

**2015-16 EDUCATION FUNDING
CONSULTATION GUIDE**

TABLE OF CONTENTS

IDENTIFYING EFFICIENCIES.....	6
MAKING MORE EFFICIENT USE OF SCHOOL SPACE	8
COMMUNITY PARTNERSHIPS.....	11
ACCOUNTABILITY	14
SHARING SAVINGS	17
CONCLUSION.....	18
APPENDIX A.....	19



This is a defining time for public education in Ontario. Our challenging fiscal reality means the hard work over the past 10 years, which has transformed Ontario's education system into a recognized world leader, is not over. The timing is right for change.

In early 2014 we introduced our new Vision, [*Achieving Excellence: A Renewed Vision for Education in Ontario*](#). Our Vision is an education system that prioritizes excellence, equity, wellness, and public confidence. However, our system needs to be sustainable, responsible, modern and efficient. Collaboration among the entire education sector is crucial in making this Vision a reality.

Similar to last year's GSN consultation, the input you provide this year will be instrumental in making decisions for the 2015-16 school year. I am confident that channelling the expertise, knowledge and creativity in the education sector will result in an updated Efficiencies and Modernization strategy that is thoughtful, collaborative and comprehensive.

I would like to thank you for your ongoing thoughtfulness and sincerity in sharing your views with us throughout the School Board Efficiencies and Modernization consultation process. I look forward to your support as we move forward with ensuring that Ontario is the best place to learn and grow for our children. Together, we have the resolve to achieve excellence.



To move forward responsibly, Ontario needs to make the best possible use of limited resources. We recognize that this challenge will require hard work, restraint and creative thinking across the system.

Every year, we take the opportunity to consult with our education partners about what you think is important and to discuss new priority areas. Our success will depend in large part on collaborating with you to safeguard our education system both for current and future generations of students. Making the best possible use of school space and finding real savings are critical for Ontario's education system to maintain its place as a global model, however these goals are only part of what we want to discuss.

We know that change is never easy. Transforming the education system and realizing our shared goals for achieving excellence while living within our means will require commitment and determination. We look forward to continuing to work with you to find creative new ways to secure the sustainability of Ontario's education system.



INTRODUCTION

Over the last year, we have been working collaboratively with the education community on developing new ideas for improving the delivery of education in Ontario. For the 2014-15 Grants for Student Needs (GSN), we took a measured and phased approach to promoting more efficient use of school space. The government's approach, called the School Board Efficiencies and Modernization Strategy (SBEM), consists of the following five key elements:

- Revising GSN grants and allocations to encourage boards to make more efficient use of school space;
- Revising the Pupil Accommodation Review Guideline (PARG) to make the process more effective for boards and the community;
- Providing more capital funding to support consolidations and right-sizing of school facilities;
- Providing funding to boards to build planning capacity where there is a need to address underutilized schools; and
- Consulting with the education sector on a regular basis on issues related to the GSN, including issues related to making more efficient use of school space.

We continue to believe that a collaboratively developed School Board Modernization and Efficiencies Strategy is the best way forward.

Investments in Ontario's public education system begin and end with a commitment to the success and well-being of every student. Part of that commitment is ensuring that we continue to make the most efficient use of our resources. The recent pattern of annual increases in education funding is no longer sustainable and the system needs to live within its means while simultaneously ensuring student achievement. This will require creative thinking from our education partners.

This year, we are continuing those discussions by focusing on the following areas:

- Identifying efficiencies;
- Making more efficient use of school space;
- Community partnerships;
- Accountability; and
- Sharing savings.

These discussions will provide guidance as we continue to look for creative new approaches to deliver our education system within current fiscal realities.

While this guide provides focus for discussions, the main purpose of the sessions is to hear our education partners' ideas. We encourage you to share ideas and insights regarding any areas you feel deserve further consideration, such as transportation. We would also appreciate receiving written submissions, which can be directed to:



Kate Gooding, Coordinator, Education Finance Issues
Education Finance Branch
Ministry of Education
20th Floor Mowat Block,
900 Bay Street, Toronto, ON M7A 1L2
Kate.Gooding@Ontario.ca

We are providing the Guide in advance of face-to-face discussions to ensure more time to consider the details on specific grants for which we are seeking feedback. A series of consultations will take place in September/October 2014. Discussions will involve:

- School board representatives, including Directors of Education and senior school board officials;
- Trustee associations;
- Principals and vice-principals;
- Teachers' federations;
- CUPE and other support staff unions;
- The Minister's Advisory Council on Special Education;
- Parent groups (People for Education, Ontario Federation of Home and School Associations, Ontario Association of Parents in Catholic Education, Parents partenaires en éducation); and
- Student groups (Ontario Student Trustees Association, Minister's Student Advisory Council, Regroupement des élèves conseillères et conseillers francophones de l'Ontario, Fédération de la jeunesse franco-ontarienne).

