup>	22.87	15.00	(7.87)
Adult Pupils (ADE) > 21 yrs	174.50	170.00	(4.50)
Total Visa Pupils	65.00	65.00	0.00

Notes: (1) FTE = Full-Time Equivalent

(2) ADE = Average Daily Enrolment

(3) To encourage more students to complete their high school education within four years, the Ministry of Education developed a "34 Credit Policy". Students who return for a fifth year of high school and accumulate more than 34 credits during that fifth year are moved into a threshold of "High Credit Day School ADE" for enrolment purposes and are funded differently than other Day School Enrolment students under the GSN.

For the purposes of the 2016-17 budget estimates, a decline of 530 pupils from the Board Approved 2015-16 Estimates (or 2.6%) is being projected for WECD SB, bringing the total enrolment down to 19,506 pupils from 20,036. Both High Credit and Adult pupils are slightly lower with a collective 12.37 FTE decrease projected, while VISA pupils are projected to remain the same as the prior year.

Based on the enrolment identified above, a preliminary funding forecast has been prepared. As noted earlier in this report, the final GSN announcement had not yet been made at the time this report was authored and published. As such, the funding forecast contained herein is based on applying the projected enrolment to the current year's (i.e. 2015-16) funding formulas, adjusted for any 2016-17 grant changes known at the time the report was authored. The Business Department will revise the funding forecast and communicate any changes to impacted departments and ultimately to the Board with the known GSN changes announced by the Ministry of Education on March 24, 2016.

About two-thirds of education funding is based on enrolment. The projected decline of 530 FTE pupils is estimated to result in approximately \$6.2M of reduced grant revenues (based on 2015-

16 funding formulas). The declining enrolment trend is expected to continue to place significant pressure on the Board's budget in future years. Looking at very preliminary nominal (i.e. head count) enrolment projections in the chart below gives an indication of the magnitude of the dilemma facing the Board.

Grade	2016-17 Projected Nominal Enrolment (i.e. Head Count)
Junior Kindergarten (JK)	1,048
Senior Kindergarten (SK)	1,112
1	1,129
2	1,216
3	1,243
4	1,263
5	1,378
6	1,421
7	1,405
8	1,485
9	1,575
10	1,704
11	1,725
12	1,890
<b>NOMINAL ENROLMENT</b>	<b>19,594</b>

Note: Table does not include Secondary Day School > 21 yrs of age.

The Board is projected to graduate 842 more students at the end of 2016-17 than the number of students projected to be enrolled in JK during the year. It is evident from the data that the downward trend in enrolment is projected to continue year-over-year. If the projected JK enrolment for 2016-17 stays fixed for each year into the future and no other factors change, the Board would realize the results below.

Year	Nominal Enrolment	Pupil Decline From 2016-17	% Decline From 2016-17
2020-21 (5 Year Outlook)	16,892	(2,702)	(13.8%)
2025-26 (10 Year Outlook)	15,180	(4,414)	(22.5%)
2029-30 (14 Year Outlook)	14,672	(4,922)	(25.1%)

The WECD SB Enrolment Projections and Demographic Trends report of December 9, 2013 by Watson & Associates provides two separate projections for future enrolment to 2027-28. In the hypothetical case of no new housing/growth and extrapolating the Watson projections at the same rate of change as in 2027-28, it is projected that the 2029-30 nominal enrolment would fall to 15,573 pupils, a decline of 4,021 or 20.5%. Extrapolating the projections made by Watson on the same basis to account for additional pupils from future new housing/growth, the 2029-30 nominal enrolment is projected to rise to 21,610, a projected increase of 10.3%.

### Budget Outlook

At this point in the year, the discussions on budget are complicated by uncertainty as to the exact amount and nature of provincial funding expected in 2016-17. Despite this, the



development of forecasts for 2016-17 has begun based on 2015-16 funding formulas and experience, and a preliminary budget outlook has been developed. The table below summarizes the projected fiscal challenges for the upcoming academic year:

Preliminary Forecast	2016-17 (\$Millions)
Reduced GSN grant revenue due to decline in enrolment	(6.217)
Adjust reserve required per By-Law to 0.5% of operating allocation	0.029
Structural Deficit from 2015-16 Estimates	(1.750)
<b>TOTAL REDUCTIONS REQUIRED</b>	<b>(7.938)</b>

The capital deficit and other spending pressures facing the Board such as Special Education and School Operations and Maintenance (where the Board continues to spend in excess of the Ministry allocation) are not included in the forecast above and continue to present challenges as the Board balances the 2016-17 budget. For example, the 2015-16 budget reflects spending of \$3.4M in excess of the allocation on Special Education. Given this and other pressures, necessary restraint measures combined with new and creative approaches to the way the Board delivers education will need to continue to be the focus for WECDSB. Just as the Ministry is in a period of prioritization, so is WECDSB. Plans for spending in the 2016-17 budget will have to be prioritized, with the goal of achieving thoughtful and responsible savings to achieve the reduction target identified above.

#### Achieving required reductions without the use of Accumulated Surplus

Each year, boards are required under section 231 of the Education Act to have balanced budgets, where estimated expenditures do not exceed estimated revenues. The Education Act contains provisions that allow for an in-year deficit for a fiscal year of up to 1% of the Board's operating revenue, provided it does not exceed the Board's accumulated surplus of the preceding year. For WECDSB, 1% of operating revenue equals approximately \$2.1M. Therefore, the Board can use a certain amount of its accumulated surplus (historically referred to as reserves) as part of balancing revenues with expenditures.

With an accumulated surplus available, some may argue that the Board should look to its current reserve balance to partially meet the reduction target identified above, instead of finding new savings. In fact, this strategy was adopted in last year's budget to support improvements in learning, allowing WECDSB to make important investments to support students, staff and schools.

The continuation of this approach however is not a strategy recommended by Administration. Using the 1% or \$2.1M limit allowed would provide a one-time budget savings in the 2016-17 year that is not sustainable in future years. Paying for current expenses with reserves prevents the Board from adjusting its cost structures to align with reduced Ministry funding. This problem compounds from one year to the next as permanent savings not found in the current year carryforward to the next year as a budget pressure. This is evident in the table above as the Board is now faced with finding \$1.750M of reductions not identified in the 2015-16 budget. Also, a portion of the Board's accumulated surplus is internally appropriated for other items and not available, and the portion that is unrestricted is needed, in part, to continue to offset the balance of the Board's capital deficit.

In addition, reliance on accumulated surplus to aid in balancing the budget can raise the risk profile of the Board from the Ministry's perspective. Consequences of ineffective budgeting can

be high, and ultimately could lead to budget decision making powers being suspended by the Ministry.

Pressures

- Information Technology (IT):  
The Board’s and the Province’s commitment to 21<sup>st</sup> Century Learning has been putting pressures on Information Technology resources and support. Core network infrastructure that require upgrades to servers and switches in order to meet increased bandwidth demands across the Wide Area Network and Local Area Network place strain on the budget. Although some EPO (Education Program - Other) funding directed at technology has been provided over the past few years, this funding is temporary. The GSN has not recognized the need for permanently funding upgrades to IT infrastructure.
  
- Capital Deficit:  
Under prior administrations, the Board undertook the construction of school facilities not fully supported by New Pupil Place Grant revenues. As a result, there is unsupported debt, meaning capital debt that is not supported with grant revenues from the Province to meet principal and interest payments. This debt affects the Board each year in the form of unsupported amortization expense, which is approximately \$722K per year. At 2014-15 year-end, the capital deficit was \$13.4M. Adding interest on this debt raised the balance to \$14.8M. In the 2014-15 Financial Statements, \$9.6M of accumulated surplus (\$8.5M for depreciable assets and \$1.0M for land) was internally appropriated in to pay down this debt. The balance of debt remaining will need to be funded from a combination of areas including proceeds of disposition from surplus property sales, future operating savings and school renewal grant encumbrances.

While Administration is aggressively working to reduce the balance of the capital deficit, it continues to crowd out spending that could be used for other priorities. Continued fiscal prudence is necessary in the development of the 2016-17 budget in order to preserve the accumulated surplus, such that more is available to fully offset the capital deficit and build a balance that is unappropriated for operations.

- Facilities:  
Key statistics\* related to the Board’s current school utilization are highlighted in the table below.

✓ 2% of WECDSB’s schools are using less than 50% of the available space.
✓ 13% of WECDSB’s schools are using less than 65% of the available space.
✓ 61% of WECDSB’s schools are using between 65 to 95% of the available space.
✓ 24% of WECDSB’s schools are using greater than 95% of the available space.
✓ There is currently excess capacity of 3,356 spaces or 14% across WECDSB’s entire system.

\* All statistics from 2015-16 Revised Estimates

As noted in the table on the previous page, the Board has over 3,300 surplus pupil spaces in all of its schools, which represent an approximate equivalent of 8 average-sized elementary schools that would have to close for the Board to address this excess capacity.

There are costs associated with idle spaces which are not being used for core educational purposes. Schools with excess capacity are still subject to the same fixed costs of school operations, such as utilities and maintenance. Because space is underutilized however, the schools do not receive enough per-pupil funding through basic foundation grants to cover these fixed costs. Previously, to address this problem, the Ministry provided boards with base top-up funding in the School Facility Operations and Renewal Grants, which provided additional funding for certain schools that were operating at less than full capacity. While this top-up funding did not fully offset the cost of unutilized space, it certainly helped WECDSB close the gap between funding and expenses.

In 2015-16 however, the Ministry made changes to the funding formulas to further encourage the management of underutilized school space, while maintaining support for the schools that need it most. To this end, the Ministry changed:

- ✓ Top-up funding, adjustment factors and cost benchmarks under the School Facility Operations and Renewal Grant;
- ✓ School Foundation Grant;
- ✓ Geographic Circumstances Grant; and
- ✓ Declining Enrolment Adjustment

With the exception of the Declining Enrolment Adjustment, the changes introduced in 2015-16 are being phased-in over three years. The Ministry has noted that the 2016-17 GSN will continue to focus on making more efficient use of school space.

