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Rural Education Strategy, 2003-04

This Supplement to the Student-Focused Funding Technical Paper 2003-04 and Student-Focused Funding - Pupil Accommodation Grants 2003-04 provides details of changes to student-focused funding for 2003-04 as a result of the Rural Education Strategy.

These enhancements to student-focused funding for 2003-04 and future years respond the report of the Advisor on a Rural Education Strategy, Strengthening Education in Rural and Northern Ontario. The changes also address a recommendation of the Education Equality Task Force for additional support for small rural and northern schools.

In March 2003, the government announced $50 million in ongoing, annual funding for a Rural Education Strategy. Dr. James Downey, former President of the University of Waterloo, was appointed as Advisor for the Rural Education Strategy and undertook consultation through a series of roundtable discussions with education and community partners. The Advisor’s mandate included developing recommendations for a formula-based allocation method to distribute funding for the Rural Education Strategy in the 2003-04 school year.

Based on the Advisor’s recommendations, the Ministry of Education has designed a funding approach that recognizes key resources needed by small rural and northern schools and provides additional funding to give school boards a wider, more flexible range of options for allocating resources and making decisions about these schools.

School boards can use these new resources to address the needs of their eligible schools through improved staffing levels, increased availability of learning resources, and meeting the operational costs of distant schools.

Overview

Funding for the Rural Education Strategy will be allocated through:

- A new component of the Geographic Circumstances Grant called the Distant Schools Allocation. This new Distant Schools Allocation replaces the Small Schools Allocation in the Geographic Circumstances Grant. The Principals Component of the Small School Allocation is retained in its present form as part of the new Distant Schools Allocation;
- Additional “Distant School” Top-up Funding components for school operations and school renewal through the Pupil Accommodation Grant;
- Changes to the calculation of the New Pupil Places Allocation in the Pupil Accommodation Grant; and
- An adjustment to the French as a First Language component of the Language Grant.
This approach ensures that school boards receive funding that, in conjunction with other grants in student-focused funding, recognizes the additional costs of distant schools. The Rural Education Strategy also introduces new enveloping and accountability requirements. School boards are required to report publicly how funding from the Rural Education Strategy has been used to improve supports for eligible distant schools.

**Definition of “distant schools”**

The funding approach identifies eligible elementary and secondary schools for each board, based on the criterion of distance from other schools in the same panel of the board.

To be eligible, a school must be identified as an elementary or secondary school in the Ministry’s School Facilities Inventory Database where pupils are enrolled in a day school program in 2003-04.

A “distant elementary school” is an elementary school that is located at least eight kilometres by road from every other elementary school of the board.

A “distant secondary school” is a secondary school that is located at least 32 kilometres by road from every other secondary school of the board or a secondary school that is the only secondary school operated by the board.

Distance is measured to the nearest 0.1 kilometre.

**Distance Factor**

The closer schools are, the more flexibility school boards have to use resources and staff effectively and efficiently through sharing or consolidation. As distance increases, this flexibility decreases. The calculations of some components of both the Distant Schools Allocation and the Distant School Top-up Amounts therefore include a Distance Factor. This Distance Factor adjusts funding so that schools that are at a relatively greater distance from other schools generate a higher level of resources.

**Distance Factor - Eligible elementary schools**

Where the distance to the nearest elementary school of the board is 32 kilometres or more, the Distance Factor is 1.0.

Where the distance to the nearest elementary school of the board is at least 8 kilometres but less than 32 kilometres, the Distance Factor is a sliding scale between 0.2 and 1.0, calculated to four decimal places using the formula:

\[
\left( \frac{32}{A} \right) \times \left( \frac{(A - 8)}{24} \right) + 0.25
\]

\[
\frac{1.25}{1.25}
\]

Where \( A \) is the distance in kilometres by road to the nearest elementary school of the board.
The following table provides examples of the Distance Factors for distant elementary schools:

<table>
<thead>
<tr>
<th>Distance to nearest elementary school of the board</th>
<th>Distance Factor (to four decimal places)</th>
</tr>
</thead>
<tbody>
<tr>
<td>8.3 km</td>
<td>0.2386</td>
</tr>
<tr>
<td>10.2 km</td>
<td>0.4301</td>
</tr>
<tr>
<td>15.8 km</td>
<td>0.7266</td>
</tr>
<tr>
<td>23.7 km</td>
<td>0.9066</td>
</tr>
<tr>
<td>29.6 km</td>
<td>0.9784</td>
</tr>
</tbody>
</table>

**Distance Factor - Eligible secondary schools**

Where the distance to the nearest secondary school of the board is 80 kilometres or more, or where the board operates only one secondary school, the Distance Factor is 1.0.