The government is looking for new approaches to continue to deliver key priorities within current fiscal realities. Consultations are an important tool as the Province follows the path to a balanced Budget by 2017-18. This means that permanent savings need to be found. For the Ministry of Education, this is a significant planning challenge as it represents a potential reduction of 1 to 2 % in total revenue creating an impact of \$250 to \$500 million.

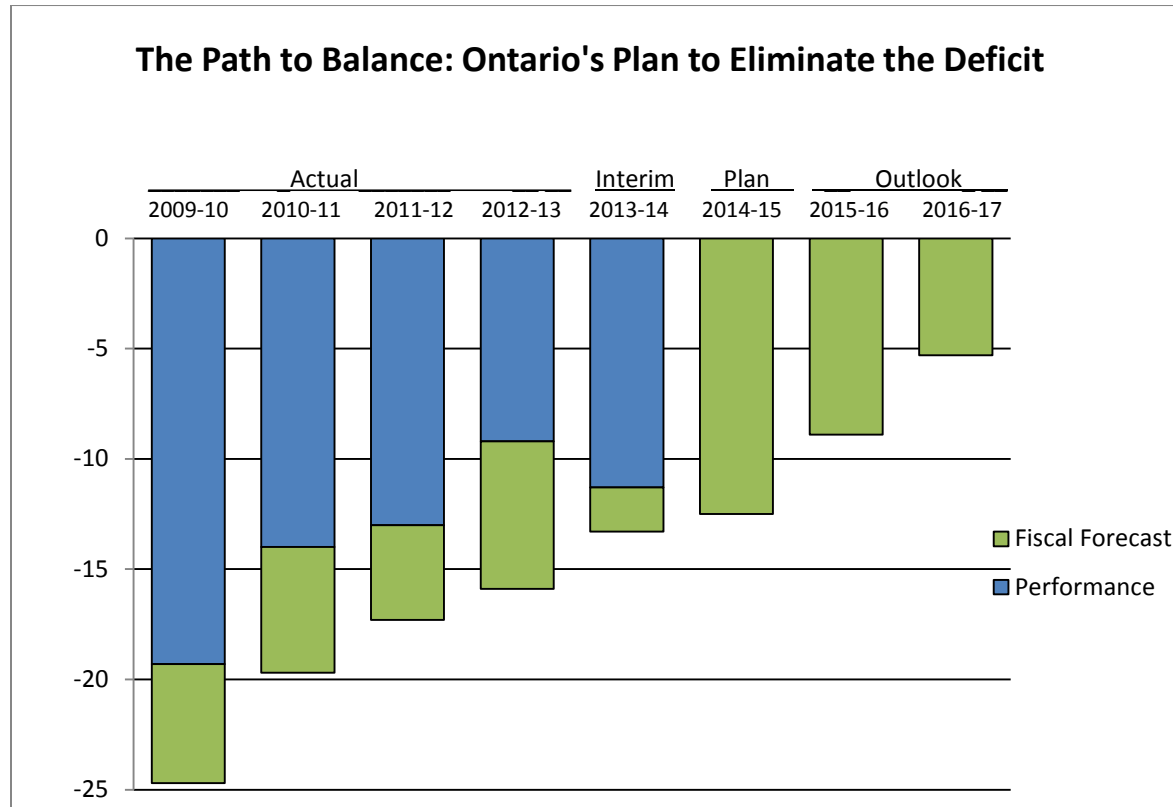
The government's vision is a public education system that focuses on student achievement and well-being and also excels at making the best use of its resources. While this is a daunting task, the evidence of the past decade demonstrates that our education system is capable of making real, positive change. We will look at the best ideas and practices in Ontario and other Canadian jurisdictions. At all times, we must keep in mind and respect our constitutional framework and resulting rights as well as Ontario's great diversity. Together we can build a system that is efficient, resilient and one that meets the needs of students today and tomorrow.



