

Appendix D: Components of the Student-Focused Funding Formula

The following descriptions of the grants and their components are based on information contained in the Ministry of Education documents *Student-Focused Funding: Parents Guide, 2002–03*, Spring 2002, and *Student-Focused Funding: Technical Paper, 2002–03*, Spring 2002. Consult these two papers, available on the Ministry of Education website, at www.edu.gov.on.ca, for more detailed information, as well as for the amounts of the grants for the 2002-03 school year.

Foundation Grant

The Foundation Grant is intended to cover the components of a classroom education that are required by, and common to, all students. It allocates the same amount per student to all school boards and is based on a board's average daily enrolment, calculated twice yearly, in October and in March.

The classroom components covered are as follows:

- classroom teachers
- supply teachers
- staff development
- teaching assistants
- textbooks and learning materials
- classroom supplies
- classroom computers
- library and guidance services
- professional and para-professional supports (for example, social workers or computer technicians)
- teachers' preparation time
- in-school administration (including principals, vice-principals, department heads, and school secretaries)

- classroom consultants (for example, teachers who are reading specialists or who help other teachers develop and implement curriculum)

The Foundation Grant also includes a Local Priorities Amount, which school boards have the flexibility to use to meet their local needs.

Special Purpose Grants

In addition to the Foundation Grant, all school boards receive Special Purpose Grants. These grants provide extra funding to meet additional student needs, which may vary from one student to another, that are not covered by the Foundation Grant, and additional board costs, which may vary from one board to another.

Special Education Grant

The Special Education Grant provides boards with funding to serve students with special needs. Boards have the flexibility to determine how they will use their Special Education Grant – for example, to pay for special education teachers, teaching assistants, and other professionals such as psychologists or speech/language therapists – but they may only use it for special education purposes. Any unspent portion must be placed in a special education reserve fund.

The Special Education Grant has two major components:

- The **Special Education Per Pupil Amount (SEPPA)** is based on the total number of students the board serves, not just on those students who have been identified as needing a special education program. This funding acknowledges that a certain portion of any student population will have special needs. It is

intended to fund the special programs and services these students need without requiring boards to take the time and incur the costs of formally identifying these students as “exceptional.” (Under the Education Act, school boards are required to identify students who are “exceptional” – that is, those who have a high level of special needs. The definition of an “exceptional pupil” and the identification process are spelled out in the Act and regulations.)

- The **Intensive Support Amount (ISA)** is allocated to boards on the basis of their “incidence rate” of students with intense needs who require such costly supports as special equipment, teachers, and teaching assistants. Each year, boards submit claims to the Ministry of Education for the ISA funding they believe they need. The ISA is based on the ministry’s review of these claims.

In the 2001–02 school year, the ministry began a comprehensive review of ISA funding.

Boards are expected to combine the funding they receive from the Foundation Grant, other Special Purpose Grants, SEPPA, and ISA to provide students with special needs with the individual programs and services they require.

There are two other components to the Special Education Grant:

- The **Special Incidence Portion (SIP)**: This component is for programs and services for students with exceptionally high needs. SIP funding is based on the Ministry of Education’s review of boards’ SIP claims.
- **Funding for Programs in Correctional, Care, and Treatment Facilities**: This component relates to education programs provided by school boards for children and youth in various local facilities and institutions, including hospitals, children’s mental health centres, psychiatric institutions, detention and correctional facilities, community living/group homes, and other social services agencies.

One of the specific questions I was asked to address is whether the current approach to funding special education is the most responsive way to meet students’ needs.

Language Grant

The Language Grant provides funding to meet boards’ costs for language instruction. Every board receives a Language Grant, but the level of funding varies, depending on each board’s needs in this area.

For English-language boards, the Language Grant provides funding for core French, extended French, and French immersion programs. It also provides funding for English-as-a-second-language/English skills development (ESL/ESD) programs for students who have come to Canada from countries where English is not a first or standard language, and for Canadian-born students whose language spoken at home is not English.