The announced change to base top-up funding in 2015-16 is its elimination, while enhanced top-up funding (top-up funding based on distance) continues. The elimination of the base-top is significant for WECDSB. In total, over \$2.5M additional funding was provided through this mechanism to help fund empty spaces; an amount that drops to approximately \$420K after the grant amendment (the \$420K essentially represents WECDSBs entitlement to Enhanced Top-up funding, for which only 4 schools qualify). As noted above, the impact of this funding adjustment is being phased-in over three years, but the magnitude of the reduction in its entirety, as well as the impact it has on the renewal and maintenance needs of the Board's aging facilities, cannot be ignored.

Changes to the School Foundation Grant are also impactful. The Ministry is redirecting funding from very small schools that are not isolated to larger schools, remote schools or schools that serve both elementary and secondary students. This further supports the Ministry's intention of encouraging Boards to deal with underutilized school space.

These reductions in 2015-16 were partially offset by improvements to some of the cost benchmarks, but it is clear that WECDSB cannot continue to operate as many school facilities as it does currently.

As WECDSB proceeds with its Modified Accommodation Review Studies, there will be opportunities to reduce the number of school facilities, and related costs, while improving the environment and opportunities for student learning. These opportunities will need to



be pursued if WECDSB wishes to adjust for these grant changes and minimize the impact of budget reductions in the classroom.

- Special Education:  
WECDSB's inclusive model of Special Education service delivery expresses its commitment to educate each child to the maximum extent appropriate in the classroom he or she attends. It involves bringing the support services to the child rather than moving the child to the services. This model however causes budget pressures as the number of students with special needs continues to increase each year, notwithstanding that overall student enrolment is decreasing. Each year, costs continue to exceed the revenues. In fact, WECDSB's total annual special education expenditures since 2002-03 have increased by \$10.6M or 60% while the annual grant allocation has only increased by \$4M or 20%. This gap will continue to create fiscal pressures for the Board in the 2016-17 fiscal year.
- Faith Formation:  
Integrating faith into the curriculum and promoting faith formation of students and staff are critical to fulfilling the mission of Catholic Education and preserving the Catholic identity. This is an area however for which there is no direct funding source to support the costs and as such the Board must carve out funding from other grants or find savings elsewhere to fund this priority.
- School Budgets:  
Over the past four years total school budgets have remained relatively stable, with only a 5.8% decrease in funding allocated to schools from 2011-12 to 2015-16. The school budget allocations that have been modestly reduced over this time period are due to:
  - 2015-16 reduction of 2.7% to partially offset declining enrolment;
  - school closures/consolidations; and
  - certain amounts of budget funds still accessible to schools but managed centrally due to the enveloping provisions of the grants.

With approximately two-thirds of education funding based on enrolment, the historical decline in WECDSB's total enrolment has resulted in reduced grant revenues overall for the Board. With a shrinking pool of available funds, it remains increasingly difficult to continue to maintain the relatively stable level of school budget support.

- Other:  
There have been limited budget increases over the past few years and each year discretionary expenses have been reviewed to identify decreases where necessary. While Administration continues to review these expenses for further savings, each year it becomes more and more difficult to identify the deeper reductions that are needed to maintain the prior year's level of educational programs and services. There is constant pressure to maintain gains in student achievement while resources and Ministry funding are all being reduced. Each year presents less and less room to absorb pressures.

Furthermore, approximately 81% of the total Board budget consists of salaries & benefits, with a significant portion of the remaining expenses either being mandatory (e.g. amortization, debenture interest, contractual fees, etc.) or revenue neutral (e.g. Educational Program – Other expenses with corresponding funding sources, etc).

Going Forward

Discussions have begun internally with a view to identifying expenditure reductions which could be implemented next year, with a goal of finding reductions in areas that have minimal impact on students. In areas where resources must be reduced, it will be challenging to mitigate the possible negative impacts. As Administration works to align scarce budget resources to the strategic objectives and priorities of the Board, additions to certain areas of the budget may be required. Where additions are needed, offsetting reduction proposals will be necessary.

Risk Assessment

As noted earlier, the information presented in this report is very preliminary. Actual 2016-17 grant changes announced on March 24<sup>th</sup> are likely to change the budget outlook. Another major risk factor in budget preparation lies in enrolment projections. While Administration has projected a 530 FTE pupil decline in 2016-17, it remains to be seen what the actual change will be. In addition, even if actual enrolment remains as projected on a system wide basis, large school-by-school variances can create staffing pressures in the fall.

Summary

All of the above is being provided for the information of the Board at this time. Administration will continue to develop the 2016-17 budget with due consideration to the factors that have been identified.

Strategic choices and difficult decisions need to be made to deal with the financial realities facing the Board and to ensure the Board remains fiscally sustainable over the long term.

**FINANCIAL IMPACT:**

Discussed throughout the report.

**TIMELINES:**

The detailed 2016-17 budget process, including timelines, has previously been submitted to the Board. A further update report is anticipated to be provided to the Board in late April. The final budget is due for submission to the Ministry of Education by June 30, 2016.

**APPENDICES:**

Appendix A - Ministry of Education 2016-17 Education Funding Consultation Guide

**REPORT REVIEWED BY:**

<input checked="" type="checkbox"/>	EXECUTIVE COUNCIL:	Review Date:	March 22, 2016
<input checked="" type="checkbox"/>	EXECUTIVE SUPERINTENDENT:	Approval Date:	March 22, 2016
<input checked="" type="checkbox"/>	DIRECTOR OF EDUCATION:	Approval Date:	March 22, 2016

APPENDIX "A"

# 2016-17 EDUCATION FUNDING CONSULTATION GUIDE

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In 2014, the Ministry of Education released [\*Achieving Excellence: A Renewed Vision for Education in Ontario\*](#) with the intention of taking our publicly funded education system from great to excellent. Underlying the four goals of the renewed vision, and the many aspirations we commonly share, is the necessity for fiscally sustainable education funding.

To that end, I am proud of the work that has already been done to ensure education funding is more efficient and more focused than ever before on directly supporting students and their classroom experience. In consulting on the 2016-17 Grants for Student Needs (GSN), we have a wonderful opportunity to further modernize education funding and ensure the transition from great to excellent steadily advances on the basis of strong, stable and sustainable funding.

As with all areas of the public sector, education funding continues to be managed very carefully so that the province can achieve its target of balancing the budget by 2017-18. Yet, despite these constraints, we have continued to deliver excellence in our schools while moving forward with an ambitious agenda of transforming and improving our programs and services, and modernizing funding. That speaks volumes about the talent, creativity and commitment so prevalent within our publicly funded education system.

The release of this Consultation Guide is another important opportunity to hear from you and benefit from your expertise and insight. We look forward to your advice and input on education funding for the 2016-17 school year.

For 2016-17, we will continue our focus on identifying efficiencies and opportunities for reinvestment. We will also renew our focus on how funding policy aligns with the priority of ensuring equity in our schools, an important goal of *Achieving Excellence*.

I encourage you to participate in this consultation and look forward to our continued collaboration and partnership.

Sincerely,

A handwritten signature in blue ink that reads "Liz Sandals". The signature is fluid and cursive, with the first name "Liz" written in a larger, more prominent script than the last name "Sandals".

Liz Sandals

Minister of Education



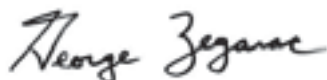
The ministry's annual consultation on education funding is an opportunity for all partners in education to assess how well we are matching Ontario's education investment with our goals for education – and to advise the ministry on what the priorities should be as we work together to deliver excellence in education to all our students.

Ontario's renewed vision of success for all learners is building on a solid foundation. More than a decade of investment has supported the commitment and hard work of the public education sector to deliver higher student achievement, more high school graduates, and the implementation of Full-day Kindergarten.

Looking forward, our challenge is to continue to make progress through the more effective use of existing resources. Meeting this challenge will require us to prioritize our spending, with a commitment to achieving thoughtful and responsible savings but also awareness of the need to identify opportunities for key reinvestments. We also want to be sure that we are giving the fullest consideration to how we allocate and use resources to support equity in education, as part of our shared commitment to an education system that meets the needs of all its students.

The ongoing dialogue between the ministry and its partners is an essential part of this process, and the purpose of this Consultation Guide is to help build this dialogue. The ministry looks forward to your feedback, and to working with you in the future.

Sincerely,

A handwritten signature in cursive script that reads "George Zegarac".

George Zegarac

Deputy Minister of Education

## INTRODUCTION

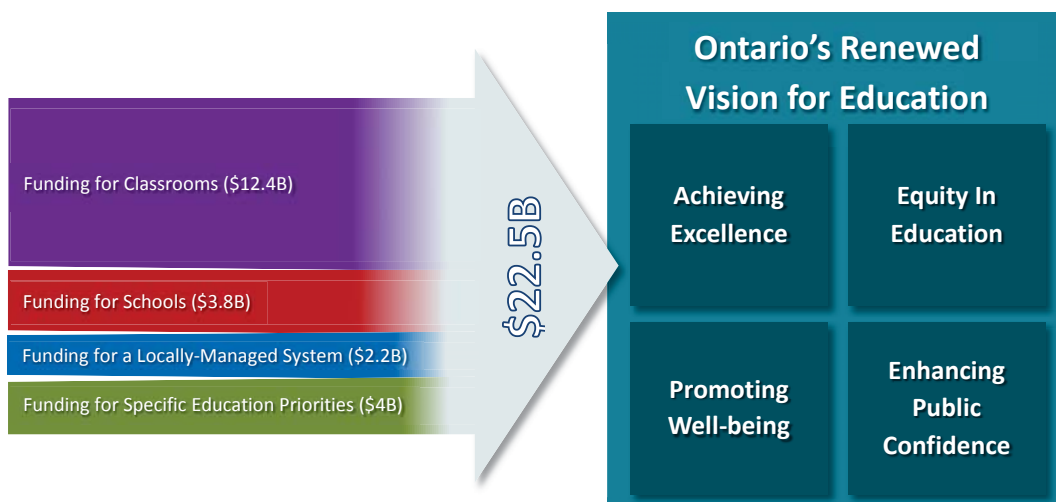
Ontario’s public education system helps learners achieve their full potential. Working together ensures that the system is sustainable, responsible, modern and efficient. Meeting all these goals requires hard work, creativity and discipline, and above all, collaboration with our education partners.