IDENTIFYING EFFICIENCIES

CONTEXT

A crucial component of this consultation is identifying savings and efficiencies. This requirement is particularly important now, as Ontario follows the path to a balanced Budget in 2017-18.



Last year, we heard that Boards may be best positioned to find short term internal savings. In the longer term, Ministry involvement ensures alignment with Ontario’s vision for student achievement and well-being. Assessing which approaches work in specific situations and sharing best practices from across the system supports a more consistent and strategic approach in the longer term.

The reality of today’s fiscal climate means that permanent savings need to be found. The following principles are proposed to find these savings:

Principle	Finding Permanent Savings
Focus on the four goals of Ontario’s vision: <i>Achieving Excellence</i>	Focus must be maintained on core priorities, and programs should align so that they contribute to Ontario’s vision of achieving excellence, ensuring equity, promoting well-being and enhancing public confidence.
Equity	Change must be equitable and take into consideration factors such as location, language, or socioeconomic status of students.
Respect for collective bargaining	Changes must maintain consistency with the collective bargaining process.
Funding – cost alignment	Align funding with cost structures to achieve immediate savings.

CONSIDERATIONS

- Are these the right principles to guide the identification of permanent savings?
- What areas of savings can you identify that align with these principles?



MAKING MORE EFFICIENT USE OF SCHOOL SPACE

Last year we heard that underutilization of space is a significant issue and that there are opportunities to make more efficient use of school space. You told us that both time and up-front investments will be needed to create new space, or adapt existing space, to realize permanent savings over the longer term. Any changes in school space must also balance local knowledge with central direction. In addition, all efficiency and modernization strategies need to link to the next phase of Ontario's education vision – [*Achieving Excellence, A Renewed Vision for Education in Ontario*](#).

As a result, promoting more efficient use of school space for the 2014-15 school year became the government's priority. This strategic approach included the following elements:

- revising the Pupil Accommodation Review Guideline (PARG) to make the process more effective for boards and the community;
- a \$750 million investment in capital funding over 4 years to support consolidations and right-sizing of school facilities – in addition to \$1.25 billion invested in school renewal;
- a reinvestment of over \$8 million in funding to boards to build planning capacity to address underutilized schools;
- incenting boards to make more efficient use of school space through changes to school operations funding resulting in \$42 million in savings; and
- investing \$15 million in isolated schools that combine secondary and elementary panels.

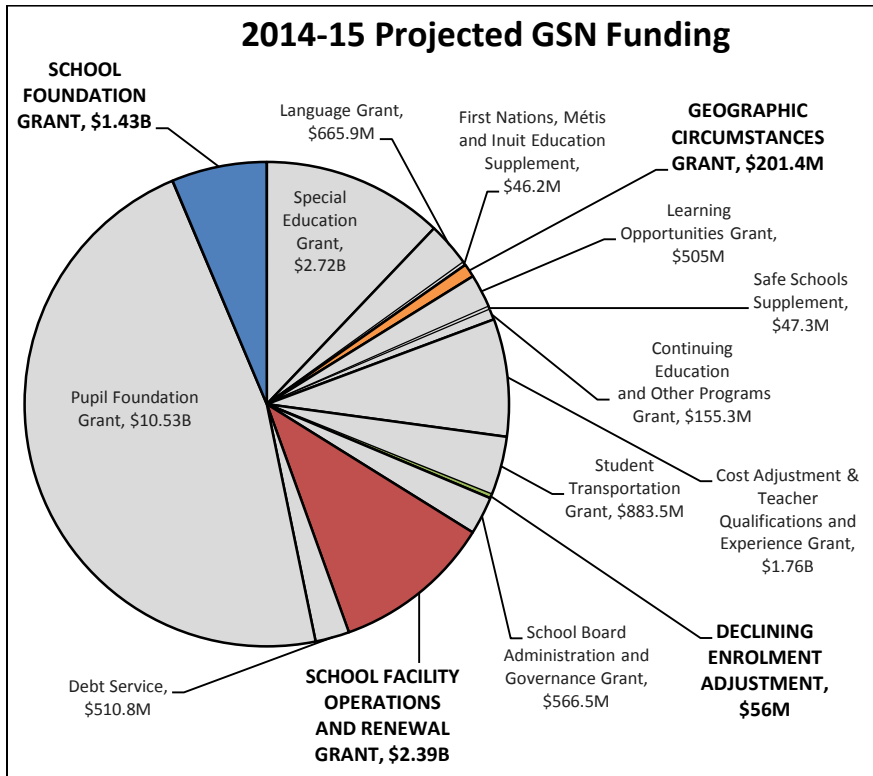
The cumulative impact of the elements of this strategy is an upfront investment in transformation of \$773 million and a total savings found of \$42 million.