For French-language school boards, the Language Grant recognizes the higher costs of French-language learning materials and other aspects of French-language education. It also provides funding for *Actualisation linguistique en français* and *Perfectionnement du français*, programs designed to help students who are entitled to attend French-language schools but who have limited or no competency in French, and students who speak a variety of French that is different from standard French. The grant also offers some additional funding for boards situated in areas of the province where French-speaking people are in a minority and the English language predominates, to help these boards maintain a French-language learning environment and the cultural values they are striving to provide for their students.

In addition, the Language Grant provides funding for Native-language programs where offered by boards.

Geographic Circumstances Grant

The Geographic Circumstances Grant is provided only to those boards that meet certain geographic criteria. It comprises the following three allocations:

- The **Small Schools Allocation** is intended to offset the higher per student cost of programs in small schools. Small elementary schools are defined as schools that have fewer than an average of 20 students per grade and that are located 8 or more kilometres from other elementary schools of the board. Small secondary schools are defined as schools that have fewer than an average of 120 students per grade and that are located 32 kilometres from other secondary schools of the board.

This allocation contains a component for additional principals in boards that have a high proportion of small schools. Often such boards provide their small schools with part-time principals. Eligible boards may use this funding to provide more principals or to increase the amount of time part-time principals can spend on their principal duties.
- The **Remote and Rural Allocation** provides additional funding to meet the higher cost of goods and services experienced by boards that are remote from major urban centres, with students who are spread over a large area. Funding is calculated by measuring three factors: enrolment in the board's schools, distance from an urban centre, and the distance between schools and between schools and the board's central office.
- The **School Authorities Allocation** is reserved for school authorities, which are small school boards located in remote areas of Ontario and in some children's hospitals. The per student costs of school authorities are generally higher than those of other boards. The Ministry of Education uses a modified version of the student-focused funding model to calculate this allocation.

Learning Opportunities Grant

The Learning Opportunities Grant includes three components:

- The **Demographic Component** permits boards to offer a wide range of programs to improve the achievement levels of students who are at risk of performing poorly in school. Boards have the flexibility to select programs that respond to local needs.

To calculate this component, the Ministry of Education uses the following social and economic indicators, which research shows are associated with students at risk:
 - low family income
 - low parental education
 - lone parent status
 - Aboriginal status
 - recent immigration status
- The **Early Literacy Component** is aimed at improving the literacy of students in Junior Kindergarten (JK) to Grade 3. Funding is allocated on the basis of each board's share of average daily enrolment in JK to Grade 3. Boards are required to focus these resources on students with the greatest need – those whose reading readiness assessments show that they need remedial help and those who are achieving at level 1 or lower. (The Ministry of Education has established four levels of achievement for the Ontario Curriculum, with level 1 being the lowest.)
- The **Literacy and Math for Grades 7 to 10 Component** allows boards to offer additional support to enhance the literacy and math skills of Grades 7 to 10 students who are at risk of not meeting curriculum standards and the requirements of the Grade 10 literacy test. These courses or programs may be provided during the summer and during the school year outside of the regular school day. Funding is provided at a rate that is intended to support the average cost of providing a continuing education teacher for a class of 10 students. Funding is also provided for transportation of students in summer programs.

In addition, funding for school operations and school renewal under the Pupil Accommodation Grant is provided to boards that have students in Grades 7 to 10 literacy and math summer school programs, to offset the extra costs of operating schools during the summer.

Continuing Education and Other Programs Grant

The Continuing Education and Other Programs Grant provides funding for adult day-school programs, continuing education programs, and correspondence/self-study programs for adult students, including summer school programs for adults. It also funds summer school and night school courses for high school students who are upgrading, making up courses, or fast-tracking (usually in order to transfer between applied and academic streams in secondary school).

The grant also provides funding for international language (heritage language) studies for elementary school students, calculated on the basis of the number of hours of classroom instruction and the size of the classes.

Teacher Qualifications and Experience Grant

The Teacher Qualifications and Experience Grant provides funding to help boards meet teachers' salary costs that rise above the funding provided by the Foundation Grant. Teachers are paid according to their qualifications and experience. Because boards have different proportions of teachers with high levels of qualifications and experience, boards' salary costs vary. This grant acknowledges that some boards have higher salary costs for teachers.