Where the distance to the nearest secondary school of the board is at least 32 kilometres but less than 80 kilometres, the Distance Factor is a sliding scale between 0.2 and 1.0, calculated to four decimal places using the formula:

\[
\frac{\left(\frac{80}{A}\right) \times \left(\frac{A - 32}{48}\right)}{1.25} + 0.25
\]

*Where A is the distance in kilometres by road to the nearest secondary school of the board.*

The following table provides examples of the Distance Factors for distant secondary schools:

<table>
<thead>
<tr>
<th>Distance to nearest secondary school of the board</th>
<th>Distance Factor (to four decimal places)</th>
</tr>
</thead>
<tbody>
<tr>
<td>33.5 km</td>
<td>0.2597</td>
</tr>
<tr>
<td>45.8 km</td>
<td>0.6017</td>
</tr>
<tr>
<td>56.6 km</td>
<td>0.7795</td>
</tr>
<tr>
<td>67.4 km</td>
<td>0.9003</td>
</tr>
<tr>
<td>78.9 km</td>
<td>0.9926</td>
</tr>
</tbody>
</table>
Funding adjusted for enrolment

Under this approach, lower-enrolment schools, which generate less Foundation Grant funding, will generate a higher amount of revenue through this allocation than schools with higher enrolment.

Note that references to Average Daily Enrolment (ADE) throughout this document mean average daily enrolment of pupils of the board.

Distant Schools Allocation – Elementary

The total Distant Schools Allocation - Elementary for a school board is the sum of five components:

1. Per Pupil Component, determined for each of the board’s distant elementary schools;
2. Fixed School Component, determined for each of the board’s distant elementary schools;
3. Learning Resources Component, determined for each of the board’s distant elementary schools;
4. In-school Administration Component, determined for each of the board’s distant elementary schools; and
5. Principals Component, determined on a board-wide basis.

Detailed calculation of Distant Schools Allocation – Elementary

Per pupil component

The Per pupil amount for a distant elementary school is $97.50 per pupil, using 2003-04 ADE of the school. This component is not scaled for distance.

Fixed school component

The Fixed school amount for a distant elementary school is $3,000. This component is not scaled for distance.
Learning resources component

<table>
<thead>
<tr>
<th>Distant School Size (2003-04 ADE)</th>
<th>Calculation (using 2003-04 ADE)</th>
</tr>
</thead>
<tbody>
<tr>
<td>less than 50</td>
<td>[$53,769.98 + ($6,798.50 x ADE)] x Distance Factor minus (ADE x $2,719)</td>
</tr>
<tr>
<td>50 to less than 100</td>
<td>$393,695.12 x Distance Factor minus (ADE x $2,719)</td>
</tr>
<tr>
<td>100 to less than 1,000</td>
<td>[$131,905.12 + ($2,617.90 x ADE)] x Distance Factor minus (ADE x $2,719)</td>
</tr>
<tr>
<td>1,000 or greater</td>
<td>($2,749.81 x ADE) x Distance Factor minus (ADE x $2,719)</td>
</tr>
</tbody>
</table>

In-school administration component

<table>
<thead>
<tr>
<th>Distant School Size (2003-04 ADE)</th>
<th>Calculation (using 2003-04 ADE)</th>
</tr>
</thead>
<tbody>
<tr>
<td>less than 200</td>
<td>[$64,534.95 + ($158.21 x ADE)] x Distance Factor minus (ADE x $389)</td>
</tr>
<tr>
<td>200 to less than 550</td>
<td>[$19,010.20 + ($126.73 x ADE)] x Distance Factor minus (ADE x $130)</td>
</tr>
<tr>
<td>550 to less than 1,000</td>
<td>[$37,969.40 + ($92.26 x ADE)] x Distance Factor minus (ADE x $130)</td>
</tr>
<tr>
<td>1,000 or greater</td>
<td>0</td>
</tr>
</tbody>
</table>

Principals component

The Principals Component of the Small School Allocation is retained in its present form as part of the new Distant Schools Allocation. Funding under this allocation is available for principals where the average ratio of principals to schools at the elementary and secondary level is below a minimum threshold.

The Principals component is calculated using Average Daily Enrolment for the 2003-04 school year.