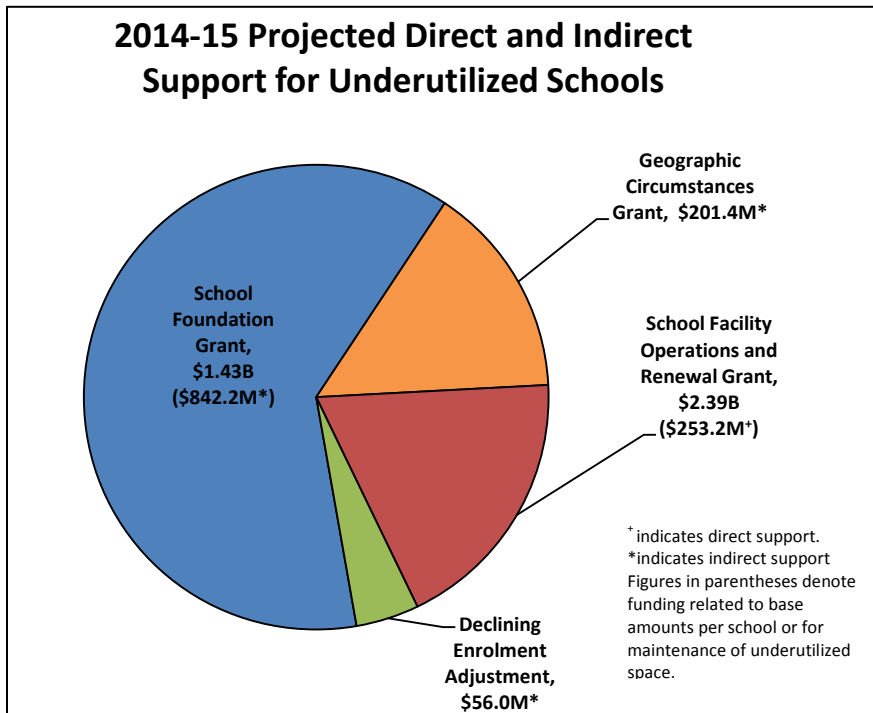
Our current challenge is to build on this strategy and address other issues our education partners may raise. This Guide seeks feedback on the initiatives to date and provides details on specific grants that directly or indirectly support underutilized school space. It is our intention that this Guide will facilitate a more focused and comprehensive discussion.

At present, almost 70% of Ontario's schools receive direct or indirect financial support to offset costs associated with space that is idle or not being used for core educational purposes. In challenging fiscal times, we must be sure that we are making efficient use of school space. Efficiencies can be achieved by sharing space with other boards, through consolidating schools within one board, and through increased community partnerships. Solutions must balance the needs of students and communities.

The following charts highlight the grants that directly and indirectly support underutilized school space.



In 2014-15, over \$1 billion in GSN funding will directly or indirectly support underutilized school space. We have a choice: continue supporting underutilized school space at the current rate or shift our focus on improved student achievement and well-being. Efficiently using school space offers a number of benefits, including more resources for the classroom, more innovative community partnerships, and more opportunities for students to learn and grow.



See Appendix A for a more detailed grant-by-grant analysis.



Key Facts

Ontario has 3,986 elementary and 923 secondary/combined schools.

Almost 600 schools in Ontario are less than half full.

In the GTA alone, there are about 140 half-empty schools and almost 70 very small schools.

10% (over \$250M) of total school operations and school renewal funding is dedicated to funding empty spaces.

Almost \$80M is allocated to enhanced top-up funding for school operations and school renewal for those schools, designated as rural or supported.

