

# ONTARIO

## Education Finance Branch

### I. GENERAL BACKGROUND

Major reforms were made to the education finance system in September, 1998. A new funding model was introduced which focused resources on students in the classroom. Major reforms were also made in school governance with the consolidation of school boards into district school boards. The number of enlarged or countywide school boards was reduced from 122 to 72 in 1998. This lower number also included the 12 new French-language district school boards which were created in 1998. There was no change made in the number of school authorities (the 31 very small "isolate" boards in remote locations of the province and usually operating only one elementary school and 6 boards in children's treatment centers).

Ontario has a large francophone population, and persons defined as "French-speaking" under Section 23 of the Canadian Charter of Rights and Freedoms are entitled to have their children receive elementary and secondary education in the French language.

In 1998–1999, the average daily enrolment (ADE) in regular day school programs was distributed as follows:

	Elementary	Secondary	Total
<i>English</i>			
Public	854,948	465,884	1,320,831
Roman Catholic Separate	375,209	168,161	543,370
Subtotal	1,230,157	634,045	1,864,202
<i>French</i>			
Public	10,908	6,370	17,278
Roman Catholic Separate	53,272	17,669	70,941
Subtotal	64,180	24,039	88,218
<i>Total</i>			
Public	865,855	472,253	1,338,109
Roman Catholic Separate	428,481	185,830	614,311
Subtotal	1,294,336	658,084	1,952,420

Property tax revenue comes from the local property assessment base, which is shared with municipalities. Municipalities levy and collect education tax rates set by the Province and remit education tax revenues directly to school boards. Provincial revenue comes from the Consolidated Revenue Fund (CRF), which includes personal and corporate income taxes, retail sales tax, gasoline and liquor taxes, etc.

Education funding reforms were introduced as part of a comprehensive reform of provincial-local financial and service responsibilities in 1998. These reforms also included a new property assessment and property tax systems.

### **Province**

Total school board expenditures (including employers' contributions to the Teacher Pension Fund) for 1998–1999 were \$14,100 million. These expenditures were financed by provincial grants of \$8,100 million (57.5%) and education property tax revenues of \$6,000 million (42.5%).

In 1998, the province reduced overall education taxes on residential properties by \$2.5 billion and replaced these revenues with a corresponding amount of provincial grants. Municipalities were allowed to use this “vacated” property tax room to fund the costs of services transferred by the province to municipalities.

Under the new funding model, the province determines the total spending allocation of school boards. School boards can no longer raise or requisition property taxes for their own purposes. The province also determines the education tax rates on all taxable property.

Provincial grants supplement the difference between the school boards' total spending allocation and the education property tax revenues raised by municipalities using the provincially determined tax rates.

Publicly funded elementary and secondary education includes Junior Kindergarten through Grade 12 and/or the Ontario Academic Courses (OAC). Private schools in Ontario do not receive public funds.

With the exception of a small number of boards (those operating schools in hospitals and treatment centers and in very remote areas of the province), all school boards receive provincial funding according to the same basic grant formula.

Local property taxes are partly or wholly offset for senior citizens and persons with low incomes through property tax credits which are administered through the

personal income tax system. For the purposes of this paper, however, these tax credits have *not* been included as part of Provincial Support.

### **Local**

Of the \$14.1 billion in education expenditure, property taxes based on provincially determined tax rates contributed \$6.0 billion. School boards are responsible for the allocation of their budgets but can no longer levy or requisition property tax revenues from local municipalities in their jurisdiction. Residential education taxes were reduced by half in 1998 from \$5.0 billion to \$2.5 billion. Education tax rates are now determined by the provincial government.

### **Funding Summary, 1998–1999**

In Ontario, the fiscal year for the provincial government is from April 1 to March 31 and for school boards the fiscal year was changed from a calendar year (from January 1 to December 31) to a school year from (September 1 to August 31) as of September, 1998. The estimated amounts shown in this paper are for the 1998–1999 school year.

Total Provincial Support	\$ 8,308.6 million
Grants:	
Operating*	6,672.6 million
Capital	715.0 million
Teacher pension contributions**	921.0 million
Total Property Tax Revenue	\$ 5,826.4 million
Total Provincial & Property Tax Revenue	\$14,135.0 million

\* Operating grants include one-time funding for retirement gratuities (\$87.3 million), textbooks and other learning materials (\$99.3 million), and school board restructuring (\$384.4 million).

\*\* The province pays the employer's share of teachers' pension contributions on behalf of school boards .

## **II. LOCAL SCHOOL REVENUE**

### **Property Tax**

In 1998, municipalities raised an estimated \$6.0 billion from property taxation for education purposes.

Starting in 1998, education tax rates are set by the province. The residential/farm tax rate is uniform across the province. Commercial and industrial tax rates were set at the 1997 level across upper-tiers (county and regional governments) or single-tier municipalities. Commercial and industrial rates are being phased down to the provincial average level over an eight-year period.

Municipalities levy and collect these rates and remit education tax revenues directly to their local school boards. School boards can no longer levy local property taxes for their own purposes.

*Designation of school support:* Residential and farm assessment is automatically directed to the public school system unless the taxpayer is a Roman Catholic and specifically indicates on the assessment form that he/she wishes to support the separate school system. Ratepayers defined as “French-speaking” under Section 23 of the Canadian Charter of Rights and Freedoms may also designate their support to a French-language public or French-language Catholic school board.

As of January 1998, all business (commercial and industrial) property taxes are shared among all local school boards on the basis of enrolment. Business property owners can no longer designate their education taxes to any specific school system.

### **Nature of the Property Assessment System**

The Ontario Fair Assessment System (OFAS) was introduced in 1998 under which all properties in Ontario were reassessed at the same time and on the same basis. Each property has a new current value assessment which is its estimated value on June 30, 1996. Current value is defined as the amount of money a property would realize if sold at arm’s length by a willing seller to a willing buyer. These values took effect for the 1998 taxation year and will be updated regularly.

On December 31, 1998, responsibility for property assessment was transferred from the provincial government to a new municipal corporation called the Ontario Property Assessment Corporation (OPAC). OPAC delivers a broad range of assessment services to municipalities who are all members of the Corporation.

The new assessment system established seven new property classes: residential/farm; multi-residential (rental apartment buildings); commercial; industrial; pipe line; farmlands; and managed forests. Farmlands and managed forests are taxed at 25% of the residential/farm rate.

Municipalities can phase in any changes resulting from reassessment over a maximum period of eight years. Municipalities are also required to defer or cancel taxes or provide other tax relief on residential property owned by low-income senior citizens or low-income people with disabilities.

### **III. TAX AND SPENDING LIMITS**

Under the *Education Act*, school boards are required to balance their budgets. School boards are not permitted to budget for a deficit. School boards are not allowed to raise or requisition property taxes for their own purposes.

### **IV. STATE/PROVINCIAL EARMARKED TAXES**

There are no provincial funds earmarked.

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

**Funding in 1998–1999:** \$6,959.4 million

**Nature of Program:** The Foundation Grant provides an allocation for each student to support the basic costs of education that are common to all students.

**Basic Per Pupil Amount:** For 1998–1999, the Foundation Grant allocation per pupil were \$3,367 per elementary pupil and \$3,953 per secondary pupil.

**Allocation Units:** Based on day school pupils (i.e., Average Daily Enrollment (ADE)). Average daily enrollment is calculated on the current year's weighted enrollment counts on the last school days of October and March. The full-time equivalent of pupils enrolled in a board's schools is weighted at 0.5 for each of the two count dates. Half-time pupils in junior kindergarten and kindergarten are weighted at 0.5 in the ADE calculation. The definition of a full-time pupil as one enrolled for 210 minutes per school day has been maintained.

**Local Fiscal Capacity:** Local fiscal capacity no longer determines the level of financial resources available to school boards. Under the new funding model, the Province determines the total expenditure allocation of school boards and establishes tax rates for education purpose property taxes. Provincial grants make

up any difference in revenues between a school board's expenditure allocation and property tax revenues raised by the provincially determined tax rates.

School boards can no longer levy or requisition local property taxes for their own purposes.

