

how funding works

Before the development of the current funding formula for education, there were wide discrepancies in funding across the province. There were some very poor school boards while others, with richer tax bases, were much better off.

In 1997, the provincial government took complete control of education funding in the province. A funding formula for education was developed and, though many adjustments to the formula have been made since then, the basic structure of the formula remains.

Has the funding formula changed?

Over the last ten years a number of adjustments have been made to the funding formula. Funding has been added to support the province's smaller schools and to somewhat cushion the blow that declining enrolment causes. In 2003, on the recommendation of Dr. Mordechai Rozanski, a Local Priorities Grant was added. In 2006, it was eliminated.

While a proportion of boards' funding is based on numbers of students, there are other grants added to the "per pupil" base (Special Education, ESL, Transportation, Declining Enrolment, etc.). Thus per pupil funding is not meant to be equal, as different boards have different needs. But it is meant to be equitable in order to provide equal educational opportunity for all students.

Has funding increased?

It is difficult to make provincial comparisons between pre- and post-1997 funding levels, because before

1997, over half of the funding for education came from local taxes. Since 1997, per pupil funding has increased by approximately 8.6% after inflation. But that increase has not been felt equally in all boards. In fact, some larger urban boards have less funding now per student, on a cost-adjusted basis, than they did ten years ago.¹³ And in three main areas, provincial funding does not match actual costs.

- Funding for school operations and maintenance was initially based on an amount per square foot and a square footage per pupil that matched the reality in new schools in two small rural boards. At that time, most schools in the province spent more on maintenance and had more square feet per student than the amounts recognized in the original formula. There have been some increases since 1997, but no change has dealt with the original faulty premise of the formula.
- Average salaries set in the funding formula for non-teaching staff, including custodians and support staff do not match what boards actually pay. According to Ministry of Education calculations, boards spend approximately \$143 million more than they receive to cover the costs of school office and maintenance, staff, educational assistants, and professionals and para-professionals.¹⁴
- Boards' actual costs for transportation are at least \$37 million more than the amount they receive from the province.

Where are the decisions made?

The province

The Ministry of Education provides funding to school boards based on a number of factors, including the number of students in a board, the number of schools, the percentage of high needs special education students, the number of students who have either English or French as their second language, and based on some unique geographical needs (a high number of small schools, very far apart, for example).

But only the special education funding is “sweatered,” meaning it cannot be spent on anything but special education. Most other funding can be moved from one category to another, which means that many funding decisions are made at the board level.

The school board

School boards decide on individual schools’ budgets, on whether there will be programs like Outdoor Education or all-day kindergarten, and on things like how many students a school must have in order to get staff such as teacher-librarians or vice-principals. Boards distribute funding for teachers to schools depending on the number of students and, in some cases, depending

on the number of students who might struggle to succeed – either because of socio-economic factors or because of other special needs. Boards also decide which schools should stay open and which should close, and how many custodians, secretaries and educational assistants each school will get.

The school

Principals receive a budget for the school from the school board. They make decisions about school maintenance and repairs within that budget, and about the distribution of teachers and class sizes. They decide how to allocate educational assistants and whether their school can have staff such as a teacher-librarian, a music teacher or department heads. Depending on the size of the school, principals may also allocate funding to different departments.

Q. What programs and services should be in the funding formula and how can education funding appropriately support all the different kinds of schools and students in Ontario?