This Consultation Guide is part of the Ministry of Education’s ongoing commitment to work with the education community to develop new ideas for improving the funding mechanisms that support the delivery of education in Ontario. This joint effort has seen significant progress towards improving the formulas used to fund education in our province.

The Grants for Student Needs (GSN) allocate the overwhelming majority (more than 90%) of school board annual revenues. The GSN, or “the funding formula” as it is often called, provides the financial foundation for both the day-to-day delivery of education programs and services to our students and for the innovative and creative programs, whether at the local level or province wide, that characterize our education system.

Aligning the allocation of resources with our goals is always a work in progress. It is especially important in a fiscal environment where resources are constrained.

As one approach to thinking and talking about the alignment of resources and the importance of prioritizing investments, GSN funding<sup>1</sup> can be broadly categorized into four areas of support:



<sup>1</sup> Figures based on 2015-16 GSN projections. Numbers may not add due to rounding.

1. **Funding for classrooms** focuses on providing classroom resources.
2. **Funding a locally managed system** aims to ensure board leadership carries out focused activities to support alignment of resources which help schools and students strive to achieve excellence.
3. **Funding for schools** provides the resources to ensure schools have the leadership they need and are clean and well-maintained facilities for learning. Funding is also positioned to encourage the most efficient use of space possible.
4. **Funding for specific education priorities** speaks mainly to the *Achieving Excellence* goal of addressing priority areas by, for example, meeting special education needs and improving language proficiency.

In addition to the \$22.5B projected funding through the GSN, the ministry has allocated \$379.2 million in total Education Program – Other (EPO) funding for 2015-16. Some EPO funding is allocated to school boards, but, depending on the specific purpose, EPO allocations are also made to non-school board partners or to a combination of school board and non-school board partners. All EPO allocations, regardless of the recipient, have the goal of supporting the province's education priorities and are intended to directly or indirectly benefit the school boards as they work to support these priorities.

In March 2015, \$214.1 million in EPO funding was announced for school boards and school authorities. The balance of the funding is being allocated over the course of the year.

With respect to managing the funding formula, the ministry recognizes that conditions vary widely across Ontario and the funding formulas cannot take every situation into account. This is why local school boards have flexibility in how they use funding, within an over-all accountability framework.

For the 2015-16 GSN, with the help of your input, we focused on:

- The School Board Efficiencies and Modernization (SBEM) strategy that impacts many grants and allocations to encourage boards to make more efficient use of school space;
- Investments to help school boards keep up with costs in areas such as student transportation and utilities, including electricity costs; and
- Changes to improve accountability, including some additional reporting related to the Safe and Accepting Schools Supplement.

This year, we are building on the foundational changes we have already made to the GSN. We are continuing these consultations and focusing on the following areas:

- Identifying efficiencies and opportunities for reinvestment;

- Continuing to make more efficient use of school space;
- Equity in education, that is, funding for specific education priorities; and
- Expanded accountability measures.

## **ABOUT THIS CONSULTATION**

We are providing this Consultation Guide in advance of face-to-face discussions to ensure more time to consider the details on specific areas for which we are seeking feedback. A series of consultations will take place in late fall. Discussions will involve:

- School board representatives, including Directors of Education and senior school board officials;
- School board trustee associations;
- Principal and vice-principal associations;
- Teachers' federations;
- Education worker unions;
- The Minister's Advisory Council on Special Education;
- The Minister's Advisory Council on First Nation, Métis and Inuit Education;
- Parent groups (People for Education, Ontario Federation of Home and School Associations, Ontario Association of Parents in Catholic Education, Parents partenaires en éducation, Canadian Parents for French); and
- Student groups (Ontario Student Trustees Association, Minister's Student Advisory Council, Regroupement des élèves conseillères et conseillers francophones de l'Ontario, Fédération de la jeunesse franco-ontarienne).

This Consultation Guide is one further step in a process, which started in 2013, of revitalizing the annual consultations around the GSN. As participants have found, these annual GSN consultations focus on key policy issues, but are also an opportunity for a dialogue on all issues. For example, we have sought to engage stakeholders in more in-depth and focused discussions about efficiencies and modernization in the education sector, in light of the continuing fiscal pressure faced by Ontario and other jurisdictions. At the same time, we have sought to give all partners the opportunity to voice their own concerns and ideas. In addition to the renewal of the annual GSN consultation, we have also attended as many Regional Education Councils as possible.

One issue the ministry wishes to acknowledge is that, in conducting these consultations, it needs to strike the right balance between confidentiality and respect for government's own internal decision-making processes and the need for transparency with its stakeholders.

There are also some issues, originally identified in general consultations or elsewhere, that may be referred to working groups for further technical follow up. These topic-specific working groups include program-focused groups such as the Minister's Advisory Council on Special Education and the ministry's Technical Advisory Committee (TAC) for complex issues related to GSN funding.

As noted elsewhere in this Consultation Guide, previous consultations made significant contributions to changes to the 2014-15 and 2015-16 GSN that affected a wide range of allocations, including School Facility Operations and Renewal, Supported Schools and Geographic Circumstances, Learning Opportunities, and Declining Enrolment. Consultation also supported the ongoing implementation of changes to the School Board Administration and Governance Grant and the Special Education Grant.

To build on the progress we have made over the past decade, we will continue to set new goals for the future and look at the best ideas and practices in Ontario and other Canadian jurisdictions. These consultations will help ensure that we set the right priorities to best support an education system for Ontario that is strong, equitable, responsive and well-managed.

This Consultation Guide is intended to support and provide focus to these important conversations with our education partners. We encourage you to share ideas and insights regarding any areas you feel deserve consideration. We would also appreciate receiving written submissions, which can be directed to:

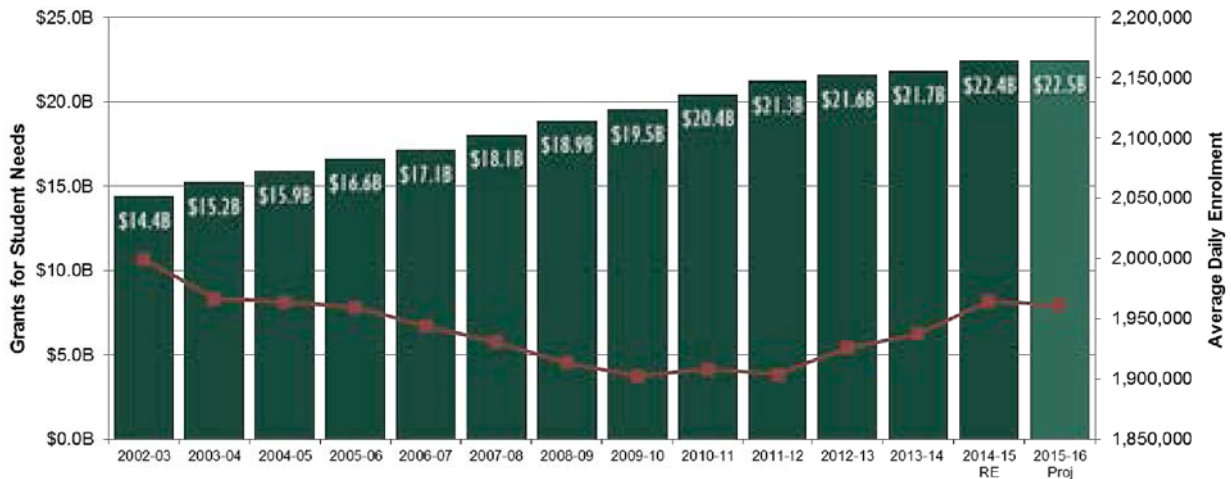
Kate Gooding, Coordinator, Education Finance Issues  
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# EFFICIENCIES AND REINVESTMENTS

## CONTEXT

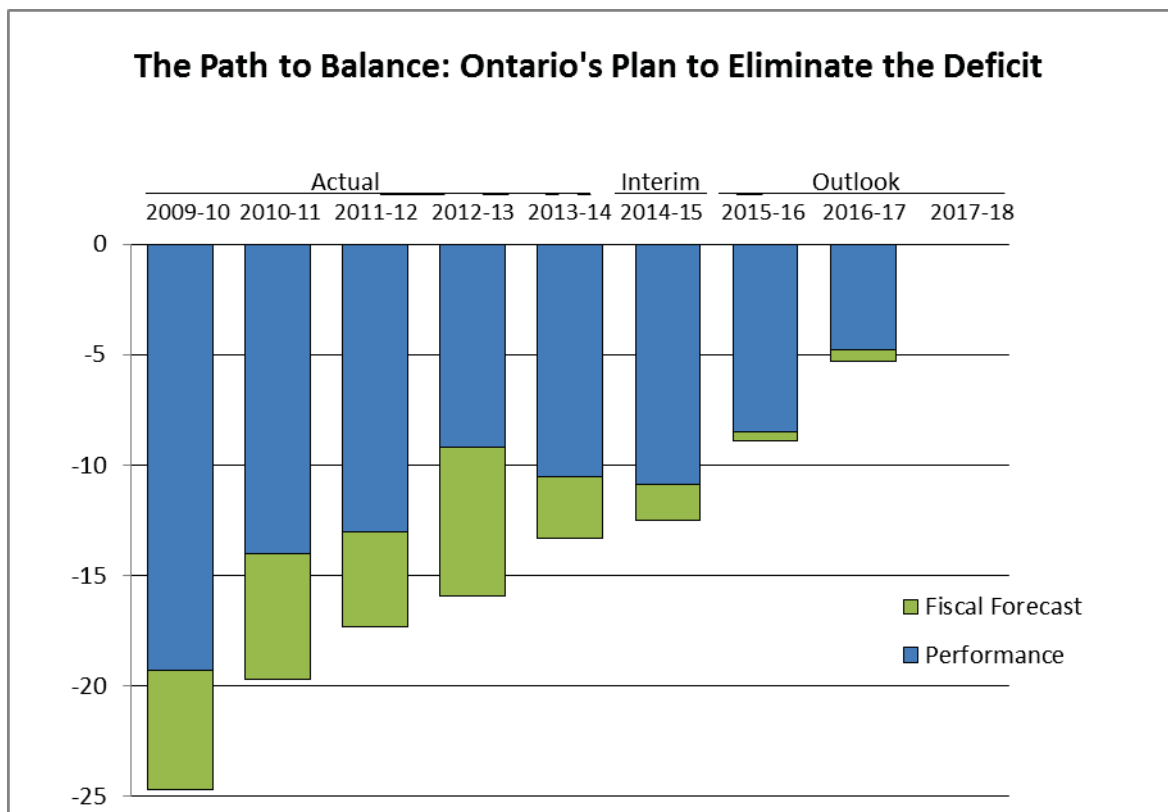
There has been over a decade of significant investments by the province in public education. Total operating funding has increased by \$8 billion (56%) since 2002-03. On a per student basis, the increase is 59% over the same period, a period which has seen significant enrolment decline.