**How Formula Operates:** The province determines the foundation grant allocations per elementary and secondary pupils that consist of the following components:

<b>ELEMENTARY</b>	<b># staff per 1,000 students</b>	<b>Average salary + % benefits</b>	<b>Amount per pupil for supplies &amp; services</b>	<b>Allocation per pupil</b>
Classroom Teacher Class size: 25:1	Class Tchr. 40.0 Supply Tchr. 0 Staff dev. 0	50,000 + 12%	81 11	2,331
Teacher Assistants	0.2	22,158 + 16%		5
Textbooks and Learning Materials			75	75
Classroom Supplies			77	77
Classroom Computers			43	43
Prep Time	4.0	50,000 + 12%		227
Library and Guidance Services	Tchr. Lib. 1.3 Guid. Tchr. 0.2	50,000 + 12%		82

<b>ELEMENTARY</b>	<b># staff per 1,000 students</b>	<b>Average salary + % benefits</b>	<b>Amount per pupil for supplies &amp; services</b>	<b>Allocation per pupil</b>
Professional/Para- Professional Supports	1.33	42,850 + 14.8%		65
In-School Administration	Principal 2.75 VP 0.75 Dept. Head 0 Sec. 3.67	77,779 + 12% 70,976 + 12% 27,804 + 18%	5	425
Classroom Consultants	0.5	68,829 + 12%		37
<b>TOTAL FOUNDATION GRANT</b>	<b>54.70</b>		<b>292</b>	<b>3,367</b>

<b>SECONDARY</b>	<b># staff per 1,000 students</b>	<b>Average salary + % benefits</b>	<b>Amount per pupil for supplies &amp; services</b>	<b>Allocation per pupil</b>
Classroom Teacher Class size: 22:1*	Class Tchr.* 40.9 Supply Tchr. 0 Staff dev. 0	50,000 + 12%	60 12	2,362
Teacher Assistants	0			0
Textbooks and Learning Materials			100	100

<b>SECONDARY</b>	<b># staff per 1,000 students</b>	<b>Average salary + % benefits</b>	<b>Amount per pupil for supplies &amp; services</b>	<b>Allocation per pupil</b>
Classroom Supplies			173	173
Classroom Computers			56	56
Prep Time	8.18	50,000 + 12%		458
Library and Guidance Services	Tchr. Lib. 1.1 Guid. Tchr. 2.6	50,000 + 12%		208
Professional/Para- Professional Supports	2.1	42,850 + 14.8%		102
In-School Administration	Principal 1.1 VP 1.5 Dept. Head 9.0 Allowances Sec. 5.33	84,825 + 12% 74,877 + 12% 3,200 + 12% 29,288 + 18%	5	452
Classroom Consultants	0.5	68,829 + 12%		42
<b>TOTAL FOUNDATION GRANT</b>	<b>63.31 (excl. Dept heads)</b>		<b>406</b>	<b>3,953</b>

\* The number of secondary school classroom teachers provided for under the foundation grant (40.9 teachers for every 1,000 pupils as shown in the table above) is based on an average class size of 22 to 1 and an average credit load of 7.2 credits per secondary school pupil as reported by school boards. The number of classroom teachers in the foundation grant is calculated using a full teacher load of 8 credits or credit equivalents. This average credit load of 7.2 will constitute the base for the 1998–1999 funding for purpose of the Foundation Grant.

Where the average credit load of a board's secondary school pupils in the 1997–1998 school year exceeds the base level of 7.2 credits per pupil, the board will receive special assistance in 1998–1999 under the Teacher Compensation Grant.

A review of the basis of allocation for classroom teachers at the secondary level will be undertaken for 1999-2000 and beyond. This review will take into account secondary school reform.

### **Description of Components**

**Classroom Teacher:** salaries & benefits (which include the normal cost of retirement gratuities) for certified classroom teachers, supply and occasional teachers to cover absences and professional development for teachers.

**Teacher Assistants:** teaching assistants who support certified teachers in the classroom, primarily in JK and SK;

**Textbooks and Learning Materials:** includes textbooks, workbooks, resource materials, updating library materials, computer software, CD ROMs, Internet expenses and technology supporting distance education;

**Classroom supplies:** Other classroom supplies including paper, pens and pencils and other materials; classroom equipment

**Classroom Computers:** includes classroom computers (hardware only) and the associated network costs

**Preparation Time:** funding for the extra teachers' salaries and benefits costs required to allow teachers non-class time for lesson preparation, marking and consulting other professionals and parents

**Library and Guidance Services:** includes teacher librarians and guidance teachers. Guidance teachers at the elementary level are those providing guidance primarily to grades 7 and 8 pupils.

**Professional and Paraprofessional Services:** staff who provide support services to students and teachers, and includes, for example, attendance counsellors, social workers, child/youth workers, community workers, library technicians and computer technicians. Professionals and paraprofessionals providing support for special education (such as psychologists, psychometrists, speech pathologists, etc.) are funded under special education.

**In-School Administration:** includes principals, vice principals, department heads

at the secondary level, school clerical staff, and supplies for school administration purposes, including for school councils.

**Classroom Consultants:** teacher consultants and coordinators (e.g., reading specialists, program specialists who assist teachers in developing curriculum or with individual students)

### **Special Purpose Grants**

**Funding in 1998–1999:** \$3,832 million.

**Description:** Special Purpose Grants provide funding for special needs students as well as recognising differences in student needs, language proficiency, geography, transportation needs, and other variations in local circumstances. These grants replace in a simplified and streamlined fashion, many of the program specific and board specific grants which were provided to school boards under the General Legislative Grants. The new funding model provides for a total allocation of \$3,883 million for the following nine special purpose grants:

### **Special Education Grants**

**Funding in 1998–1999:** \$1,177.6 million.

**Description:** The Special Education Grant provides funding for students with special needs. School boards are required to use special education funds for special education purposes only. Two types of special education funding are available:

General special education funding is based on a school board's enrolment and is called the Special Education Per Pupil Amount (SEPPA.) This funding meets the needs of students who require some special education services. School boards fund the costs of special education teachers, education assistants, and other professionals (such as psychologists or speech-language therapists) with this grant.

Intensive support special education funding is provided for students who require high-cost specialized programs and services. Grants are also tailored to individual student needs, and funding stays with the student if he or she moves to another part of the province. This component is called the Intensive Support Amount (ISA).

Boards use this funding for specific students who need very costly special education services, including one-to-one staffing from educational assistants and

other professionals. In 1998–1999, school boards applied for this funding by showing specific students’ needs and their individual education plans. The Ministry of Education and Training provided funding for each student whose needs and education plan met the Intensive Support Amount standards.

ISA funding was introduced in 1998–1999 and provided funding to 25,000 students—just over 1% of students in Ontario.

School boards have flexibility as to how they meet the special education needs of students with this funding. For students with high needs, school boards combine the funding from the Foundation Grant, the Special Education per Pupil Amount, and the Intensive Support Amount.

***Calculation:***

1. Special Education Per Pupil Amount

*Funding in 1998–1999:* \$590.0 million

The per pupil portion is allocated to boards on the basis of total average daily enrolment. The amount for 1998–1999 is \$347 per elementary student and \$ 214 per secondary student.

2. Intensive Support Amount

*Funding in 1998–1999:* \$587.6 million

The intensive support amount is claimed by boards on the basis of the enrolment of individual students who meet the criteria for this funding. These criteria are outlined in the *Resource Manual for the Special Education Grant, Intensive Support Amount (ISA)*, as are the detailed guidelines and instructions for making a claim.

School boards apply for this funding by showing specific students’ needs for a modified curriculum and for intensive support, and by showing their individual education plans. There are 4 levels of Intensive Support Amount (ISA) funding:

Level 1: ISA Level 1 funding provides support for individualized equipment with a cost exceeding \$800 per pupil in a single school year. The total funding allocation for 1998–1999 was \$2.6 million.

## Levels

2 and 3: ISA Levels 2 and 3 funding provides for the intensive staffing supports required by students with very high needs. School boards applied for this funding by showing specific students' needs for a modified curriculum and for intensive support. Funding in 1998–1999 was \$521.7 million.

- Eligible students typically require teacher or educational assistant support in the classroom, smaller class sizes, or partial withdrawal from classrooms for intensive support from teachers or educational or behavioral assistants and child and youth workers.
- Students who require intensive support in the classroom for at least one half of the day are eligible for a grant of \$12,000 and students who required intensive supports in the classroom for over 80% of the time were eligible for a grant of \$27,000.

Level 4: ISA Level 4 funding supports educational programs in care, treatment and correctional facilities. Funding for Level 4 is allocated through program approvals issued by Ministry district offices. Funding in 1998–1999 was \$63.3 million.

**Extent of Participation:** All 72 boards

### Language Grants

**Funding in 1998–1999:** \$361.0 million.

**Description:** The Language Grant includes five components:

1. French as a First Language
2. French as a Second Language
3. Native as a Second Language (Aboriginal Languages)
4. Language Instruction - English as a Second Language/English Skills Development
5. Language Instruction - Actualisation Linguistique en Français/Perfectionnement du Français

### French as a First Language

**Funding in 1998–1999:** \$ 30.8 million

**Description:** The grant recognizes the higher instructional, material and administrative costs school boards incur in providing education programs in French. With the creation of twelve new French-language school boards across Ontario in 1998, this grant which was provided to old boards with French-language sections, is now applicable only to French-language boards.