CONSIDERATIONS

- What feedback can you provide on the changes made thus far to encourage more efficient use of school space?
- How can the GSN be adjusted to better reflect current enrolment and school-space realities in Ontario?
- Are there any other grants that should be considered as part of a strategy to make more efficient use of school space?



COMMUNITY PARTNERSHIPS

CONTEXT

As we move toward making more efficient use of school space, we are also investigating ways to strengthen and create new community use partnerships. One such priority is using school space and schools as a hub to support the integration of child care.

Partnerships are part of the foundation of a strong, vibrant and sustainable education system. Any plan to increase community use of schools must optimize the use of public assets. Community partnerships involve school boards finding alternative uses for their facilities at full cost recovery. At the same time, we must also consider long-term needs.

As part of last year's consultations, we heard that we need to work together to define a policy framework for community partnerships. This year's consultation is an opportunity to get feedback on what this policy framework could look like from the perspective of our education partners. In addition, the government will also be seeking opportunities to discuss community partnerships with other sectors and stakeholders. Strong, vibrant community partnerships will involve the education sector not only seeking new ways to work together but finding opportunities for collaboration with new partners and new sectors.

CURRENT POLICY AND REGULATORY FRAMEWORK

A discussion on how to develop a policy framework should be based on, but not limited to, an understanding of the existing Guideline, described below.

Facility Partnerships Guideline

In February 2010, the Ministry released the [Facility Partnerships Guideline](#) to further encourage boards to optimize the use of their facilities for the benefit of boards, students and the community. The Guideline focuses on opportunities to share facilities with community partners when building new schools, undergoing significant renovations and considering the use of unoccupied space in schools.

School boards are expected to develop local facility partnership policies that comply with the Ministry's Guideline. Partnerships may take the form of long-term lease, license or joint-use agreement. It is the role and responsibility of school boards to determine what facilities are suitable/not suitable for partnerships, what entities are suitable/not suitable facility partners, and when to enter into partnerships.



Context	Details
Elements of a school board policy on partnerships	<p>Board facility partnership policies are expected to identify:</p> <ul style="list-style-type: none"> • Principles and criteria regarding the eligibility of partners; • How available space in schools will be selected; • What entities will be selected for the notification list; • How potential partners will be notified of available space and construction plans; and • How entities will be selected for partnerships, including prioritization, if applicable.
Requirements of school board partnerships	<p>In compliance with local bylaws, boards may consider both for-profit and non-profit entities, as they see fit. Boards are expected to consider the value of the partnership to students and incorporate the following requirements:</p> <ul style="list-style-type: none"> • Health and safety of students must be protected; • Partnership must be appropriate for the school setting; • Partnership must not compromise the student achievement strategy; • Entities that provide competing education services (tutoring services, JK-12 private schools/colleges, credit offering entities not government-funded) are not eligible partners. • No additional costs to support facility partnerships. • Fees charged to partners should cover the operations and capital costs, including administrative and property taxes (if applicable), to the board of the space occupied by the partner.

Child Care as a Priority

The *Ontario Early Years Policy Framework* sets out a vision of a responsive, high-quality, accessible and increasingly integrated system of early years programs and services that better support Ontario’s children and families. Child care and early years programs play a key role in children’s learning and development and future success in school and life. School boards work with the ministry, schools and child care providers to ensure child care and early years programs are available to best meet the needs of families and children. Approximately half of licensed child care spaces across the province are located in schools.

Context	Details
Ministry initiatives undertaken to support the <i>Ontario Early Years Policy Framework</i> .	<ul style="list-style-type: none"> • The implementation of full day kindergarten (FDK) and the associated before and after school programs for four and five year olds, where there is sufficient demand • Capital investments to increase access to child care spaces in schools for children under school-age • The introduction of Bill 10, <i>the Child Care Modernization Act, 2014</i> which, if passed, would: <ul style="list-style-type: none"> ○ set out a new modernized legislative and regulatory framework for child care and early years ○ enable greater collaboration between the ministry, municipalities, school boards and other early years partners; and ○ require school boards to ensure before and after school programs are available for 6-12 year olds, where there is sufficient demand.

Leveraging School Property for Other Public Uses

When a school board wishes to dispose of excess space, the board is required to follow [Ontario Regulation 444/98 – Disposition of Surplus Real Property](#) prior to the property being sold or leased on the open market.