*Note: To provide a clear year-over-year comparison, FDK funding, which was previously outside the GSN, has been added. The increase in enrolment is a result of FDK.*

Going forward, program funding in the education sector will need to continue to be managed very carefully as the province is committed to balancing its budget by 2017-18.

As part of good planning and given the current economic climate, all organizations should plan for the possibility of a reduction in revenue. While the upcoming 2015 Fall Economic Statement will provide an update on the government’s path to balance and any resulting need to find greater savings, the government is always looking for new approaches to deliver key priorities within current fiscal realities. As such, a continued focus from last year’s consultation is identifying efficiencies and opportunities for reinvestment in the education sector.



Source: Ontario Budget 2015

The ministry conducted extensive consultations on education funding related matters with a broad range of stakeholders in 2013 and 2014. Throughout the consultations we had open and frank conversations on how to achieve efficiencies and savings as well as ways to reinvest in the system.

Last year's consultation guide (2015-16) set out principles to guide the identification of permanent savings and efficiencies that also:

- Align with the goals in *Achieving Excellence*;
- Support an equitable system that takes into consideration such factors as location, language, denomination and socioeconomic status;
- Maintain consistency with the collective bargaining process; and
- Align funding decisions with changes to school board cost structures.

During the 2015-16 consultations, stakeholders raised additional principles that might help guide financial decisions:

- Local decision making is needed to help identify efficiencies; and
- The need for the entire public sector to plan in a more integrated way, so that communities make the most efficient use of public assets possible.

We also heard during the consultations that achieving efficiencies may require up-front investments and/or incentives for boards. As part of the implementation of the School Board Efficiencies and Modernization (SBEM) strategy the government made significant investments in priority areas.

**SBEM EFFICIENCIES AND REINVESTMENTS AT MATURITY**



Together we can build on the successes of last year and identify potential efficiencies to support other key priorities.

**EDUCATION SECTOR BARGAINING**

Central tentative agreements have been reached with some teachers’ federations; the government and school boards continue to work with the other federations and education workers’ unions in an effort to achieve central agreements.

These agreements are or will be consistent with the government’s net-zero bargaining framework, meaning that offsets have already been identified, through the collective bargaining process, for any salary increases. As in previous years, the 2016-17 GSN consultations are focusing on efficiencies and opportunities for reinvestment that are independent of the collective bargaining process. Where potential efficiencies are identified through this consultation, it is not the intent to use any savings to offset compensation costs arising from the new collective agreements.

**CONSIDERATIONS**

- What is your general input and feedback on the SBEM initiative to date?
- What are the areas where there is potential to find new efficiencies and savings?
- Where might reinvestments be most effective in supporting ongoing efficiencies or improving programs?

## CONTINUING TO MAKE MORE EFFICIENT USE OF SCHOOL SPACE

### CONTEXT

First introduced in 2014-15, the ministry expanded the School Board Efficiencies and Modernization (SBEM) strategy in 2015-16 to further encourage the management of underutilized school space, while maintaining support for the schools that need it most.

The five pillars of SBEM, introduced in 2014-15, demonstrate that the government has heard – and is acting on – feedback from school boards that supports are required to achieve this transformation. The five pillars are summarized in the following table:

<b>Summary: Five Pillars of School Board Efficiencies and Modernization</b>
<b><i>What We Heard: Underutilized Space is a Significant Issue</i></b>
<p><u>Pillar 1</u></p> <p>Revisions to grants to incent boards to make more efficient use of school space in both the 2014-15 and 2015-16 GSN. Many of the 2015-16 revisions are being phased in over three years.</p> <p><u>Pillar 2</u></p> <p>New Pupil Accommodation Review Guideline (PARG) released in March 2015. Based on broad consultations, revisions ensure boards have a more effective tool to review their facilities while continuing to ensure constructive public input.</p>
<b><i>What We Heard: Investments Needed to Realize Savings Over the Longer Term</i></b>
<p><u>Pillar 3</u></p> <p>School Consolidation Capital (SCC) program funding to support consolidations and right-sizing of school facilities (\$750 million over four years beginning in 2014-15). In the first round (2014-15), the ministry approved 31 projects totalling approximately \$150 million.</p> <p><u>Pillar 4</u></p> <p>Funding to boards to build planning capacity where there is a need to address underutilized schools (\$8.3 million per year). Funding for 2014-15 was released in February 2015. Funding for 2015-16 will be released in the near future.</p>

## Summary: Five Pillars of School Board Efficiencies and Modernization

### *What We Heard: Working Together is Key*

#### Pillar 5

Continued and meaningful consultation with the education sector on a regular basis on issues related to the GSN, including issues related to making more efficient use of school space. Recent events include:

- 2015-16 education funding consultations with stakeholders in the fall of 2014 ([summary of consultations](#) available on the ministry's website).
- PARG consultations conducted in fall/winter of 2014 and early 2015.
- Regional information sessions on the 2015-16 GSN for school board officials in Spring 2015.

These changes, as a whole, will continue to encourage boards to focus on using education resources and facilities to support students rather than supporting school space that may be surplus to students' education needs.

2015-16 GSN grant revisions (*Pillar 1*) include:

- Top-up funding and benchmarks under the School Facility Operations and Renewal Grant;
- the School Foundation Grant;
- the Geographic Circumstances Grant; and
- the Declining Enrolment Adjustment.

### **OTHER FUNDING MEASURES TO SUPPORT EFFICIENT USE OF SPACE**

In 2015-16, the ministry is investing \$500 million in School Condition Improvement (SCI) funding to help boards address the identified renewal backlog from the data collected through the ministry's Condition Assessment Program. A further \$500 million in SCI funding will be allocated to boards in 2016-17.

Starting in 2015-16, the funding approach for SCI has changed to ensure that funding would be allocated based on a school's assessed condition and total identified renewal needs.

### **SCHOOL CONSOLIDATION EXPERIENCE STUDIES**

As Ontario's student population continues to change, schools have reorganized, closed or consolidated to address issues such as declining enrolment and changing demographic trends. The ministry recognizes that these decisions have significant



impacts on students and their families, teachers, and communities. The ministry undertook three studies of stakeholder experiences in two district school boards that have recently carried out school consolidations or reorganizations.

By conducting approximately 100 interviews and site visits in the Algoma and Durham District School Boards, the ministry gained valuable insight into the effects of three very different school consolidations or reorganizations on education stakeholders. One of these consolidations was the product of two secondary schools being consolidated into a single existing secondary school. Another was a case of two secondary schools consolidating into a newly constructed facility. The third was a result of several grade 7 and 8 elementary school programs being merged into an existing secondary school and the subsequent reorganization of the elementary and secondary panels.

Three key themes emerged from these studies and were considered from various stakeholder perspectives:

1. **Communication:** the quality and consistency of communication, of board decision-making and planning and the facilitation of connections and dialogue between staff groups, between student groups and between the board and stakeholders (including parents, staff and student and community members) had a direct impact on the acceptance and positive impact of the consolidation/reorganization experience.
2. **Transition Planning and Implementation of Decisions:** collaborative planning coupled with efficient and thorough implementation of decisions and commitments were vital to the success of consolidation/reorganization efforts.
3. **Program Offerings and School Culture:** due to larger student cohorts and consolidated staff, program offerings and co-curriculars were generally enhanced through consolidation/reorganization. When all parties in the consolidated/reorganized school were engaged, an inclusive and encouraging learning and teaching environment resulted.

The detailed studies and other related materials can be found on the [School Consolidation Experience Studies page](#) of the ministry website.

## **COMMUNITY HUBS & ONTARIO REGULATION 444/98**

The Premier's Community Hub Framework Advisory Group – chaired by Karen Pitre, special advisor to Premier Wynne on community hubs – has issued its report entitled [Community Hubs in Ontario: A Strategic Framework and Action Plan](#).

The report's strategic framework and action plan outlines specific recommendations intended to help Ontario review provincial policies and develop a framework to adapt existing public properties to become community hubs. The government fully supports integrated service delivery through community hubs and is supportive of the advisory

group's recommendations. As schools play a valuable and important role as a hub for programs and services that benefit the broader community, the ministry will work with other government ministries, the education sector, municipalities and community partners to implement them.