**Calculation:** For elementary levels, the allocation is \$291 per student. For secondary levels, the allocation is \$460 per student, excluding students aged 21 and over.

A start-up grant of \$10,800 is provided for each new elementary school established by a French-language school board for starting up new French elementary classes.

**Extent of Participation:** 12 boards.

### **French as a Second Language**

**Funding in 1998–1999:** \$188.9 million.

**Description:** This grant provides for the additional costs of offering core, extended and immersion programs in French. At the elementary level, funding is provided for core and extended French for grades 4 to 8. French immersion programs are funded from Junior Kindergarten to Grade 8 if offered by the school board.

**Calculation:** The grant is based on the number of pupils enrolled in these programs and varies with the average daily length of the program. At the elementary level, an allocation is provided for French language instruction of:

Grades 4 to 8	-	\$229 per pupil enrolled in a program with an average daily length of 20 to 59 minutes
	-	\$260 per pupil enrolled in a program with an average daily length of 60 to 149 minutes
Grades 1 to 8	-	\$291 per pupil enrolled in a program with an average daily length of 150 or more minutes
Junior & Senior Kindergarten	-	\$291 per pupil enrolled in a program with an average daily length of 75 or more minutes

At the secondary level, an allocation is provided for French language instruction of:

Grades 9 & 10 -	\$57 per pupil enrolled in weighted credit courses in subject of French
-	\$94 per pupil enrolled in weighted credit courses in subjects other than French taught in French
Grades 11, 12 & Ontario Academic Credit Course -	\$75 per pupil enrolled in weighted credit courses in subject of French
-	\$145 per pupil enrolled in weighted credit courses in subjects other than French taught in French

**Extent of Participation:** 60 boards.

### **Native as a Second Language (Aboriginal Languages)**

**Funding in 1998–1999:** \$0.5 million.

**Description:** This grant assists school boards that provide Native language programs. Languages offered are Ojibwe, Cree, Delaware, Mohawk, Oneida, and Cayuga.

**Calculation:** The grant is based on the number of pupils enrolled in the program and the average daily length of the program. At the elementary level, it is \$219 per pupil for a 20 to 39 minute per day program and \$389 per pupil for a program of 40 or more minutes per day. At the secondary level, it is \$57 per pupil for a credit in Grades 9 and 10, and \$75 per pupil for a credit in Grades 11, 12 and a Ontario Academic Credit Course.

**Extent of Participation:** 23 boards.

### **Language Instruction - English as a Second Language/English Skills Development**

**Funding in 1998–1999:** \$126.1 million.

**Description:** This grant is offered to school boards that provide language instruction in regular day school programs for pupils in English-language schools whose first language is not English and for pupils in French-language schools who are entitled to French-language education or are admitted through an admission committee and have limited competencies in French.

Such ESL/ESD (English as a Second Language/English Skills Development) programs in English language schools and ALF/PDF (Actualisation Linguistique en Français/ Perfectionnement du Français) programs in French language schools

provide pupils with an opportunity to participate in regular instruction classes as soon as possible.

**Calculation:** The grant is based on two components:

- 1) The number of immigrant pupils from countries where English is not a first or standard language. The number of eligible pupils over the past three years is weighted as follows:
  - 1.0 for pupils who entered Canada during the last year (September 1, 1997 to August 31 1998)
  - 0.6 for pupils who entered Canada during the previous year (September 1, 1996 to August 31 1997)
  - 0.3 for pupils who entered Canada during the two years prior (September 1, 1995 to August 31 1996)
- 2) The estimated number of pupils (immigrants or born in Canada) who were reported in the 1991 census by Statistics Canada as having no proficiency in English - excludes pupils qualifying under ( 1) above. This number is determined by applying the percentage of persons aged 5 to 19 years reported as having no proficiency in English (excluding those who entered Canada during the last three years) to the board's total day school ADE (JK to OAC excluding pupils aged 21 and over).

Grant = Total number of weighted pupils x \$2,235  
(Item 1 + Item 2)

**Extent of Participation:** 41 boards.

### **Language Instruction - Actualisation Linguistique en Français/Perfectionnement du Français**

**Funding in 1998–1999:** \$14.7 million.

**Description:** This grant is based on two components:

- (1) Actualisation Linguistique en Français (ALF)

This component of the grant is designed to assist French-language school boards in providing language instruction to pupils who are entitled to French-language education under section 23 of the *Canadian Charter of Rights and Freedoms* and who have limited or no competencies in French or have a variety of language which is different from standard French.

The ALF grant component is based on the following 3 factors and is calculated separately for each geographic area within the French language public (or separate) board that is coterminous with the English language public (or separate) board :

**i) Basic Level of Service**

- Elementary: 1 instructional unit/200 pupils for the first 200 pupils  
 1 instructional unit/400 pupils for the next 1,600 pupils  
 1 instructional unit/750 pupils for the remainder of pupils
- Secondary: 1 instructional unit/400 pupils for the first 1,200 pupils  
 1 instructional unit/750 for remainder of pupils

**ii) Assimilation factor**

The assimilation factor is based on the number of students in French-language instructional units as a percentage of total students (English and French) within the coterminous geographic areas within the French language district school board

- 1.5 for 0–10 %
- 1.0 for 10-50 %
- 0.5 for 50–100 %

**iii) Cost per Instructional Unit**

- Elementary \$60,000
- Secondary \$60,000

The total ALF grant allocation for a French-language board is the sum of the ALF grant components calculated for each geographic area within the French-language board that is coterminous with an English-language public or separate board:

$$\text{ALF Grant component} = \text{Number of instructional units for basic level of service} \times \text{Assimilation Factor} \times \text{Cost per Instructional Unit}$$

(2) Perfectionnement du Français (PDF)

The PDF program is intended for pupils who access French-language education by virtue of the board's admissions committee. These pupils are generally born outside Canada and have one of the following characteristics:

- i) a variety of language which is different from standard French
- ii) schooling which has been interrupted
- iii) little knowledge of Canada's two official languages and/or need to familiarise themselves with the new environment

The PDF grant component is based on the number of immigrant pupils who entered Canada during the last three years from countries where French is a language of administration or schooling and who have one of the three characteristics identified above.

The number of eligible pupils under these criteria are weighted using the following factors:

- 1.0 for pupils who entered Canada during the last year (September 1, 1997 to August 31 1998)
- 0.6 for pupils who entered Canada during the previous year (September 1, 1996 to August 31 1997)
- 0.3 for pupils who entered Canada during the two years prior (September 1, 1995 to August 31 1996)

PDF grant component = Total number of weighted pupils x \$2,235

### **Small Schools Grant**

**Funding in 1998–1999:** \$ 54.4 million

**Description:** This grant offsets the higher per pupil cost of programs in small schools, which generally exist in sparsely populated areas. Small elementary schools are defined as having less than an average of 20 pupils per grade and located eight or more kilometers from other elementary schools of the board. Small secondary schools are defined as having less than an average of 120 pupils per grade and located 32 or more kilometers from another secondary school of the board.

**Calculation:** The grant is based on the following formula:

#### Elementary Small School

$$\text{Grant} = \$6,000 \times \frac{\text{School Remoteness}}{\text{Enrolment}} \times \text{School Factor} \times \text{School Factor}$$

Where:

School

Factor = sliding scale of 1.0 to 0.2 based on number of pupils per grade between 2 and 20 in the school

Remoteness

Factor = 1.50 for schools located more than 80 kilometers from all other elementary schools of the board  
= 1.25 for schools located more than 32 kilometers and less than 80 kilometers from all other elementary schools of the board  
= 1.0 for all other schools

#### Secondary Small School

$$\text{Grant} = \$7,200 \times \frac{\text{School Remoteness}}{\text{Enrolment}} \times \text{School Factor} \times \text{School Factor}$$

Where:

School

Factor = sliding scale of 0.45 to 0.15 based on number of pupils per grade between 20 and 120 in the school

Remoteness

Factor = 2.0 for schools with less than 20 pupils per grade and located more than 80 kilometers from all other elementary schools of the board  
= from 1.3 to 2.0 for schools with between 20 and 120 pupils per grade and located more than 32 kilometers and less than 80 kilometers from all other elementary schools of the board

**Extent of Participation:** 56 boards

### **Remote and Rural Board Grant**

**Funding in 1998–1999:** \$88.5 million

**Description:** The grant provides financial assistance to offset the higher costs of purchasing goods and services of boards that are remote from major urban centers and whose schools are distant from each other. The grant is based on three factors

B distance, sparsity and urbanity. The distance factor takes into account the additional costs of delivering goods and services to a remote school board and measures the distance from the closest major urban center. The sparsity factor covers the cost of moving goods and services within a board and measures how sparsely students are distributed. The urban factor accounts for the costs associated with accessibility of goods and services depending on the existence of an urban center with a population greater than 25,000 in the board.