Principal allocation at the elementary level

\[
0.69 \times \left( \frac{\text{Elem. ADE} \times \$250}{\$84,125 \times 1.12 \times \# \text{ of Elem. schools}} \right) \times \$84,125 \times 1.12 \times \# \text{ of Elem. schools}
\]
Distant Schools Allocation – Secondary

The total Distant Schools Allocation – Secondary for a school board is the sum of five components:

1. Per Pupil Component, determined for each of the board’s eligible secondary schools;
2. Fixed School Component, determined for each of the board’s eligible secondary schools;
3. Learning Resources Component, determined for each of the board’s eligible secondary schools;
4. In-school Administration Component, determined for each of the board’s eligible secondary schools; and
5. Principals Component, determined on a board-wide basis.

Detailed calculation of Distant Schools Allocation – Secondary

Per pupil component

The Per pupil amount for a distant secondary school is $97.50 per pupil, using 2003-04 ADE of the school. This component is not scaled for distance.

Fixed school component

The Fixed school amount for a distant secondary school is $4,000. This component is not scaled for distance.

Learning resources component

<table>
<thead>
<tr>
<th>Distant School Size (2003-04 ADE)</th>
<th>Calculation (using 2003-04 ADE)</th>
</tr>
</thead>
<tbody>
<tr>
<td>less than 50</td>
<td>[\text{$46,044.41} + (\text{$14,524.07 x ADE}) \times \text{Distance Factor} ] minus (ADE \times \text{$3,194})</td>
</tr>
<tr>
<td>50 to less than 100</td>
<td>$772,248.12 \times \text{Distance Factor} minus (ADE \times \text{$3,194})</td>
</tr>
<tr>
<td>100 to less than 1,000</td>
<td>[\text{$499,757.12} + (\text{$2,724.91 x ADE}) \times \text{Distance Factor} ] minus (ADE \times \text{$3,194})</td>
</tr>
<tr>
<td>1,000 or greater</td>
<td>\text{($3,224.67 x ADE) \times \text{Distance Factor} } minus (ADE \times \text{$3,194})</td>
</tr>
</tbody>
</table>
In-school administration component

<table>
<thead>
<tr>
<th>Distant School Size (2003-04 ADE)</th>
<th>Calculation (using 2003-04 ADE)</th>
</tr>
</thead>
<tbody>
<tr>
<td>less than 200</td>
<td>[92,445.75 + (561.89 \times \text{ADE}) \times \text{Distance Factor} - \text{ADE} \times 448]</td>
</tr>
<tr>
<td>200 to less than 550</td>
<td>[168,821.60 + (180.01 \times \text{ADE}) \times \text{Distance Factor} - \text{ADE} \times 448]</td>
</tr>
<tr>
<td>550 to less than 1,000</td>
<td>[47,224.64 + (152.01 \times \text{ADE}) \times \text{Distance Factor} - \text{ADE} \times 199]</td>
</tr>
<tr>
<td>1,000 or greater</td>
<td>0</td>
</tr>
</tbody>
</table>

Principals component

The Principals Component of the Small School Allocation is retained in its present form as part of the new Distant Schools Allocation. Funding under this allocation is available for principals where the average ratio of principals to schools at the elementary and secondary level is below a minimum threshold.

The Principals Component is calculated using Average Daily Enrolment for the 2003-04 school year.

Principal allocation at the secondary level

\[
\left(0.40 - \frac{\text{Sec. ADE} \times 113}{91,745 \times 1.12 \times \# \text{ of Sec. schools}}\right) \times 91,745 \times 1.12 \times \# \text{ of Sec. schools}
\]

French as a First Language

French-language boards have unique needs and experience higher costs compared to other boards. The French as a First Language component of the Language Grant is one of the special purpose grants through which student-focused funding addresses these needs. Available to French-language boards only, this funding recognizes the higher costs of instructional materials and program support in French-language schools.

To recognize the higher costs of learning materials purchased by French-language boards, the funding benchmarks in the French as a First Language component of the Language Grant have been increased by $16 to $428 per elementary pupil and by $25 to $691 per secondary pupil. This change supplements the amount of increased funding for learning resources for distant schools provided to French-language school boards through the Distant Schools Allocation.
**Distant School Top-up Funding for Operations and Renewal**

The Pupil Accommodation Grant already provides “Top-up” funding for schools that are operating at less than full capacity. Top-up funding is calculated on a school-by-school basis for schools offering a regular day school program (exclusive of adult day school). This additional funding, which is not to exceed the revenue generated by enrolment equal to 20 percent of school capacity, increases total revenue for school operations and renewal for a school up to the amount that would be generated if the school were operating at full capacity.