Within its recommendations to remove barriers and create incentives, the advisory group has recommended interim amendments to Ontario Regulation 444/98, *Disposition of Surplus Real Property*, (O. Reg. 444/98). In addition to recommending consultation and review of O. Reg. 444/98, amendments were also recommended to ensure additional consideration of community and provincial interests when the sale of school property is being considered. Other amendments we are seeking feedback on include:

- Extension of timeline(s) to submit an offer;
- Expansion of the list of preferred entities;
- Alternate approach to prioritizing offers from more than one coterminous school board;
- Modification to the process for listing property on the open market; and
- Potential future amendments on school property severances and leasing provisions.

The release of the report's strategic framework and action plan does not change the overall requirement for school boards to review the program needs and manage school properties to make the best use of funding to support student achievement and well-being. It is acknowledged by the advisory group that school boards need to right size their systems by consolidating and closing schools, given changing demographics, to ensure educational program quality.

## CONSIDERATIONS

- Does it make sense to incorporate utilization into the funding approach for SCI to support efficient use of space?
- Are there any other funding changes that can be made to provide incentives to boards to support efficient use of space?
- How can the government leverage work that has already been done by school boards to support the development and operation of community hubs in schools and the communities they serve?
- What, if any, provisions of O. Reg. 444/98 would you recommend to support the expansion of community hubs in schools?
- Are there any provisions of O. Reg. 444/98 that have made or could make the sale or purchase of surplus school property more difficult?

- In addition to the potential areas of amendment listed above, are there other provisions of O. Reg. 444/98 that you would like the ministry to review or amend?
- Are there any issues you feel the ministry needs to address in order to simultaneously promote the efficient use of school space through SBEM while supporting the expansion of community hubs?
- Are there revisions to the recently revised Community Planning and Partnerships Guideline that you feel can better support either the expansion of community hubs or the efficient use of school space?
- How is your board progressing on implementing the new Pupil Accommodation Review Guideline and Community Planning Partnership Guideline?

## EQUITY IN EDUCATION

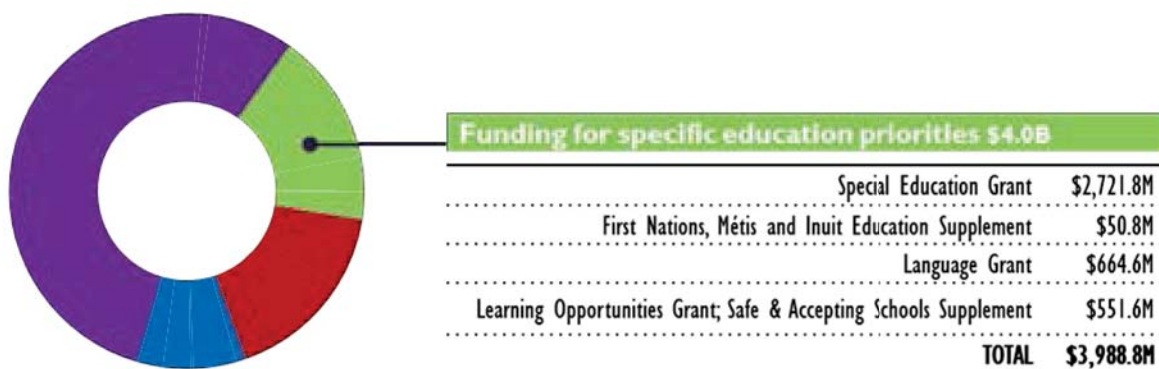
### CONTEXT

A central goal of *Achieving Excellence* is equity in education. It is particularly important to provide the best possible learning opportunities, access and supports for students who may be at risk of not succeeding. This often includes, but is not limited to, children and youth in care, children and students with special education needs, some Aboriginal students, recent immigrants and children from families experiencing poverty.

Ontario’s publicly funded education system is committed to help all learners to achieve their full potential in life. Ontario schools need to be places where everyone can have equitable access to opportunities for learning. Ensuring equity, as illustrated in the resource guide, [Learning for All, K-12 \(2013\)](#), requires continuous improvement of personalization and precision in learning and teaching, and sustained high quality professional learning in an inclusive culture of high expectations for all learners.

Given the need to work within existing funding parameters, resources for specific education priorities aimed at supporting equitable outcomes for all students must be allocated as efficiently and effectively as possible within the following Grants:

- I. Special Education Grant
- II. First Nations, Métis and Inuit Education Supplement
- III. Language Grant (for example, English as a Second Language)
- IV. Students at risk (Learning Opportunities Grant and Safe and Accepting Schools Supplement)



School boards make local decisions to implement focused and targeted programs and services to address student learning needs. A continuum of support is made available in a range of educational settings with increased integration with services delivered by other ministries and community partners. To ensure the effectiveness of the programs

and services, there needs to be a coherent and systematic approach to gathering evidence, allocating resources, and measuring outcomes.

### **MEASURING NEED: USE OF CENSUS DATA**

The formulas for the allocations that provide funding for specific education priorities include various measures of “need” – that is, they rely on quantitative data to indicate what level of need there is for a particular set of programs and services. Currently, census data is a significant input in the measurement of need. Approximately 23% of the funding for specific education priorities is dependent (all or in part) on census data. That is, census data plays a role in allocating more than \$932 million of the \$3,988.8 million in funding for specific education priorities identified above.

The ministry is continuing to analyze the impact of utilizing the results of the 2011 National Household Survey (NHS), which replaced the mandatory long-form census. This analysis has progressed far enough to give rise to concerns that the NHS does not provide reliable data, or data (even if valid) at a level of detail that would support using it to update some or all of the grants that currently use 2006 census data.

This is especially significant for the grants that provide funding for specific education priorities and support the goal of equity in education. An important principle of the funding formula is that it should be based on current information to the greatest extent possible. That is, allocations should adjust to and reflect the educational needs that arise from the social, economic and demographic conditions facing students, based on the most recent reliable data.

As part of this consultation, the ministry wants to engage school boards and other partners in discussion about the possibilities of identifying alternate data sources or measures that could effectively replace the use of census data in the allocation formulas.

### **INCREMENTAL SUPPORTS FOR EQUITY IN EDUCATION IN THE GSN**

An important point in considering GSN funding for specific education priorities is that the grants and allocations that address these priorities are interconnected with the rest of the GSN. They are not intended to allocate funding on a *standalone* basis. Rather, they are intended to address *incremental* and *additional* costs of meeting students’ needs.

For example, a board may be providing support to a youth in care (for example, a Crown Ward) through use of its Learning Opportunities Grant (LOG) funding. This same student may be participating in a special education program. Many of the costs of this pupil’s education are funded through grants and allocations in the GSN other than the LOG or the Special Education Grant. The Pupil Foundation Grant funds the “core” costs of the pupil’s classroom education in the same way as it funds those costs for every

other pupil. If the pupil happens to be enrolled in a more remote or isolated school, the board may receive funding through the Supported Schools Allocation to ensure a minimum staffing level of teachers and early childhood educators in that school.

As this example suggests, the principle is that GSN grants and allocations should work with one another to provide the resources boards, schools and students need.

## I. SPECIAL EDUCATION GRANT

The Special Education Grant provides additional funding to school boards for students with special education needs to support the incremental costs of programs, services, and equipment required to meet their educational needs. The Special Education Grant, is projected to generate \$2,721.8 million through the 2015-16 GSN.

### SPECIAL EDUCATION GRANT DETAILS

Allocation	2015-16 Amount
Special Education per Pupil Amount (SEPPA)	\$1,401.8 million
High Needs Amount (HNA)	\$1,050.0 million
Special Equipment Amount (SEA)	\$93.7 million
Other Allocations	\$176.3 million
<b>Total</b>	<b>\$2,721.8 million</b>

Since 2002-03, the ministry has invested an additional \$1,097.0 million (67.5%) in the Special Education Grant to support school boards' costs for special education, that is, from \$1,624.8 million in 2002-03 to \$2,721.8 million projected in 2015-16. This funding is incremental to support boards' costs over and above foundational funding and other special purpose grants.

The Special Education Grant is made up of six allocations. Boards may use the grant only for special education, and must save any unspent funding to use for special education in a future school year. There is flexibility in how they may use some of the individual allocations within the grant, as long as the funds are spent on special education.

- The ***Special Education per Pupil Amount (SEPPA)*** provides every board with foundational funding toward the incremental cost of special education supports. It is calculated using a board's total enrolment and a per-pupil amount. There are different per-pupil amounts for kindergarten to Grade 3 pupils, Grade 4 to 8 pupils, and Grade 9 to 12 pupils. The per-pupil amounts in the earlier grades are higher to direct more funding towards early intervention.
- Based on consultations with stakeholders, the ministry last year introduced a new model for allocating the ***High Needs Amount (HNA)***. Recognizing the variation across boards in the share of students with special education needs, the nature



of the needs, and boards' ability to meet them, the new model aims to better align the allocation with boards' needs and resources.

This new model is being phased in over four years to replace the previous per-pupil formula and in 2015-16 the new model will represent about 50% of the High Needs Amount allocation. The new model, which will be fully phased in by 2017-18, is based on three components:

- Special Education Statistical Prediction Model (SESPM): A logistic regression statistical prediction model that utilizes demographic data at the postal code level to predict board-by-board special education need profiles.
- Measures of Variability (MOV): A calculation that considers several indicators for a board, including special education data on programs and/or services, students participation in EQAO testing, other academic achievement measures and geographic profile among others, to develop board-specific profiles of special education needs.
- High Needs Base Amount for Collaboration and Integration: A fixed amount for each board to establish and/or access high needs services, while also exploring collaborative and integrated approaches to serve all their students with special education needs.

Together these three components create school board special education needs profiles that attempt to better reflect the variability of special education needs among boards and address factors that impact a board's ability to respond to these needs.

- Under the **Special Equipment Amount (SEA)**, each board receives a base amount plus a per-pupil amount, which together may be used to buy computers, software and other equipment for students with special education needs in line with funding guidelines. In addition, boards may submit claims to recover the costs, less a deductible, of other equipment recommended by a qualified professional for a student with specific special education needs.
- The other allocations of the grant are the **Special Incidence Portion (SIP)** for students who require more than two full-time staff to address their health and safety needs and those of others at their school, the **Facilities Amount (FA)** for providing instruction in a care, treatment, custody or correctional facility, and an amount to support board-level expertise in applied behavioural analysis, the **Behaviour Expertise Amount (BEA)**.