Under this Regulation, school boards are required to declare a space or property surplus by passing a board motion. Boards are required to circulate the surplus space or property to sell, lease, or dispose of, to the following public entities:

- Coterminous school boards;
- Colleges;
- Universities;
- The Crown in right of Ontario (i.e., Infrastructure Ontario);
- Lower-tier municipalities;
- Upper-tier municipalities; and
- Local service boards within an unorganized municipal territory.

CONSIDERATIONS

- How can underutilized school space be used to meet the early learning and child care needs of the community while not requiring additional costs be borne by the board to support such partnerships?
- How do we ensure that excess school space is available to neighbouring school boards prior to it being sold or leased on the open market? What are the existing barriers to this?
- How can school boards cover costs for excess school space by strengthening and creating community partnerships?
- How can a community's need for green space be accommodated while respecting the need for school boards to focus scarce resources on education?

ACCOUNTABILITY

CONTEXT

In general, there are two broad approaches, or tools, used to support accountability between the Province and school boards:

- Earmarking or enveloping funds for specific purposes; and
- Setting reporting requirements to track and evaluate the use of funding and the way it supports the achievement of objectives.

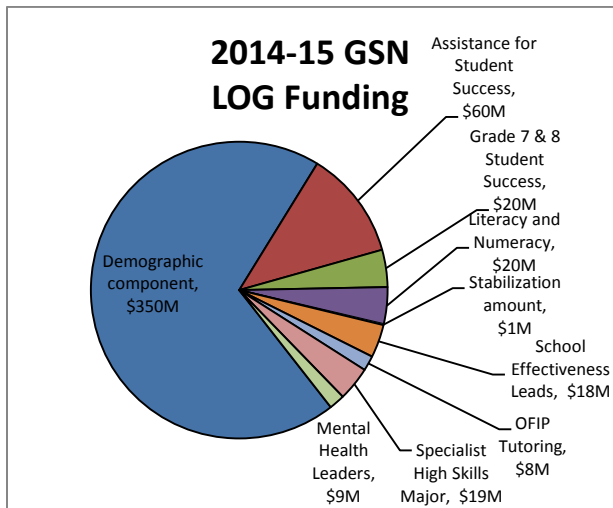
Both accountability and flexibility are important, and at times are at odds with each other. The need for accountability must be balanced with the need for school board flexibility. This balance requires ongoing monitoring and adjustments.

For example, as part of the successful implementation of Full-Day Kindergarten, the Ministry simplified administration by reducing reporting requirements from six annual reports/affirmations to one. The end result was a shift towards school board budget flexibility and less provincial reporting requirements.

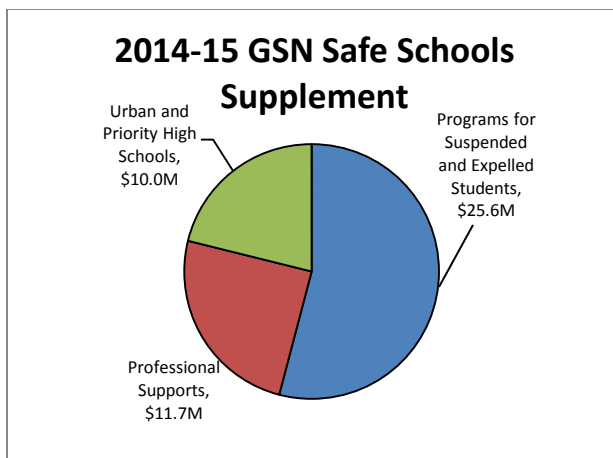
At the same time, as part of last year's consultation, the Ministry announced its intention to review Learning Opportunities Grant (LOG) and Safe Schools Supplement Funding to determine if stronger accountability mechanisms are required to ensure that funding is meeting provincial policy objectives. This year's consultation is an opportunity to discuss whether the balance between accountability and flexibility should be shifted in these areas.

AREAS OF FOCUS

LOG and Safe Schools Supplement Funding in the GSN



The Learning Opportunities Grant (LOG) supports a wide range of programs for students, including supports for Student Success, literacy and numeracy, and Specialist High Skills Majors, among other allocations. Most funding in LOG is driven by demographics and is based on social and economic indicators associated with students having a higher risk of academic difficulty. Although most of the LOG components are not enveloped, many of the smaller LOG grants require significant reporting.