For schools that qualify and are *not* distant schools, school boards will continue to receive this regular Top-up funding on the basis described on page 68 of the *Student-Focused Funding Technical Paper 2003-04* and in Appendix B of the technical paper *Student-Focused Funding - Pupil Accommodation Grants 2003-04*.

For distant schools, boards will now calculate an amount for *Distant School Top-up Funding*.

**Detailed calculation of Distant School Top-up Funding amounts**

**Amount for School Operations**

1. Calculate the amount generated by a distant school based on 2003-04 enrolment:

   \[
   \text{Amount } A = \frac{\text{2003-04 ADE for the school}}{\text{Benchmark Area requirement per pupil}} \times \frac{\text{Benchmark Area requirement per pupil}}{(9.29 \text{m}^2 \text{ for elementary}; 12.07 \text{m}^2 \text{ for secondary})} \times \frac{\text{Supplementary School Area Factor}}{\text{Benchmark Operating Cost per m}^2 \text{ ($58.56)}}
   \]

2. Calculate the amount that would be generated if the school were at full capacity:

   \[
   \text{Amount } B = \frac{\text{2003-04 reported capacity of the school}}{\text{Benchmark Area requirement per pupil}} \times \frac{\text{Benchmark Area requirement per pupil}}{(9.29 \text{m}^2 \text{ for elementary}; 12.07 \text{m}^2 \text{ for secondary})} \times \frac{\text{Supplementary School Area Factor}}{\text{Benchmark Operating Cost per m}^2 \text{ ($58.56)}}
   \]
3. Calculate \( \text{Amount } C \) by subtracting \( \text{Amount } A \) from \( \text{Amount } B \):

\[
\text{Amount } C = \text{Amount } B - \text{Amount } A
\]

4. If Amount C is zero or negative (that is, Amount A is equal to or greater than Amount B - enrolment at the school equals or exceeds capacity), then the school is not eligible for Distant School Top-up Funding for School Operations.

If Amount C is positive:

• Schools that have a Distance Factor of 1.0 – that is, elementary schools at a distance of 32 kilometres or more from the nearest elementary school of the board and secondary schools at a distance of 80 kilometers or more from the nearest secondary school of the board – will generate funding at 100 per cent capacity, regardless of enrolment;

• Other distant schools receive the lesser of Amount C or the amount calculated using the following formula:

\[
(Amount B \times 0.2) + (Distance \ Factor \times Amount \ C)
\]

**Amount for School Renewal**

1. Calculate the amount generated by a distant school based on 2003-04 enrolment:

\[
\text{Amount } A = \frac{2003-04 \ ADE \ for \ the \ school \times \ Benchmark \ Area \ requirement \ per \ pupil \ (9.29m^2 \ for \ elementary; \ 12.07m^2 \ for \ secondary) \times \ Supplementary \ School \ Area \ Factor \times \ Benchmark \ Renewal \ Cost \ per \ m^2}{2003-04 \ reported \ capacity \ of \ the \ school}
\]

2. Calculate the amount that would be generated if the school were at full capacity:

\[
\text{Amount } B = \frac{2003-04 \ reported \ capacity \ of \ the \ school \times \ Benchmark \ Area \ requirement \ per \ pupil \ (9.29m^2 \ for \ elementary; \ 12.07m^2 \ for \ secondary) \times \ Supplementary \ School \ Area \ Factor \times \ Benchmark \ Renewal \ Cost \ per \ m^2}{2003-04 \ reported \ capacity \ of \ the \ school}
\]
3. Calculate **Amount C** by subtracting **Amount A** from **Amount B**:

\[
Amount C = Amount B - Amount A
\]

4. If **Amount C** is zero or negative (that is, **Amount A** is equal to or greater than **Amount B** - enrolment at the school equals or exceeds capacity), then the school is not eligible for Distant School Top-up Funding for School Renewal.

If **Amount C** is positive:

- Schools that have a Distance Factor of 1.0 – that is, elementary schools at a distance of 32 kilometres or more from the nearest elementary school of the board and secondary schools at a distance of 80 kilometers or more from the nearest secondary school of the board – will generate funding at 100 per cent capacity, regardless of enrolment;
- Other distant schools receive the *lesser* of **Amount C** or the amount calculated using the following formula:

\[
(Amount B \times 0.2) + (Distance Factor \times Amount C)
\]

**New Pupil Places**

To ensure that distant schools do not have an adverse effect on a school board’s eligibility for Grants for New Pupil Places, the enrolment and capacity of a school board’s distant schools may now be excluded from the calculations of eligibility. However, the enrolment and capacity of distant schools will be *included* if, as a result, a board is closer to or reaches the threshold where it is eligible for new pupil places funding.