## **RECENT CHANGES AND CURRENT ISSUES**

Beginning in 2015-16, there will be an expansion of the types of Care, Treatment, Custody and Corrections (CTCC) programs in the Facilities Amount (FA) allocation. These new program types will address identified system and local needs.

Based on consultations with stakeholders, a new model for the HNA allocation was introduced beginning in 2014-15, which is being phased in over four years. Provincially the changes are fiscally neutral, but they have a redistributive funding effect on boards.

In 2011-12, the ministry made significant investments in the Special Education Grant, including more support for Education Assistants through the SEPPA allocation.

In 2010-11 the ministry introduced the SEA Per Pupil Amount allocation. The SEA Per Pupil Amount allocation has allowed school boards to seek efficiencies and optimize effectiveness in the purchase of all computers, software, computing related devices, and required supporting furniture, as identified for use by students with special education needs in accordance with the SEA Funding Guidelines. This transition to a single SEA Per Pupil Amount for all boards is now concluded and since 2014-15 all school boards receive \$36.10 per pupil. This transition included an increase to the SEA Per-Pupil Amount provincial total.

In addition, in 2015-16 the ministry is investing approximately \$5.5 million through EPO allocations directed to support students with special education needs, including: Autism Supports and Training; Learning for All K-12 Regional Projects; and Online Training through Geneva Centre for Autism.

### **Accountability**

The purpose of the Special Education Grant is to provide supports to students whose educational needs cannot be met through regular instructional and assessment practices. To ensure special education funding is focused on supporting the needs of these students, boards may only use the grant for special education (in-year or use unspent funding in a future school year). The ministry recognizes that boards need flexibility to address local needs, therefore there is some flexibility to use funding across individual allocations within the grant. The ministry will continue to monitor reporting and feedback from the sector to determine if adjustments are needed.

## **CONSIDERATIONS**

- In the form of the Special Education Grant, the ministry provides additional funding to school boards for students with special education needs to support the incremental costs of the additional programs, services, and equipment required

to meet their educational needs. How well is this incremental nature understood? How can the ministry support this understanding?

- The HNA allocation addresses the variation among boards with respect to students with special education needs and boards' abilities to respond to these needs. How can the ministry communicate and describe how this funding is allocated in a more clear and predictable manner?
- The HNA allocation can be misunderstood, as it is still frequently associated with its past connection to counts of students with "high needs". The recent changes to this allocation are meant to transition this allocation to one that addresses the variation among boards with respect to students with special education needs, including students with high needs, and boards' abilities to respond to all their special education needs. What can the ministry do to more clearly communicate the purpose of this allocation? Would another name better describe the purpose of this allocation?
- Is there a way to allocate the Special Education Grant (or portions of this grant) more effectively and/or efficiently, without creating the need for new provincial funding?
- What alternate data sources or measures should the ministry consider to enhance the HNA's Measures of Variability allocation, as additional proxies of variation for special education needs? Are there other reliable and valid sources of provincially available data that could be used?
- Likewise, given the changes to the 2011 National Household Survey, what alternate data sources or measures should the ministry consider to enhance the HNA's Special Education Statistical Prediction Model?

## II. FIRST NATIONS, MÉTIS AND INUIT EDUCATION SUPPLEMENT

In the 2015-16 GSN, \$50.8 million is projected for the First Nations, Métis and Inuit Education Supplement to support more comprehensive education programs targeted to Aboriginal learning as outlined in the [First Nation, Métis and Inuit Education Policy Framework](#) released in January 2007.

### FIRST NATIONS, MÉTIS AND INUIT EDUCATION SUPPLEMENT DETAILS

Allocation	2015-16 Amount
Native Languages	\$8.9 million
Native Studies	\$21.2 million
Per-pupil Amount	\$20.7 million
<b>Total</b>	<b>\$50.8 million</b>

The First Nations, Métis and Inuit Education Supplement was introduced in 2007-08 to support programs designed for Aboriginal learning. To support boards to offer these programs despite limited enrolment, the funding benchmarks for Native Studies and Native Languages were originally based on an average class size of 8. With enrolment in these courses having increased significantly, in 2011–12 the funding benchmarks for Native Studies and Native Languages were revised to recognize an average class size of 12.

The ministry has invested an additional \$38.7 million (320.5%) in this grant since it was first introduced in 2007-08, from \$12.1 million in 2007-08 to \$50.8 million projected in 2015-16.

This grant is made up of three allocations:

- The **Native Languages** allocation supports elementary and secondary Native Language programs. At the elementary level, funding is based on the number of pupils of the board (excluding tuition-paying students) enrolled in the Native Language program and the average daily minutes of instruction. At the secondary level, funding is provided for each Grade 9 to 12 pupil enrolled in a credit course.
- The **Native Studies** allocation supports secondary credit courses in Native Studies, based on the number of pupils of the board (excluding tuition-paying students) in Grades 9 to 12 enrolled in the courses.

- The ***per-pupil amount*** supports Aboriginal students, and reflects the estimated percentage of Aboriginal students in a board's schools, based on 2006 census data. A weighting factor doubles the per-pupil amount when the estimated percentage of Aboriginal pupils in a board is 7.5% or greater but less than 15%, and triples it when the percentage is 15% or greater.

## **RECENT CHANGES AND CURRENT ISSUES**

The significant increase in funding since the First Nations, Métis and Inuit Education Supplement was introduced in 2007-08 reflects an increase in program enrolment:

- Native Languages programs in publicly funded elementary schools, 2013-2014
  - 28 boards offered Native Languages programs
  - 100 schools offered Native Languages programs
  - 5,275 students (total head count) were enrolled in Native Languages programs
- Native Languages courses in publicly-funded secondary schools, 2013-2014
  - 19 boards offered Native Languages courses
  - 46 schools offered Native Languages courses
  - 1,378 students (total head count) were enrolled in Native Languages courses

In addition, in 2015-16 the ministry is investing over \$22 million through EPO allocations to support First Nations, Métis and Inuit student achievement and well-being. This funding supports initiatives such as: the Alternative Secondary School Programs within Indigenous Friendship Centres, the Native Counsellor Training Program, the Aboriginal Youth Entrepreneurship Program, summer learning opportunities, literacy initiatives, professional development opportunities, cultural competency training, transition supports, resource development and work with Aboriginal partners.

### **Counting First Nations, Métis and Inuit Pupils**

The per-pupil amount allocation uses proxy measures to determine each school board's relative share of First Nation, Métis and Inuit student population based on 2006 census sub-division data. This calculation is not intended to count every First Nation, Métis and Inuit student or to determine individual needs for these programs.

To assess Ontario's progress in helping more Aboriginal students reach their full potential, it is necessary to have accurate and reliable data. This information assists school boards in improving programs and supports for Aboriginal students, and will enable boards to focus their efforts on effective student achievement strategies.

In 2009-10, the ministry introduced voluntary, confidential Aboriginal student self-identification to help school boards improve programs and supports for Aboriginal students and enable them to focus their efforts on student achievement, with provincial collection of Aboriginal student self-identification data (for boards with policies in place) through the Ontario School Information System (OnSIS).

The ministry's support to school boards to develop and implement self-identification policies has been very successful. In 2006, less than 10 school boards/school authorities had approved Aboriginal student self-identification policies. As of April 2013, all 72 boards and 4 school authorities had implemented self-identification policies.

As of October 2014, 74 Ontario school boards and school authorities were reporting voluntary confidential Aboriginal student self-identification data to the ministry through OnSIS. Preliminary October 2014 data indicate that approximately 59% of the estimated Aboriginal student population have self-identified.

### **Accountability**

The purpose of the First Nations, Métis and Inuit Education Supplement is to provide supports to Aboriginal students to attain increased levels of student achievement, close the education achievement gap, and raise the knowledge and awareness of all students about First Nation, Métis and Inuit cultures, histories, traditions and perspectives. One way to ensure funding is focused on supporting these goals would be to envelope the funds for this specific purpose. However, this form of control needs to be considered against potential risks, that is, reduced flexibility for boards. The ministry will continue to monitor reporting and accountability to see if adjustments are needed.

### **Tuition Fees and the Pupil Accommodation Charge (PAC)**

An education services (tuition) agreement provides for the admission of First Nation pupils ordinarily resident on reserve to a school board's school on the payment of a fee.

Section 188 of the *Education Act* authorizes, but does not require, district school boards to enter into these agreements with the Government of Canada or a First Nation<sup>2</sup>. The ministry is not a party to education services (tuition) agreements and cannot compel boards to enter into them.

The fee for admission of pupils under an education services (tuition) agreement must be calculated in accordance with the "Calculation of Fees for Pupils" regulation (currently O. Reg.196/15). A new "fees regulation" is typically filed annually to maintain

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<sup>2</sup> In this context, "First Nation" means a band, band council, or education authority that has been authorized by Canada to provide education services to a band.

consistency with the provincial funding formula for school boards set out annually in the GSN regulation (currently O. Reg. 195/15).

The fees regulation sets out a formula that generates a per-pupil fee based on the following:

1. **Base Tuition Fee:** A board must charge a base fee in respect of each pupil admitted under the agreement. The formula for the base fee, as set out in the fees regulation, includes most allocations in the GSN but does not include transportation, capital costs and certain components of the Special Education Grant.
2. **Additional Costs:** Additional fees may be charged in exceptional circumstances where a First Nation and a board agree that the board will provide an educational program, a service or equipment and the base fee does not totally or partly cover the costs of that program, service or equipment.
3. **Pupil Accommodation Charge (PAC):** A board must charge the PAC, which is an additional \$141 for each elementary student and \$282 for each secondary school student. It is intended to compensate boards for use of the building by tuition paying students and reflect school renewal costs; however, the PAC has remained constant since the introduction of the new funding formula in 1998.