**Calculation:**

$$\text{Grant} = \frac{\text{Day School ADE}}{\text{Per Pupil}} \times ((\frac{\text{Distance Grant}}{\text{Per Pupil}} \times \text{Urban Factor}) + \frac{\text{Sparsity Grant}}{\text{Per Pupil}})$$

Where:

Distance Grant Per Pupil - Distance is measured from the nearest of five of the largest cities (Toronto, Ottawa, Hamilton, London or Windsor) to the city or town nearest to the geographic center of the board.. Boards located more than 150 kilometers from one of these cities are eligible for per pupil grants up to \$464 for boards more than 1,150 kilometers distant.

Urban Factor - A sliding factor ranges from 1.0 for a board with a city or town with a population of less than 25,000 to 0.0 for a board with a city of at least 200,000 population.

Pupil Sparsity - Boards with less than one pupil per square kilometer qualify for a sliding grant amount of up to \$400 per pupil.

**Extent of Participation:** 39 boards.

**School Authority Grant**

**Funding in 1998–1999:** \$34.0 million.

**Description:** There are two types of school authorities funded by this grant:

1. Isolate School Authorities

The costs per pupil for very small school boards, usually located in remote areas of Ontario, referred to as isolate school authorities, are generally very high. Their funding differs from that of other school boards in Ontario because it is based on program approval rather than the general funding formula.

The net expenditures of isolate school authorities are based on District Office approvals in accordance with an approvals guideline. The approvals guideline was developed using an allocation formula which has been modified to address the basic costs of operating very small schools in remote areas. The allocation formula is based on the new funding model to the extent possible with provisions for special approval by district offices as required.

## 2. School Authorities on Tax Exempt Land

This grant provides for the costs of operating schools located on tax-exempt land. These include schools in sanatoriums, hospitals, crippled children's treatment centers and centers for the treatment of cerebral palsy.

For 1998–1999, funding for school authorities on tax exempt land will be maintained at the 1997 level of net expenditure of these boards (with adjustment for tuition fees revenues since board to board tuition fees will no longer be applicable effective September 1998). A review of an allocation funding model is ongoing, with implementation for 1999/2000.

**Calculation:** Funding is on a program approval basis according to an approvals guideline.

**Extent of Participation:** 37 boards.

## Learning Opportunities Grant

**Funding in 1998–1999:** \$184.9 million

**Description:** The Learning Opportunities Grant provides additional funding to school boards for students who are at higher risk of experiencing academic difficulties. The grant is based on social and economic indicators that have been associated by research with academic difficulties. This grant permits boards to offer a wide range of locally determined programs to improve educational achievement of these students.

**Calculation:** The grant is determined using the following four socio-economic indicators. All indicators are derived from 1991 census information provided by Statistics Canada:

Indicator	Description	Provincial Rate
1. Low Income Cut Off (LICO)	The percent of all persons who are living below the Low Income Cut off Point. LICOs as determined by Statistics Canada. These percentages vary from one community to another.	13.1%
2. Low Education	The percent of all persons 15 years or over who have less than a grade 9 level education.	11.5%
3. Recent Immigrants	The percent of all persons who were recent immigrants (immigrated to Canada between 1988 and 1991).	3.25%
4. Aboriginal Status	The percent of all persons indicating “Aboriginal” as their sole ethnic origin	0.7%

The funding is based on: (1) the eligible enumeration areas within the board; (2) funding units within eligible enumeration areas; and (3) allocation of funding units among each board within the eligible areas.

Eligible area:

The area used for the purpose of the calculation is an enumeration area. An area is eligible if the percentage of the area’s population in any one of the four socio-economic indicators is at least twice the provincial rate. Once an enumeration area is eligible on any one of the four indicators, its funding is calculated based on the LICO rate for that enumeration area.

Funding Units:

$$\text{Funding units} = \text{Child population (less than 18 years of age)} \times \frac{(\% \text{ of area's population below LICO})}{\text{Provincial LICO Rate}}$$

Where no LICO information is available for the eligible enumeration area, the Low Education variable is used in place of LICO for the calculation of funding units.

All funding units in eligible enumeration areas are summed according to census subdivisions (CSD). Since there are four school boards within coterminous geographic areas, funding units in a CSD are apportioned to each board by using municipal enumeration data showing school aged population of public and separate and English and French electors.

Each board's grant allocation is based on its total funding units as a share of the total funding units for all boards as follows:

$$\text{Grant} = \left( \frac{\text{Board's total funding units}}{\text{Total funding units for all boards}} \right) \times \text{Total Provincial LOG Allocation}$$

**Extent of Participation:** All 72 boards

### **Adult Day School Grant**

**Funding in 1998–1999:** \$ 31.2 million.

**Description:** This grant provides funding for day school students aged 21 and over. School boards also receive school operations and renewal grants for these students.

**Calculation:**

$$\text{Grant} = \$2,257 \times \text{ADE of students aged 21 and over}$$

**Extent of Participation:** 50 boards.

### **Continuing Education Grants**

<b>Funding in 1998–1999:</b>	Continuing Education	\$ 83.1 million
	Summer School	\$ 17.4 million
	International Languages	<u>\$ 16.0 million</u>
	Subtotal	\$ 116.5 million

**Description:** This grant provides funding for continuing education programs such as adult English or French as a second language, adult Native language, adult credit for diploma and correspondence/self-study.

Funding is also provided for summer school programs and international (heritage) languages. As part of the implementation of secondary school reform, funding for

grade 8 remedial summer school program is provided for those students who will be entering grade 9 in September 1999.

An allocation is provided to school boards offering approved classes for heritage language instruction in a language other than English or French.

Boards also receive school operations and renewal grants for continuing education credit courses offered during the day and for summer school programs (including grade 8 remedial summer school).

**Calculation:**

Continuing Education Grant = \$2,257 x ADE of students in coned programs

Summer School Grant = \$2,257 x ADE of students in summer school

International Languages Grant = \$41 per hour of Classroom Instruction\* x Number of language classes with average class size of 25 or more

\* Where average class size is less than 25, \$41 per hour of classroom instruction is reduced by \$1 for every pupil less than 25.

<b>Extent of Participation:</b>	Continuing Education	56 boards
	Summer School	43 boards
	International Languages	43 boards

**Teacher Compensation Grant**

**Funding in 1998–1999:**

Qualifications & Experience	\$ 595.9 million
Special Assistance:	
- Dept. Heads & Preparation Time	\$ 118.5 million
- Average Credit Load over 7.2	<u>\$ 66.0 million</u>
Subtotal	\$ 780.4 million

**Description:** The teacher compensation grant provides resources to help meet teacher compensation costs and to recognise the varying salary costs created by

the normal range in teachers' qualifications and experience. There are three components to this grant:

### **Teacher Qualifications and Experience Component**

The teacher qualifications and experience grant provides funding to boards that have teachers with qualifications and experience above the level used in the determination of the foundation grant.

**Calculation:** The per pupil grant is calculated by weighting the number of teachers at each level on the provincial average instructional salary matrix as follows:

( Sum of (Teachers on board's regular grid x Instructional salary matrix) - 1 ) x \$2,685

Number of Teachers on board's regular grid distribution

### **INSTRUCTIONAL SALARY MATRIX**

<b>Qualification &amp; experience</b>	<b>D</b>	<b>C</b>	<b>B</b>	<b>A1</b>	<b>A2</b>	<b>A3</b>	<b>A4</b>
<b>0</b>	0.5788	0.5788	0.5788	0.6229	0.6487	0.7081	0.7449
<b>1</b>	0.6127	0.6127	0.6127	0.654	0.6864	0.7502	0.7926
<b>2</b>	0.6332	0.6332	0.6332	0.6989	0.7318	0.7969	0.8432
<b>3</b>	0.6523	0.6523	0.6523	0.7416	0.7743	0.8442	0.8925
<b>4</b>	0.7149	0.7149	0.7149	0.7814	0.8158	0.8953	0.9443
<b>5</b>	0.7698	0.7698	0.7698	0.8234	0.8606	0.9435	0.9975
<b>6</b>	0.8225	0.8225	0.8225	0.8655	0.9042	0.9866	1.0473
<b>7</b>	0.8694	0.8694	0.8694	0.9073	0.9472	1.0363	1.0997
<b>8</b>	0.89	0.89	0.89	0.9485	0.9876	1.086	1.1512
<b>9</b>	0.9154	0.9154	0.9154	1.0025	1.0411	1.1534	1.2026
<b>10</b>	0.9667	0.9667	0.9667	1.0451	1.0989	1.2136	1.2949

In the previous funding model, boards that had teachers above the 50<sup>th</sup> percentile with respect to a combination of teacher experience and teacher qualifications received a grant to assist them with the expenditure above the 50<sup>th</sup> percentile. Under the new model, the salary matrix has been revised to reflect a benchmark of \$50,000 for teacher salary. This benchmark is lower than the average salary at the 50<sup>th</sup> percentile and as a result, most boards now receive grant under this component.