The grant includes funding to meet the additional costs for teachers in boards whose secondary students take, on average, more than 7.2 credits per year. (The Foundation Grant provides funding for a typical student course load of 7.2 credits.) In the past few years, with the implementation of changes to the secondary school curriculum and the planned elimination in 2003 of the Ontario Academic Credit, many students have been taking additional credits.

Boards have needed to hire more teachers to accommodate the higher course loads taken by students, and many boards' salary costs have therefore been higher than those envisaged by the Foundation Grant.

Early Learning Grant

The Early Learning Grant provides funding to school boards that do not offer Junior Kindergarten (JK) at all or do not offer it everywhere in their jurisdictions. It is intended to help these boards provide programs that are similar or equivalent to JK to improve the learning achievement of their young students. (Boards that offer JK throughout their districts receive funding for JK through the Foundation Grant and other grants.)

Transportation Grant

The Transportation Grant, which is under review by the Ministry of Education, provides funding to school boards for the transportation of students. The grant was increased in 2002–03 to assist boards until a new approach is developed and implemented. The ministry encourages boards to provide transportation services to their students in co-operation with other boards and to implement other student transportation efficiencies.

In my mandate, I was specifically asked to consider the ministry's approach to funding student transportation, including ways to maximize opportunities for shared busing services between school boards that serve the same communities.

Declining Enrolment Adjustment

The Declining Enrolment Adjustment was added to the funding model in the current year (2002–03), in response to recommendations made by a stakeholder working group, to help boards with declining enrolment.

Because much of the funding boards receive is determined by enrolment, boards with declining enrolment lose revenue. In general, this is appropriate because, with fewer students, boards can reduce the number of teachers and support mechanisms they need. Some costs can be reduced easily.

For example, the number of classroom teachers can be reduced by rearranging classes to adjust to a reduction in enrolment. Other costs cannot be reduced easily. For example, reduced enrolment does not necessarily mean that a school can get by with fewer secretaries or that its heating and lighting costs will decline.

The province's overall rate of enrolment growth is slowing. As a result, the issue of declining enrolment will become more important over the next few years.

The present adjustment gives boards with declining enrolment two years to bring their costs in line with their reduced enrolment.

Administration and Governance Grant

The Administration and Governance Grant provides funding for the governing of school boards, including trustees' honoraria and expenses, the funding of school councils, and the administrative costs of operating board offices, including the salaries of directors of education and supervisory officers. Trustees' honoraria are set at \$5,000 per trustee (except for student trustees), and chairs and vice-chairs get an additional \$10,000. Under this grant, all boards receive a base level of funding and additional funds that are determined by their number of trustees and students. Boards that receive funding under the Remote and Rural Allocation, the Demographic Component of the Learning Opportunities Grant (both discussed above), and the New Pupil Places Allocation of the Pupil Accommodation Grant (discussed below) also receive increased funding for board administration and governance.

Pupil Accommodation Grant

The Pupil Accommodation Grant is intended to help school boards meet the costs of operating and maintaining their schools and, where warranted, provide new classroom accommodation. The grant has four main components:

School Operations Allocation

The School Operations Allocation provides funding for heating, lighting, cleaning, and other routine maintenance of schools.

School Renewal Allocation

The School Renewal Allocation provides funding for the renovation and repair of schools.

New Pupil Places Allocation

The New Pupil Places Allocation provides funding for new schools or additions where boards are using all their existing school buildings effectively and cannot accommodate growth in student enrolment without new buildings or additions. The allocation provides funding at the level a board requires to finance construction costs over 25 years. The amount is also affected by a geographic adjustment factor, which acknowledges and responds to the varying cost of construction in different parts of Ontario.

All boards receive funding under the School Operations and School Renewal components. However, only those boards that are eligible for the New Pupil Places allocation receive funding under it.

Prior Capital Commitments Allocation

The Ministry of Education maintains a Prior Capital Commitment fund to help boards finance the cost of capital projects that were approved before the student-focused funding formula was in place.

Each of these allocations is calculated on the basis of enrolment, benchmark area requirements, and benchmark costs.