While some agreements may contain some similar components, individual First Nation communities and school boards develop their own agreements and working relationships. A board may have different agreements with two or more First Nations or may have the same agreement with two or more First Nations. Individual First Nations and district school boards decide on the terms of the agreement, within the context of the calculation of fees regulation under the *Education Act*.

## CONSIDERATIONS

- How can we allocate the First Nations, Métis and Inuit Education Supplement more effectively and/or efficiently, without creating the need for new provincial funding?
- Should we consider incorporating an alternate measure of need; for example, incorporating self-identification?
- What is the appropriate balance of accountability for the First Nations, Métis and Inuit Education Supplement? Should certain components of funding in the First Nations, Métis and Inuit Education Supplement be enveloped for that specific purpose?
- Is there a need to revisit the purpose of the per-pupil amount, specifically to examine the effective practices of boards that have a dedicated position in place



to lead First Nation, Métis and Inuit Framework implementation, to determine if this should be a requirement for all boards moving forward?

- Are there provisions in the Calculation of Fees for Pupils regulation that you would like the ministry to review or amend?

### III. LANGUAGE GRANT

The Language Grant, which provides funding to meet school boards' costs for language instruction, is projected to generate \$664.6 million through the 2015-16 GSN:

#### LANGUAGE GRANT DETAILS

Allocation to English Boards	2015-16 Amount
French as a Second Language (FSL)	\$249.9 million
English Language Learners (ELL): English as a Second Language/English Literacy Development (ESL/ELD)	\$222.8 million
<b>Sub-Total</b>	<b>\$472.7 million</b>

Allocation to French Boards	2015-16 Amount
French as a First Language (FFL)	\$76.5 million
Actualisation linguistique en français (ALF)	\$109.3 million
Programme d'appui aux nouveaux arrivants (PANA)	\$6.0 million
<b>Sub-Total</b>	<b>\$191.9 million</b>

The Language Grant is made up of five allocations. As the linguistic and cultural contexts for English-language schools and French-language schools in Ontario are different, two allocations are available only to English-language school boards (which operate in a setting where English is the primary language of instruction), while three allocations are available only to French-language school boards (which support the protection, enhancement, and transmission of French language and culture in a minority setting in accordance with [Politique aménagement linguistique \(PAL\), 2004](#)).

Since 2002-03, the ministry has invested an additional \$220.6 million (49.7%) in this grant to support school boards' costs for language instruction from \$444.0 million in 2002-03 to \$664.6 million projected in 2015-16.

#### Support to English Boards (\$472.7 million projected in 2015-16)

- French as a Second Language (FSL) funding supports the costs of French-as-a-second-language programs. It provides a per-pupil amount for each student. At the elementary level the amount varies depending on whether the pupil is taking core French, extended French, or is in a French immersion program. At the

secondary level, the amount reflects both the student's grade level and whether the student is enrolled in a French language course or another subject taught in French.

- English-Language Learner (ELL) funding – *English as a Second Language/English Literacy Development (ESL/ELD)* – is provided to support developing proficiency in English for English language learners. It consists of a *Recent Immigrant component* and a *Pupils in Canada (PIC) component*. The former provides funding based on the number of recent immigrant students (based on their country of birth and who have been in Canada four years or less, as reported by school boards). The latter reflects an estimate of the number of children in a board whose language spoken most often at home is neither English nor French, based on 2006 census data.

### **Support to French Boards (\$191.9 million projected in 2015-16)**

- French as a First Language (FFL) funding recognizes the higher costs of instructional materials and support to provide French-language programs. It is made up of per-pupil amounts for boards' elementary and secondary enrolments, and a fixed start-up amount for each new elementary school in a French-language board in the current school year.
- Actualisation linguistique en français (ALF) supports students who have a right to education in French because it is the language of one or both of their parents, but need extra help developing proficiency in French. It is calculated using: a base amount for each French-language board; an enrolment-based school amount; and, a per-pupil amount that varies with a board factor reflecting the share of the population with at least one parent having French as their first official language spoken based on 2006 census data.
- The programme d'appui aux nouveaux arrivants (PANA) supports students from eligible countries who have been in Canada four years or less and do not have a Charter right to education in French, but have been admitted to French-language school boards and require extra help developing proficiency in French.

### **RECENT CHANGES AND CURRENT ISSUES**

In 2010-11, the ELL (that is, ESL/ELD) and ALF allocations were updated with 2006 census data. Increases and decreases in ELL funding based on this update were fully phased in by 2013-14. The updates to ALF funding were fully implemented in 2010-11.

In addition, in 2015-16 the ministry is investing approximately \$17 million through EPO allocations directed to support language instruction. For French-language education, these include: French Language Curriculum; French Language Literacy Strategy; French Language Student and School Support; Politique d'aménagement linguistique

(PAL); French Language e-Learning; French Language Math Strategy; and French Language Transition to Postsecondary.

### **Identifying Need**

Some of the language of instruction allocations in this grant use proxy measures to determine each school board's relative share of need. The calculations are not intended to count every student who requires support or to determine individual needs for these programs. However, we continue to evaluate whether the proxy measures are appropriate for determining distribution of available funding.

For example, the Pupils in Canada component of the ESL/ELD allocation for English language learners is meant to support the costs of programs for students who are born in Canada and who require English language development support. Many English language learners are born in Canada and raised in families or communities in which languages other than English are spoken. They may include, for example: Aboriginal students whose first language is a language other than English, children who are born in communities that have maintained a distinct cultural and linguistic tradition, who have a first language that is not English, and who attend English language schools; and children who are born in immigrant communities in which languages other than English are primarily spoken. This component is currently based on the number of children whose language spoken most often at home is neither official language from the 2006 census. However, the census data may not accurately capture many of the Canadian-born students who need language support. In addition, using the more up-to-date 2011 National Household Survey may not accurately reflect the number of children whose language spoken most often at home is neither official language, because these families are less likely to complete a voluntary English- or French-language survey.

Similarly, funding for ALF is also currently calculated based on a proxy using 2006 census data.

### **Accountability**

The purpose of the ELL (that is, ESL/ELD), PANA and ALF allocations is to provide supports to students who may be at risk of not succeeding because they require extra help developing proficiency in either official language. One way to ensure limited funding is focused on supporting the needs of these students would be to envelope the funds for this specific purpose. However, this form of control needs to be considered against a board's ability to address local needs. The ministry will continue to monitor reporting and accountability to see if adjustments are needed.

## CONSIDERATIONS

- How can we allocate this grant more effectively and/or efficiently, without creating the need for new provincial funding?
- Should we consider an alternate measure that may be a better proxy of need? What other reliable sources of data could be used for example, board's local data?
- What is the appropriate balance of accountability appropriate for the Language Grant? Are there ways to reduce unnecessary reporting? Should certain components of funding in the Language Grant be enveloped for that specific purpose?

## IV. STUDENTS AT RISK

For 2015-16, two grants targeted towards students who are at greater risk of lower academic achievement are projected to generate \$551.6 million through the GSN:

- **Learning Opportunities Grant (LOG):** This grant provides funding to help students who are at greater risk of lower academic achievement. It is projected to total \$504.6 million in 2015-16.
- **Safe and Accepting Schools Supplement:** Funding supports the Safe Schools Strategy and provides targeted support to secondary schools in priority urban neighbourhoods. The grant is projected to total \$47.0 million in 2015-16.

### LEARNING OPPORTUNITIES GRANT (LOG) DETAILS

Allocation	2015-16 Amount
Demographic Allocation	\$349.9 million
Student Achievement Envelope	\$145.5 million
Other Allocations	\$9.2 million
<b>Total</b>	<b>\$504.6 million</b>

Over the last number of years, the ministry has invested in these grants to better support students at risk:

- Since 2002-03, LOG has increased from \$297.5 million in 2002-03 to \$504.6 million projected in 2015-16 (70%).
- The Safe and Accepting Schools Supplement has increased from \$43.5 million in 2008-09 (when it was introduced into the GSN) to \$47.0 million projected in 2015-16 (8%).

LOG is made up of three allocations:

1. The **demographic allocation**, which represents over two-thirds of LOG funding, is based on social and economic indicators that signal a higher risk of academic difficulty for students: low household income, low parental education, a one-parent household and recent arrival in Canada.

This allocation is distributed to boards based on the ranking of each of their schools on these measures, and a weighting of the measures themselves. Boards can use this funding for initiatives such as breakfast programs, homework

clubs, Reading Recovery or withdrawal assistance (for example, a student may receive instruction for part of the school day outside the regular classroom).

2. Total funding through the **Student Achievement Envelope** must be spent on the programs within the envelope, however there is flexibility in how boards may use the six individual allocations. Any unspent funding must be used on the programs within the envelope in a future school year. The six allocations within the envelope are:
  - Literacy and Math Outside the School Day, which funds remedial courses or classes for students who are at risk of not meeting the curriculum standards for literacy or math and/or the requirements of the Grade 10 literacy test [based on per pupil (ADE) amounts and a transportation component for ADE of pupils enrolled in the program].
  - Student Success, Grade 7 to 12, which funds a range of resources and activities to improve student engagement [components include a board base amount, per pupil (ADE) amounts for grades 4-8 and 9-12, demographic factors, school dispersion and transportation amount].
  - Grade 7 and 8 Student Success and Literacy and Numeracy Teachers, which recognizes the need to help students in earlier grades so they are better prepared for the transition to secondary school and beyond [calculation based on per pupil (ADE) amounts for grades 4-8 and teacher qualifications & experience].
  - The School Effectiveness Framework, which helps elementary and secondary schools and boards self-assess how well schools are performing and develop plans for improvement [includes a board base amount, base funding for elementary enrolment above a threshold, and an elementary/secondary per pupil (ADE) amount].
  - Ontario Focused Intervention Partnership Tutoring, which helps boards set up and/or expand tutoring programs for students who are not achieving the provincial standard in reading, writing, or mathematics [based on a per pupil (ADE) amount].
  - The Specialist High Skills Major program, which allows students to customize their secondary school experience and build on their strengths and interests by focusing on a specific economic sector [board amounts listed in regulation table].
3. The **other allocations** through this grant include enveloped funding for each board to ensure at least one mental health leader and an adjustment to reflect the impacts of amalgamating school authorities.