The matrix excludes teacher consultants and the administrative component of principals and vice-principals. They are therefore excluded from the board's regular grid distribution for the purpose of calculating the Q & E grant component.

### **Special Assistance**

A special assistance grant will be provided for 1998–1999 for the phase-in, at the secondary school level, of department heads and teacher preparation time. A per pupil amount of \$53 for department heads, and \$127 for preparation time will be part of the Teacher Compensation Grant for 1998–1999. The amount will be applicable to secondary day school ADE of the board (excluding pupils aged 21 and over).

In addition to the above, a special assistance grant will be provided for 1998–1999 at the secondary level to provide additional assistance to school boards where the average credit load of secondary school pupils in the 1997–1998 school year exceeded 7.2 credits per pupil. Assistance will be provided to recognize an average credit load of up to a maximum of 7.5 credits per pupil. A per pupil amount of up to \$95 for classroom teachers and \$19 for preparation time will be provided as part of the Teacher Compensation Grant for 1998–1999. The special assistance for this latter component will be calculated as follows:

{Average number of secondary school credits per pupil for the board in the 1997–1998 school year (up to a maximum of 7.5) - 7.2} / 7.2

X      \$2290 for classroom teachers, and  
         \$ 458 for preparation time

X      1998–1999 secondary day school ADE (excl. Pupils aged 21 and over)

<b>Extent of Participation:</b>	Qualifications & Experience	70 boards
	Special Assistance:	
	- Dept. Heads & Preparation Time	70 boards
	- Average Credit Load over 7.2	56 boards

### Early Learning Grant

**Funding in 1998–1999:** \$43.2 million.

**Description:** This grant provides funding to support early learning in those school boards that do not offer Junior Kindergarten (JK) or do not offer it everywhere in their jurisdiction. This funding is intended to help boards provide additional services to improve learning outcomes for early learners.

Boards that offer Junior Kindergarten throughout their districts do not receive the Early Learning Grant. Instead, their JK enrolment is funded in the same manner as the other regular day school enrolment but on a half-day equivalent basis (i.e., Foundation Grant, Special Purpose Grants, Pupil Accommodation Grants).

Boards that do not offer Junior Kindergarten receive an Early Learning Grant of \$609 per pupil based on their Senior Kindergarten to Grade 3 enrolment. The Early Learning Grant has been set at a level that is equivalent on average to the funding a board would receive if it were to offer JK.

Funding for full-day Senior Kindergarten programs is being provided for 1998–1999 to maintain stability of programs. This funding will be discontinued in 1999–2000.

Boards that offer JK are not normally eligible for the Early Learning Grant. However, in some instances, boards that provide JK in part of their jurisdiction are eligible for the Early Learning Grant for the remaining part of their jurisdiction.

#### Calculation:

Where a board does not offer Junior Kindergarten:

$$\text{Early Learning Grant} = \$609 \times \text{Board's ADE (SK to grade 3)}$$

Where a board offers Junior Kindergarten but not throughout all of its jurisdiction:

Early Learning

$$\text{Grant} = (\$609 \times \text{Board's ADE}) - (\text{JK ADE} \times \text{Board's 1998-1999 Allocation per Elementary Pupil})$$

Board's 1998-1999 allocation per elementary pupil includes:

- Foundation Grant
- Special Purpose Grants excluding Early Learning Grant and Adult, Continuing Education & Summer School Grants
- Pupil Accommodation Grants (School Operations and School Renewal Grants)

**Extent of Participation:** 14 boards.

### Transportation

**Funding in 1998-1999:** \$569.7 million.

**Description:** The transportation grant is paid to assist school boards with the costs of transporting pupils from home to school or from school to school including transportation of special needs students. Transportation policy and routes are established by the boards

**Calculation:** In 1998-1999, the grant took account of the following three factors:

- an expected 3% reduction in board transportation expenditures from 1997 levels;
- the 5 additional instructional days from 185 to 190; and
- enrolment changes from 1997 to 1998-1999

The grant for transportation was calculated as follows:

$$\begin{array}{l} 97\% \text{ of } 1997 \text{ Net} \\ \text{Transportation} \\ \text{Expenditure} \end{array} \times \frac{1998-1999 \text{ Day School ADE}}{1997 \text{ Day School ADE}}$$

**Extent of Participation:** All 72 boards.

## School Board Administration & Governance

**Funding in 1998–1999:** \$424.9 million.

**Description:** This new special purpose grant provides funding for administration and governance costs, including the costs of operating board offices and central facilities. The grant is to fund all board based staff and expenditures, including academic supervisory officers and their secretarial support. Funding is provided for three components:

1. Trustees - Grant is based on the number of trustees, to fund trustee honoraria, expenses, meeting costs and professional development (e.g., conferences and dues to stakeholder organizations). Secretarial costs for trustees are to be funded where necessary from board administration.
2. Director and Supervisory Officers - Grant allocation is based on one director per board, and a number of supervisory officers, including business supervisory officers, based on board enrolment. The allocation is intended to cover salaries and benefits of these staff and also recognizes the higher costs of obtaining services in remote and rural boards.
3. Board Administration Costs - This component would provide funding for the business and other administrative functions of a board and the costs of operating and maintaining board offices and facilities. It recognizes the higher costs of obtaining services for remote and rural boards and is to cover expenses and support staff for the director and supervisory officers as well as support staff (where necessary) for trustees.

### Calculation:

1. Trustees
  - \$5,000 x number of trustees (including Chair) for trustees honoraria
  - \$5,000 x number of trustees (including Chair) for travel and expense allowance, professional development and other costs
  - \$10,000 per board as additional honoraria for the Chair and Vice Chair
  - \$5,000 per board for student representation for travel and expenses but not honoraria

2. Director & Supervisory Officers

Base amount of \$65,000 per board, plus:

\$67 per enrolment of up to 2,000

\$25 per enrolment for the next 23,000 pupils enrolled

\$21 per enrolment for the remaining pupils

1% of the board's grant for New Pupil Places calculated under the Pupil Accommodation Grant

2% of the board's Remote and Rural Grant

0.5% of the board's Learning Opportunities Grant

3. Board Administration Costs

Base amount of \$80,000 per board, plus

\$174 per pupil.

1% of board's grant for New Pupil Places calculated under the Pupil Accommodation Grant

11% of the board's Remote and Rural Grant

0.5% of the board's Learning Opportunities Grant

Note: Enrolment used for determining the above grants is day school ADE. (JK to OAC , excluding pupils 21 and over). The ADE excludes non-resident students(e.g. Natives, students on Visas ).

**Extent of Participation:** All 72 boards.

## **VI. TRANSPORTATION**

Included in basic support program.

## **VII. SPECIAL EDUCATION**

Included in the basic support program.

## **VIII. COMPENSATORY EDUCATION**

The Learning Opportunities Grant provides funding for compensatory education programs and is one of the special purpose grants in the basic support program.

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

Gifted and talented pupils are considered "exceptional pupils" as defined by the *Education Act*, and the costs of educating exceptional pupils are covered under the Special Education Grant.

## **X. BILINGUAL AND HERITAGE LANGUAGES EDUCATION**

Funding for bilingual education is provided under the Language Grants as part of the basic support program. Heritage or international languages are funded as a continuing education program under the Adult, Continuing Education & Summer School Grants.

## **XI. EARLY CHILDHOOD EDUCATION**

Child care operating expenses are not funded by the Ministry of Education. Operating funds for Junior Kindergarten are provided as part of the Basic Per Pupil Grant.

Refer to Grant for New Pupil Places under Pupil Accommodation Grants for funding of space used to provide school-based child care centers.

## **XII. OTHER CATEGORICAL PROGRAMS**

In 1998–1999 the government provided school boards with additional funding for time-limited priority initiatives. This group of grants supports a wide range of programs that are funded on the basis of specific approval for each board that participates. The major programs include textbooks, school board restructuring and assistance for retirement gratuities.

### **Textbooks and Other Learning Resources**

**Funding in 1998–1999:** \$99.3 million.

**Description:** The Foundation Grant of the student-focused approach to funding provides ongoing funding for textbooks and learning resources for each student.