Each school board with distant schools will make two calculations for each panel.

1. **Calculate ADE less Capacity for all schools of the panel:**

\[
Amount A = \frac{ADE \text{ for the panel (elementary or secondary)}}{} - \frac{New \text{ Pupil Places capacity of the panel (elementary or secondary)}}{}
\]
2. Calculate ADE less Capacity for the panel, excluding distant school:

\[
\text{Amount } B = \frac{\text{ADE for the panel}}{\text{(elementary or secondary)}} \text{ minus } \frac{\text{ADE of distant schools for the panel}}{\text{(elementary or secondary)}} \text{ minus } \frac{\text{New Pupil Places capacity of the panel}}{\text{(elementary or secondary)}} \text{ minus } \frac{\text{New Pupil Places capacity of distant schools for the panel}}{\text{(elementary or secondary)}}
\]

For each panel, school boards will use the greater of Amount A or Amount B in the calculation of Grants for New Pupil Places.

It should be noted that the above calculations involve only one of the components of the Grant for New Pupil Places, pupil places in respect of enrolment of excess in capacity. Boards may also be eligible for Grants for New Pupil Places in respect of enrolment pressures, capital transitional pressure, and prohibitive to repair schools. See pp. 3-9 of Student-Focused Funding - Pupil Accommodation Grants 2003-04.

**Adjustment to Early Learning Grant**

The Early Learning Grant is available to school boards that do not offer Junior Kindergarten in all or part of their jurisdictions. Its purpose is to provide all school boards with an equitable level of funding to support early learners (pupils up to Grade 3).

The Early Learning Grant is set at a level that is equivalent, on average, to the funding a board would receive if it were to offer JK. To reflect the funding enhancements through the Rural Education Strategy, the basic per-pupil amount used to calculate the Early Learning Grant has been increased to $730.

The formula for calculating the Early Learning Grant is now:

\[
$730 \times \frac{\text{Board’s ADE}}{\text{(SK to Grade 3)}} - \frac{\text{JK ADE}}{\text{per elementary pupil}} 
\]

**Declining Enrolment Adjustment**

The Declining Enrolment Adjustment for 2003-04 excludes the impact of new investments added to student-focused funding for that year. To adjust for the new funding allocated through the Rural Education Strategy, the Ministry has revised the “Per Pupil Exclusion for Declining Enrolment Adjustment” amount for each board in 2003-04 and amended the 2002-03 and 2003-04 definition of operating revenue for declining enrolment purposes to exclude Small School and Distant School allocations. These amounts are shown in an amended Table 12 of the 2003-04 funding regulation.
Enveloping, Reporting and Accountability

A new enveloping requirement has been introduced. Funding from the Rural Education Strategy must be spent on supports for the eligible distant schools of each board. School boards will be required to report the total level of these additional expenditures on eligible schools.

Specifically, funding from the new Distant Schools Allocation and the increased top-up funding for school operations must be spent for the purposes intended:

- To ensure sufficient teaching staff to provide quality curriculum.
- To provide for full-time adult presence.
- To acquire learning resources and materials.
- To meet the operational costs of distant schools.

If total spending for these additional supports among all eligible schools is less than the new allocation for distant schools and the increased funding for school operations, boards will be required to place the difference in a distant schools reserve fund, and spend the reserve on distant schools in a future year.

School boards are also required to publish a report for parents and taxpayers that explains how the new funding from the Rural Education Strategy has been used to improve supports for the schools that meet the eligibility criteria of the new funding. The report must be published by October 31, 2003. It must be published in the local press and on the board’s website, be distributed to all school councils, and provided to the local district office of the Ministry of Education.

Further details about enveloping and reporting requirements will be provided in the near future.

Submission of 2003–04 Revised Estimates

School boards are not required to revise their 2003–04 Estimates as a result of the Rural Education Strategy. The changes should be reflected in boards’ Revised Estimates, due December 12, 2003.

Further Information

If you have any questions about the material in this paper, please contact your Ministry of Education district office finance officer or the following branches of the ministry:

- Education Finance Branch (416) 325-8407
- Business Services Branch (416) 325-4242
- Transfer Payments and Financial Reporting Branch (416) 314-3711