## SAFE AND ACCEPTING SCHOOLS SUPPLEMENT DETAILS

Allocation	2015-16 Amount
Safe and Accepting Schools	\$37.0 million
Urban and Priority High Schools	\$10.0 million
<b>Total</b>	<b>\$47.0 million</b>

The Safe and Accepting Schools Supplement is made up of two allocations:

1. The **Safe and Accepting Schools allocation** includes two components, both of which provide a per-pupil amount and also reflect a board's demographic characteristics and dispersion distance:
  - supports for non-teaching staff such as social workers, child and youth workers, psychologists, and attendance counsellors who work to prevent and mitigate risks to the school environment.
  - supports for programs for long-term suspended and expelled students, and prevention and intervention resources.
2. The **Urban and Priority High Schools (UPHS) allocation** helps boards respond to challenges in select secondary schools, such as a lack of community resources, poverty, conflict with the law, or a combination of these factors. 34 urban secondary schools, across 12 boards, were selected for funding (between \$200,000 and \$500,000 per year for each school) based on a three-phase selection process:
  - Phase I: Ministry identified eligible schools with at least 500 students located in urban areas with a population of 200,000 or more.
  - Phase II: Boards invited to apply for funding for up to 25% of their eligible schools.
  - Phase III: Ministry evaluated applications based on a needs assessment and action plan.

## RECENT CHANGES AND CURRENT ISSUES

Beginning in 2015-16, six allocations within LOG are being collectively enveloped into the Student Achievement Envelope. The enveloping applies to the sum of the six allocations, not to each allocation separately.

In 2014-15, funding for Mental Health Leaders was moved from EPO into the GSN.

In 2012-13, funding was provided for additional Grade 7 and 8 Student Success and Literacy and Numeracy Teachers.

Census data was last updated in 2010-11 based on the 2006 data.

In addition, in 2015-16, the ministry is investing approximately \$130 million through EPO allocations directed to support equity and achieving outcomes or promoting student well-being and reducing risks. Investments in equity and achieving outcomes include: Children and Youth in Care; Re-engagement (12 & 12+); Schools in the Middle/OFIP Support; Dual Credits; Student Success School Support Initiative (SSI); Big Brothers Big Sisters; School Improvement Teams (Ontario Principal's Council); and Summer Learning for Literacy and Numeracy. Investments in promoting student well-being and reducing risks include: Focus on Youth; Mental Health; Safe, Accepting, Healthy Schools and Mental Health Bundle; Kids Help Phone; Roots of Empathy; and Swim to Survive.

### **Identifying Need**

The Demographic Allocation in LOG uses a proxy measure, including social and economic indicators from the 2006 census, to determine each school board's relative share of need. However, the indicators from census data may not accurately capture the right variables for students that are at greatest risk of not succeeding. In addition, using the more up-to-date 2011 data from the National Household Survey may not accurately reflect population demographics.

### **Accountability**

Six allocations within LOG have been collectively enveloped into the Student Achievement Envelope starting in 2015-16. This will help to ensure limited funding is focused on supporting the needs of these students who need it most. The ministry will continue to monitor reporting and feedback from the sector to determine if adjustments need to be made (that is, whether greater flexibility is required to address local needs and/or if funding is being used to address key program goals).

Components under the Safe and Accepting Schools allocation are both undergoing formal third-party program evaluation:

- An evaluation of the UPHS initiative was completed in late March by the Social Research and Demonstration Corporation (SRDC). The program evaluation focused on the understanding of how, and the degree to which the UPHS initiative has impacted school safety, student engagement, academic achievement and student well-being. The recommendations in the final report are being examined by ministry staff and any program changes will be considered over the next several months.
- The ministry has commissioned the Western University Centre for Educational Leadership at the University of Western Ontario to conduct an evaluation of the

programs for long-term suspended/expelled students (\$25.4 million in 2015-16) and the use of funding for professionals and paraprofessionals providing non-academic support services to suspended and expelled students (\$11.6 million in 2015-16). The evaluation which will focus on understanding school board suspension/expulsion policy/program implementation, description of root causes, barriers to engagement and student experiences and assessment of policy/program outcomes.

## **CONSIDERATIONS**

- How can we allocate this grant more effectively and/or efficiently, without creating the need for new provincial funding?
- What is the appropriate balance of accountability for the LOG and Safe Schools grants (for example, Is there a way to reduce the level of reporting? Should there be greater reporting on how funding is used to identify need?)
- Given the changes to the 2011 National Household Survey, should we consider an alternate measure of need? What other reliable sources of data could be used for example, data on children and youth in care, tax filer data or boards' local data?
- Is there a need to revisit the demographic component of LOG through a technical advisory group? That is, to determine whether a ranking of schools is the best approach for determining board need and/or recommend an alternate approach that may better identify cross-board need; to identify alternate or additional indicators that could be developed through further technical consultations with other government ministries and partners.

## EXPANDED ACCOUNTABILITY MEASURES

### CONTEXT

Another key goal of *Achieving Excellence* is enhancing public confidence in Ontario's education system. One element of this is ensuring proper accountability for funding provided for education from public resources.

In 2015-16, the ministry introduced a number of new accountability measures. For example:

- Reviewing board compliance with the School Board Administration and Governance Grant enveloping provision that requires that board's net administration and governance expenses in a fiscal year do not exceed the limit; and
- Ensuring boards primary class sizes are in compliance with provincial regulations.

When discussing accountability at the 2015-16 consultations, we heard that there should be closer linkages – whether between funding and student outcomes, or between the business and academic sides of boards – and this might reduce some of the detailed reporting needs now facing boards while better supporting accountability.

### **School Board Resource Sustainability Index (SBRSI)**

Currently, the ministry uses a number of tools to measure a board's fiscal health, such as income statements, balance sheets and audits. It has been suggested that there be a move to a common set of indicators focused on boards' key resources. While the ministry works with boards to have a thorough understanding of their financial health through existing reporting, they may be other measures, not currently reported, which could help provide a greater understanding of school board financial health . A School Board Resource Sustainability Index (SBRSI) could be developed for publicly identifying resource sustainability for all school boards, including financial resources, capital resources and human resources.

### **EPO Transformation Project**

In 2014-15, the ministry initiated the EPO Transformation Project to simplify the reporting processes and requirements for EPO transfer payments to:

- Align the ministry's Program Review, Renewal and Transformation (PRRT), its Renewed Vision for Education and internal EPO funding objectives;

- Reduce the administrative burden placed on boards by the ministry's EPO TP contracts; and
- Improve EPO program management through electronic delivery, reporting, data collection and analysis.

Starting in 2015-16, the ministry is streamlining reporting requirements for select themed bundled programs through re-designed and/or consolidated report backs. These bundles were included in the March 26, 2015 memo *2015:B8 – 2015-16 School Year Education Programs – Other (EPO) Funding*.

1. Student Success – Building Capacity for Effective and Differentiated Instruction
2. Well Being: Safe, Accepting and Healthy Schools and Mental Health
3. Ontario Leadership Strategy and Professional Learning Enhancements

The ministry is undertaking further work to strategically bundle the remaining EPO programs. This will be done with the intent of reducing administrative burden and aligning program implementation with ministry priorities, while ensuring strong accountability and value for money. This current consultation is an opportunity for the ministry to gather direct data and information about the types of changes that boards would like to see in EPO management, including reporting and accountability. One area of interest is to gain further understanding of how EPO is managed by boards, and how that management affects board resource use.

### **Accountability**

The ministry is looking to bring forward further enhancements to school board capital expenditure and funding. In line with the Government's Open Data initiative, the ministry is reviewing the release of all reported renewal expenditures and facility condition information. The ministry is also looking to strengthen requirements for land acquisitions funding.

### **CONSIDERATIONS**

- What are the right SBRSI measures to collect and make public? What are the potential risks of using each of these measures?
- What additional, impactful, data-based SBRSI measures that could be collected in an efficient manner?
- What would be the impact of boards' self-reporting a common set of measures in their annual reports?
- How can reporting requirements be further streamlined and reduced to find efficiencies in administration without losing reporting effectiveness?

- Are there opportunities for Education Program – Other (EPO) funding to be bundled to help reduce reporting requirements? Are there opportunities to move any of this funding into the GSN?
- Has your board publicly shared data on facility condition and renewal expenditure?

## **CONCLUSION**

Through this Consultation Guide, the ministry is seeking to engage a wide range of education stakeholders to hear their views, ideas and concerns about future directions for education funding in Ontario. Input from the sector is important for many reasons – not least that it highlights the local achievement, innovation and creativity that is a hallmark of public education throughout our province.

The ministry welcomes your feedback. Your leadership and commitment to education in Ontario is one of the foundations of the positive change that we have already achieved, and we thank you in advance for continuing to share that with us as we work together on directions for the future.



## RESOURCES

More detail about GSN funding may be found on the [Education Funding, 2015-16 page of the ministry website](#). The documents there include:

- 2015-16 Education Funding: A Guide to the Grants for Student Needs
- Technical Paper 2015-16
- School Board Funding Projections for the 2015-16 School Year
- 2015-16 Education Funding: Consultation Summary
- Memorandum 2015: B07 – Grants for Student Needs Funding for 2015-16
- Memorandum 2015: B09 – Release of the New Pupil Accommodation Review Guideline and Community Planning and Partnerships Guideline
- Memorandum 2015: SB04 – Update on the School Condition Improvement Funding Program and the Condition Assessment Program

Further information about Education Programs - Other allocations may be found in [Memorandum 2015: B08 – 2015-16 School Year Education Programs – Other \(EPO\) Funding](#).