In 1998–1999, the government made an additional investment in textbooks and other learning materials for elementary students and science equipment for secondary students. This investment placed more than 4.7 million textbooks and other learning materials and equipment in classrooms. This commitment doubled the amount of money available for books for elementary students in the 1998–1999 school year. With the enrolment-based funding already provided through the Foundation Grant, a total of \$150 per elementary pupil for textbooks and learning materials was provided in 1998–1999.

**Calculation:** These grants were calculated as follows:

Elementary  
Grant = ADE elementary x \$76

Secondary  
Grant = \$3000 per secondary school + (ADE secondary x 11)

**Extent of Participation:** 72 boards.

### **School Board Restructuring**

**Funding in 1998–1999:** \$384.4 million.

**Description:** School boards are putting significant changes into effect that focus resources on students and teachers in the classroom and reduce administrative costs. These changes include the amalgamation of school boards into 72 district school boards, and implementation of the new approach to funding.

Making these changes happen carries some short-term costs. The government has provided additional resources to help school boards restructure, to meet the transitional costs of amalgamation and start up costs of new district school boards. Funding has also been provided to ensure a smooth transition to the new approach to funding, including the costs of meeting obligations to employees affected by restructuring.

This funding can be spent by school boards during 1997-2000.

**Calculation:** Funding allocations for restructuring projects were approved by the Ministry on a board by board basis.

**Extent of Participation:** 72 boards.

### **Assistance for Retirement Gratuities**

**Funding in 1998–1999:** \$87.3 million.

**Description:** This funding recognized the additional cost incurred by school boards for teachers who retired at the end of the 1997–1998 school year as a result of the early retirement agreement with the Ontario Teachers' Federation. This initiative was implemented to allow more than 18,000 teachers to retire early and open up many thousands of teaching opportunities for young graduates of Ontario's teachers' colleges.

**Calculation:** This special one-time assistance was based on the cost of retirement gratuities related to these additional retirements net of any salary savings resulting from these retirements.

**Extent of Participation:** 53 boards.

### **Education Programs - Other**

**Funding in 1998–1999:** Not reported.

**Description:** This group of grants supports a wide range of initiatives that are funded on the basis of specific approval for each board that participates. The major initiatives include resource materials, secondary school reform, tutors in the classroom and internet access.

**Calculation:** Funding is not based on a formula. The Ministry assesses each application for funds individually.

**Extent of Participation:** The number of participating boards varies by program.

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

### **Teacher Retirement**

**Funding in 1998–1999:** \$921.0 million.

**Description:** The province pays the entire employers' share of teachers' pension contributions on behalf of school boards directly to the Teachers' Pension Fund (TPF). The employers' contributions are equal to the employees' contributions paid by teachers (8.9% of salary).

### **Social Security**

**Description:** As employers, school boards contribute to the Canada Pension Plan and Employment Insurance. These social security plans are administered by the federal government and are funded by employer and employee premium contributions through payroll deductions. The Canada Pension Plan has matching contributions from both employers and employees and for unemployment insurance the employer's share is 1.4 times the employee's share.

The cost of social security contributions is included in the employee benefits allocation under the foundation grant. An amount of 12% of the average teacher's salary is provided for all employee benefits (i.e., 12% of \$50,000 or \$6,000).

#### XIV. TECHNOLOGY

Not reported.

#### XV. CAPITAL OUTLAY AND DEBT SERVICE

##### Pupil Accommodation Grants

<b>Funding in 1998–1999:</b> School Operations	\$1,132.3 million
School Renewal	\$ 192.0 million
New Pupil Places	<u>\$ 147.0 million</u>
Subtotal	\$1,471.3 million
Debt Service	\$ 376.0 million

**Description:** Pupil accommodation grants are provided on a per-pupil basis and reflect the following principles. School boards are responsible for providing schools and facilities for their students and for operating and maintaining their schools as effectively and efficiently as possible. The provincial government is responsible for providing adequate financial resources and the flexibility to enable boards to meet those responsibilities and for monitoring board actions to ensure accountability to the taxpayers.

School boards that have demonstrated that they are using all existing school buildings effectively, and that their enrolment cannot be accommodated without new space are provided with block grants on a per-pupil basis to deal with the cost of constructing, furnishing and equipping new schools and paying for this over time.

All school boards receive per pupil grants to offset the costs of operating (i.e. heating, lighting, cleaning and maintaining), repairing and renovating their schools. Boards are required to report annually on their spending for school operations and renewal, and feedback is sought from school councils about the conditions in the schools.

The Province also assumed responsibility for school boards' debt service costs over a three year period (1998–1999, 1999–2000, 2000–2001). Beyond the three year period, school boards will be responsible for their capital debt service costs and will be able to include these debt service costs in their annual calculation of funding entitlements under the Pupil Accommodation Grant.

## Formula-Based Approach

A board's pupil accommodation grant will be calculated using separate formulas to determine grants for school operation (i.e. heating, lighting, cleaning and maintenance), for school renewal (i.e. repairs and renovations) and for new pupil places which reflect the different factors influencing need.

These grants are determined on a per-pupil basis. The formulas used to calculate grant allocations for individual boards differentiate between the traditional elementary and secondary school panels and adult education. The basic structure of the formula is the same for each category, specifically:

<i>Total Grant for Pupil Accommodation</i>	=	Grant for New Pupil Places	+	Grant for School Renewal	+	Grant for School Operation
<i>Grant for New Pupil Places</i>	=	Enrolment in excess of Capacity	X	Benchmark Area Requirement per Pupil	X	Benchmark Construction Cost per Sq. Ft. X Geographic Adjustment Factor
<i>Grant for School Renewal</i>	=	Enrolment	X	Benchmark Area Requirement per Pupil	X	Benchmark Renewal Cost per Sq. Ft.
<i>Grant for School Operation</i>	=	Enrolment	X	Benchmark Area Requirement per Pupil	X	Benchmark Operating Cost per Sq. Ft.

A geographic adjustment factor is applied to the Grants for New Pupil Places in recognition of differences in construction costs across the province (See Appendix A). It is acknowledged that geographic factors will also impact custodial and maintenance costs and the cost to repair and renovate schools. The funding model includes a number of special purpose grants that address unique circumstances faced by individual boards. In determining the Small Schools Grant, the Remote and Rural Boards Grant and the Early Learning Grant, allowance has been made for custodial and maintenance and facilities renewal costs. Accordingly, no explicit geographic adjustment is being applied to the Grant for School Renewal and the Grant for School Operation.

### Grant for School Operation

All boards receive Grants for School Operation. This grant is to be used to heat,

light, clean and undertake ongoing maintenance of schools. Savings achieved from this grant may be used according to the board's priorities (e.g. augmenting the pupil accommodation reserve; purchasing classroom computers; or purchasing textbooks, software, and other learning materials).

These grants will be calculated separately for the traditional elementary and secondary school panels and for adult education using the following formula:

$$\text{Grant for School Operation} = \text{Enrolment} \times \text{Benchmark Area Requirement per Pupil} \times \text{Benchmark Operating Cost per Sq. Ft.}$$

The components used to determine Grants for School Operation are defined in Table 1.

**TABLE 1**

<b>Grant for School Operation</b>	<b>Elementary Panel</b>	<b>Secondary Panel</b>	<b>Adult Education</b>
<i><b>Enrolment</b></i>	A Day School Average Daily Enrolment@ of pupils enrolled in Junior Kindergarten, Kindergarten and Grades 1 through 8	A Day School Average Daily Enrolment@ of pupils enrolled in Grades 9 through OAC, excluding students 21 years of age or older	A Day School Average Daily Enrolment@ of students 21 years of age or older plus the A Average Daily Enrolment@ of students enrolled in Continuing Education credit courses during the day (excluding pupils enrolled in correspondence self study programs, and including students in Secondary Summer School programs)

<b>Grant for School Operation</b>	<b>Elementary Panel</b>	<b>Secondary Panel</b>	<b>Adult Education</b>
<b><i>Benchmark Area Requirement per Pupil</i></b>	100 square feet	130 square feet	100 square feet <ul style="list-style-type: none"> <li>• lower than the traditional secondary school panel because no additional space is required for special needs programs.</li> </ul>
<b><i>Benchmark Operating Cost per Square Foot</i></b>	\$5.20 per square foot <ul style="list-style-type: none"> <li>• reflects the median custodial and maintenance expenditures per square foot</li> </ul>	\$5.20 per square foot <ul style="list-style-type: none"> <li>• reflects the median custodial and maintenance expenditures per square foot</li> </ul>	\$5.20 per square foot <ul style="list-style-type: none"> <li>• reflects the median custodial and maintenance expenditures per square foot</li> </ul>

### **Grant for School Renewal**

All boards will receive Grants for School Renewal. These grants will be calculated separately for the traditional elementary and secondary school panels and for adult education using the following formula:

$$\begin{array}{r}
 \textit{Grant for School} \\
 \textit{Renewal}
 \end{array}
 = \text{Enrolment} \quad \times \quad \begin{array}{r}
 \text{Benchmark Area} \\
 \text{Requirement per} \\
 \text{Pupil}
 \end{array}
 \quad \times \quad \begin{array}{r}
 \text{Benchmark} \\
 \text{Renewal Cost per} \\
 \text{Sq. Ft.}
 \end{array}$$

The components used to determine Grants for School Renewal are defined in Table 2.

**TABLE 2**

<b>Grant for School Renewal</b>	<b>Elementary Panel</b>	<b>Secondary Panel</b>	<b>Adult Education</b>
<b><i>Enrolment</i></b>	A Day School Average Daily Enrolment@ of pupils enrolled in Junior Kindergarten, Kindergarten and Grades 1 through 8	A Day School Average Daily Enrolment@ of pupils enrolled in Grades 9 through OAC, excluding students 21 years of age or older	A Day School Average Daily Enrolment@ of students 21 years of age or older plus the A Average Daily Enrolment@ of students enrolled in Continuing Education credit courses during the day (excluding pupils enrolled in correspondence self study programs, and including students in Secondary Summer School programs)
<b><i>Benchmark Area Requirement per Pupil</i></b>	100 square feet	130 square feet	100 square feet <ul style="list-style-type: none"> <li>• lower than the traditional secondary school panel because no additional space is required for special needs programs.</li> </ul>
<b><i>Benchmark Renewal Cost per Square Foot</i></b>	Weighted average of \$0.64 and \$0.96 per square foot with the weights reflecting the area of elementary schools under and over 20 years of age respectively	Weighted average of \$0.64 and \$0.96 per square foot with the weights reflecting the area of secondary schools under and over 20 years of age respectively	Weighted average of \$0.64 and \$0.96 per square foot with the weights reflecting the area of secondary schools under and over 20 years of age respectively

The Pupil Accommodation Review Committee will analyze information reported in the School Facilities Inventory System and make recommendations on

appropriate adjustments to the Benchmark Area Requirement per Pupil for individual boards to take into account: additional space requirements associated with the need to serve a disproportionate number of pupils in special education, learning opportunities and language programming; physical characteristics of existing schools that are not easily modified to conform to the standard benchmarks; and school communities where enrolment levels do not permit the board to operate at benchmark levels.

The Grant for School Renewal is to be deposited into the board's Pupil Accommodation Reserve fund and used for projects according to a board's own priorities. Boards are encouraged to take into account cost implications over the life cycle of their schools in making decisions regarding the use of funds in the Pupil Accommodation Reserve. Funds remaining in the board's Pupil Accommodation Reserve are to be carried forward for use in future years.

### **Grant for New Pupil Places**

Only boards whose elementary school enrolment exceeds the capacity of their elementary schools or whose secondary school enrolment exceeds the capacity of their secondary schools are eligible to receive Grants for New Pupil Places.

Detailed information on each school in Ontario has been compiled through the School Facilities Inventory Database. This information has been used to determine the capacity of each board's elementary and secondary schools on a consistent basis across the province. That analysis has been overseen by the Pupil Accommodation Review Committee comprised of Ministry and school board personnel.

Boards are responsible for determining whether or not a school is surplus, and whether or not the surplus property should be leased or sold. The requirements for disposal of surplus schools are outlined in regulation.

Boards have an opportunity to reduce the capacity figures used in the determination of the Grants for New Pupil Places on an ongoing basis. Surplus schools offered at no charge to co-terminous school boards and the Ontario Realty Corporation by December 31 of each year will be removed from the capacity figures used to determine Grants for New Pupil Places for the following academic year.

Boards also have the option of selling schools which may be surplus to their needs at fair market value, except that the price for the property is not to exceed the value of the Ministry's Grants for New Pupil Places when the purchaser is a coterminous school board, or a Provincial School or publicly funded care and

treatment facility offering programs leading to a diploma. The proceeds from the sale are to be placed in a Pupil Accommodation Reserve. The use of the proceeds of such transactions are governed by regulation.

Space that was being used to accommodate school-based child care centers as at December 31, 1997 is not included in the capacity calculations so as not to impact centers currently in operation. Surplus space that may be converted to childcare use after that date, however, is included in the calculation of the capacity of schools.

Grants for New Pupil Places are calculated separately for the elementary and secondary school panels using the following formula:

$$\begin{array}{rcccl}
 \textit{Grant for New} & & & & \\
 \textit{Pupil Places} & = & \text{Enrolment} & \text{Benchmark Area} & \text{Benchmark} & \text{Geographic} \\
 & & \text{= in excess of} & \text{X Requirement per} & \text{X Construction} & \text{X Adjustment} \\
 & & \text{Capacity} & \text{Pupil} & \text{Cost per Sq. Ft.} & \text{Factor}
 \end{array}$$

To ensure an orderly transition to the new model as boards begin to address the significant backlog of accommodation issues across the province, annual Grants for New Pupil Places for an individual board have been limited to \$20 million for an interim period. This amount of funding supports the construction of 20 elementary schools and 5 secondary schools. Boards may need to phase construction starts over a two- or three-year period to effectively manage a capital program of this magnitude.

The \$20 million cap on Grants for New Pupil Places will be removed once a board has developed a construction program within these parameters and has begun construction on the schools identified in that plan. Additionally, adjustments will be made to Grants for New Pupil Places for boards that have been impacted to ensure that adequate resources are available to enable them to meet their accommodation needs.

The components used to determine Grants for New Pupil Places are defined in Table 3.

**TABLE 3**

<b>Grant for New Pupil Places</b>	<b>Elementary Panel</b>	<b>Secondary Panel</b>
<i>Enrolment</i>	“Day School Average Daily Enrolment” of pupils enrolled in Junior Kindergarten, Kindergarten and Grades 1 through 8	“Day School Average Daily Enrolment” of pupils enrolled in Grades 9 through OAC, excluding students 21 years of age and older
<i>Capacity of Existing Schools</i>	Capacity of the board’s elementary schools as at September 1, 1998, as determined using data reported in the School Facilities Inventory System.	Capacity of the board’s secondary schools as at September 1, 1998, as determined using data reported in the School Facilities Inventory System.
<i>Benchmark Area Requirement per Pupil</i>	100 square feet <ul style="list-style-type: none"> <li>• will provide sufficient teaching and ancillary space to permit the effective delivery of elementary school programming consistent with the average class size limits specified under the <i>Education Quality Improvement Act, 1997</i>, and provide additional space required to accommodate the typical distribution of special education, learning opportunities and language (e.g. ESL etc.) programming</li> </ul>	130 square feet <ul style="list-style-type: none"> <li>• will provide sufficient teaching and ancillary space to permit the effective delivery of secondary school programming consistent with the average class size limits specified under the <i>Education Quality Improvement Act, 1997</i>, and provide additional space required to accommodate the typical distribution of special education, learning opportunities and language (e.g. ESL etc.) programming</li> </ul>
<i>Benchmark Construction Cost per Square Foot</i>	\$11.00 per square foot <ul style="list-style-type: none"> <li>• represents the estimated cost of \$117 per sq. ft. to design, construct, furnish and equip new elementary schools, amortized over a 25 year period</li> </ul>	\$12.00 per square foot <ul style="list-style-type: none"> <li>• represents the estimated cost of \$126 per sq. ft. to design, construct, furnish and equip new secondary schools, amortized over a 25 year period</li> <li>•</li> </ul>

<b>Grant for New Pupil Places</b>	<b>Elementary Panel</b>	<b>Secondary Panel</b>
<b><i>Geographic Adjustment Factor</i></b>	Board Specific (See Appendix A) <ul style="list-style-type: none"> <li>• Factors recognize the additional costs of moving construction materials and obtaining construction services in remote and sparsely populated areas</li> </ul>	Board Specific (See Appendix A) <ul style="list-style-type: none"> <li>• Factors recognize the additional costs of moving construction materials and obtaining construction services in remote and sparsely populated areas</li> </ul>

Boards are required to establish Pupil Accommodation Reserve Funds. Grants for New Pupil Places must be deposited in this reserve. Funds in a board’s Pupil Accommodation Reserve are to be used solely to address pupil accommodation issues (e.g. to repair or renovate existing schools, or to acquire new facilities to accommodate students) according to the board’s own priorities.

Boards are encouraged to take into account cost implications over the life cycle of their schools in making decisions regarding the use of funds in the Pupil Accommodation Reserve. Funds in the Pupil Accommodation Reserve that are not utilized within a fiscal year are to remain in the reserve for use in future years.

Boards have the flexibility to enter into a wide variety of arrangements to acquire new space to accommodate their students. The Pupil Accommodation Reserve fund may be used to:

- meet debenture payments for capital projects (e.g. new schools or additions) which would be owned by the board;
- enter into long- and short-term lease arrangements with the private sector;
- enter into multi-use partnership agreements with other school boards, municipalities or the private sector; or
- provide temporary accommodation for students in areas where enrolment is anticipated to decline in the short to medium term

The Pupil Accommodation Review Committee will work with the Ontario Financing Authority to develop guidelines to assist boards to assess proposals involving private sector financing.

Grants for New Pupil Places are not intended to be used for the purchase of sites for new schools. Boards may acquire new sites using proceeds from the sale of

surplus properties; savings from their operating budgets; as part of long-term lease or partnership arrangements with municipalities or the private sector; or by imposing Education Development Charges (EDCs) provided that they do so in accordance with legislated provisions and regulations under the *Education Act* .

### Accountability Framework

The proposed accountability framework for the Pupil Accommodation Grants provided to boards includes the following components:

- An electronic school facilities inventory system to compile key data elements regarding each school (e.g. area, capacity, floor plans, site plans etc);
- A long-term plan to provide background information on current and projected enrolment levels in each board and describe activities related to pupil accommodation that the board is contemplating during the next five years;
- An annual report on school operations which would provide information to assess the relative efficiency and effectiveness of expenditures made for heating, lighting, and cleaning schools;
- An annual report on school renewal which would document improvements made to the board's schools during the past year;
- A report providing information regarding the design, construction and financing of each new school project.

The development of the School Facilities Inventory System has already begun. Boards provided detailed information on each of their schools to permit the calculation of parameters to be used in the determination of Pupil Accommodation Grants (e.g., capacity) to be calculated on a consistent basis across the province.

The annual reports on use of funds for school operation and renewal are intended to provide information to assess relative efficiency and effectiveness of expenditures made for heating, lighting, cleaning etc. and to repair and renovate schools. These reports are also to include customer satisfaction indicators, with input provided by such groups as school councils and Special Education Advisory Committees (SEACS). From this information, best practices will be identified and shared province-wide via the Ministry's Website.

The reports regarding major projects (i.e. Additions; New Schools) are intended to provide information to assess relative efficiency and effectiveness of project

design, construction, financing etc. This information will be shared province-wide via the Ministry's Website to assist other boards with their planning.

The Pupil Accommodation Review Committee will make recommendations on the specifics of the proposed accountability framework.

### Debt Service

The Province provides funding to school boards to meet their capital related debt service costs for over a three year period (1998–1999, 1999-2000, 2000-2001). Beyond the three year period, school boards will be responsible for their capital debt service costs and will be able to include these debt service costs in their annual calculation of funding entitlements under the Pupil Accommodation Grant.

This will include the capital related debt (i.e. debentures, long term capital loans and capital not permanently financed) incurred by boards prior to December 31, 1996 and debt incurred or which will be incurred for capital commitments that had been made as of May 14, 1998. Commitments made after May 14 1998 for projects not previously approved by the Ministry or by the Education Improvement Commission will be the sole responsibility of the board.

<b>Extent of Participation:</b>	School Operations	72 boards
	School Renewal	72 boards
	New Pupil Places	62 boards
	Debt Service	69 board

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

None reported.

## **XVII. REWARDS/SANCTIONS**

None reported.

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

None reported.

## **XIX. PROVINCIAL AID FOR PRIVATE JK/12/OAC SCHOOLS**

Roman Catholic separate schools and French-language schools in Ontario have constitutional rights to public funding. Aside from these schools, Ontario provides no funding for private education.

## XX. RECENT/PENDING LITIGATION

None reported.

## XXI. SPECIAL TOPICS

### Phase-in Provisions

**Funding in 1998–1999:** \$354.3 million.

**Description:** Before the student-focused approach to funding was introduced, there were significantly different levels of spending on education in different school boards. If the student-focused approach to funding was put in place all at once, it would be difficult for school boards to develop responsible plans and put these changes into effect in one year.

As a result, mitigation funding was introduced to phase in these changes. In 1998–1999, to allow school boards time to put responsible changes into effect, school boards gaining funding received a maximum of a 4% increase, and school boards entitled to less funding received a reduction of no more than 4%. These changes were adjusted to recognize enrolment changes, but no school board lost more than 4% of its 1997 funding.

**Calculation:** Where the change in a school board's operating revenue is 4% or more (+ or -), a mitigation grant adjustment for the difference is made to the board's grant allocation. The revenue eligible for mitigation includes all operating revenues. Changes in capital revenue are not included in the calculation.

The 1997 base to be used for the purposes of calculating mitigation is defined as the sum of provincial grants and local property taxes for operating purposes (i.e. excluding capital) and net tuition fees revenue for board to board fees. This revenue base that was available to a board in 1997 will be replaced by revenue under the new student-focused funding model (through a combination of provincial grants and the yield of the education mill rate set by the province).

#### Mitigation Grants

1. If a board's change in operating revenue or its adjusted change in operating revenue is less than 0.96, then the board's allocation for 1998–1999 will be increased by the greater of:

$$(a) \quad \left( 0.96 - \frac{1998-1999 \text{ Operating Revenue}}{1997 \text{ Operating Revenue}} \right) \times 1997 \text{ Operating Revenue Base}$$

$$(b) \quad \left( 0.96 - \frac{1998-1999 \text{ Operating Revenue}}{1997 \text{ Operating Revenue}} \right) \times \frac{1997 \text{ ADE}}{1998-1999 \text{ ADE}} \\ \times 1997 \text{ Operating Revenue Base}$$

2. If a board's adjusted change in operating revenue is greater than 1.04, then the board's allocation for 1998–1999 will be reduced by:

$$\left( \frac{1998-1999 \text{ Operating Revenue}}{1997 \text{ Operating Revenue}} \times \frac{1997 \text{ ADE}}{1998-1999 \text{ ADE}} \right) - 1.04 \times 1997 \text{ Operating Revenue Base}$$

**Extent of Participation:** 10 boards.

### **Enveloping**

School boards continue to be responsible for setting their budgets. Ontario's new approach to funding recognizes that school boards need the flexibility to decide how best to allocate resources within those budgets. The model is not intended to specify every expenditure that boards make. It is up to boards, as it always has been, to determine their detailed budget commitments within the terms of the Education Act and other relevant regulations and memoranda.

At the same time there are some restrictions in four broad areas on how school boards can use their funding. Limitations, as detailed below, are set on: the transfer between classroom and non-classroom spending; special education; new pupil places and facilities renewal; and school board administration and governance.

*1. Funds may not be moved from the classroom to non-classroom category.*

School boards are expected to place a priority on students and teachers in the classroom, and to find efficiencies in non-classroom areas. To support this objective, funds may be moved from non-classroom categories into classroom spending but may not be moved from classroom spending to non-classroom.

There is however no provincial requirement for boards to align their spending to the individual components within the classroom and non-classroom groupings except as noted in 3 and 4 below. It is the responsibility of the board to see that the most effective allocation of funds is made among the classroom or non-

classroom components, within the local context.

- 2. The special education allocation establishes the minimum that each board must spend on special education.*

The allocation for special education is enveloped and protected. The types of spending for which the grant may be used, and the list of allowed costs as defined by the ministry will apply to the 1998–1999 school year. Boards are free to spend more on special education. Boards are required to place any unspent funds from the special education allocation in a special education reserve fund.

- 3. The allocations for new pupil places and for facilities renewal establish the minimum that each board must spend on these components.*

This restriction is intended to ensure that boards are able to dedicate their resources to the creation and renewal of safe and functional facilities where children can learn.

Boards have significant flexibility on how this is done - whether through major renovation, replacement, leasing, additions, or other partnership agreements. Unspent funds in any particular year from these two grants are to be placed in a reserve to be restricted for these purposes in future since the allocated level of funding will be needed to ensure the physical integrity and safety of school buildings.

- 4. The allocation for school board administration and governance establishes the maximum that each board may spend on these functions.*

School boards were allowed a period of time to reach the target expenditure levels for administration. Boards who were unable to achieve the target level in the first year were required to submit to the Ministry a plan outlining how they intend to be in full compliance with the administration expenditure limits by the year 2000-2001 and indicate what significant progress is being achieved in each year.

The transition funding was intended to assist school boards to restructure and make a smooth changeover to the new funding system.

Boards are free to move funds within the three components of the allocation for board administration and governance as long as they comply with the levels established on trustee compensation under the Education Act.