The Safe Schools Supplement supports the Safe School Strategy across the province, as well as selected secondary schools in priority urban neighbourhoods. A safe, inclusive and accepting school environment is a necessary condition for student success. The allocation is based on total enrolment, targeted enrolment, board location, and school location. Currently, both the GSN and Education Programs, Other (EPO) portions of the Safe Schools Supplement require reporting. The GSN portion is not enveloped.

The concern associated with not enveloping the LOG and Safe Schools Supplement is that funds may be redirected from their intended education priorities (including math, literacy and students at risk) to other budget areas.

Provincial Reporting Requirements

Boards report data to the Ministry through a number of different mechanisms. The Ministry plans to update and rationalize some of these reporting requirements. For example, the Ministry is implementing a two-phased approach to streamline reporting around some of its smaller transfer payments (EPO) in order to integrate them into the financial reporting system already developed for school boards (i.e., the Education Finance Information System).

The Ministry is seeking input on ways to rationalize reporting requirements.

CONSIDERATIONS

- How can accountability and reporting mechanisms for LOG and Safe Schools Supplement better support the policy objectives of these grants?
- How would enveloping LOG and the Safe Schools Supplement create challenges for school boards?
- How can reporting requirements be further streamlined and reduced without losing reporting effectiveness?
- Are there specific suggestions for how to streamline reporting requirements to find efficiencies in administration?



SHARING SAVINGS

CONTEXT

The concept of shared savings was discussed last year as part of the consultation process. We heard that achieving long-term savings requires up-front spending. In response, as part of the implementation of the School Board Modernization and Efficiencies (SBEM) strategy and the launch of the 2014-15 GSN, the government made significant investments in priority areas. These investments were only made possible by your hard work in identifying both efficiencies and key areas of need.

Total Upfront Investment	Purpose
\$8M – Capital Planning	Funding for Boards to build planning capacity
\$15M – Supported Schools	Funding for teachers in isolated schools that have combined the elementary and secondary panels under one roof
\$750M – School Consolidations	Investment over 4 years to support school consolidations – over and above the \$1.25B for school renewal

Total Upfront Investment	2014-15 Top-Up Adjustment
\$773 Million	\$42 Million



The cumulative impact of the elements of this strategy is an upfront investment in transformation of \$773 million and a total savings found of \$42 million.

Together we can build on the successes of last year and identify potential efficiencies to support other key priorities and determine how best manage a potential reduction of 1 to 2 % in total revenue.

In recent years, the government has made many investments to give students the skills and knowledge they need to succeed. These investments support all types of learning.

- \$150 million over three years in technology and learning tools such as new digital tablets, netbooks, cameras, software and professional development for teachers.
- Nearly \$14 million annually for the Community Use of Schools Program to support schools as community hubs.
- \$20 million annually for Outdoor Education and Engagement to support outdoor learning activities for elementary and secondary students.

CONSIDERATIONS

- How can we work together to prioritize potential areas of re-investment?
- What key areas should be prioritized?

CONCLUSION

ONGOING DIALOGUE

Education funding must reflect current priorities and fiscal realities.

A constructive dialogue is essential to ensure that the public education system operates as effectively as possible. As each board and each education partner in Ontario is unique in both the challenges it faces and the opportunities it sees, input from all partners is invaluable.

Ensuring sound education funding decisions and making the most efficient use of school space involves collaborative decision-making and creativity. We must make permanent changes to education funding to better align with actual student enrolment and board cost structures to drive efficiencies and support the government's student achievement agenda.

The main purpose of these consultation sessions is to hear our education partners' ideas. We encourage you to share any ideas and insights regarding areas you feel deserve further consideration. We welcome all feedback and suggestions.

We would like to thank you in advance for your participation and for sharing your views with us through these sessions. Your input will be used as we develop education funding policy for the upcoming school year and as we strive to achieve excellence for Ontario.



APPENDIX A

Detailed analysis of grants for consideration in the GSN



support every child
reach every student



SCHOOL FACILITY OPERATIONS AND RENEWAL GRANT

CONTEXT

This grant consists of two sub allocations: (1) School Operations; and (2) School Renewal. While enrolment is a key driver of both allocations, there are also funding supports for underutilized space through the top-up portion of the School Facility Operations and Renewal Grant. The total School Facility Operations and Renewal Grant is projected to be \$2.39 billion in 2014–15.

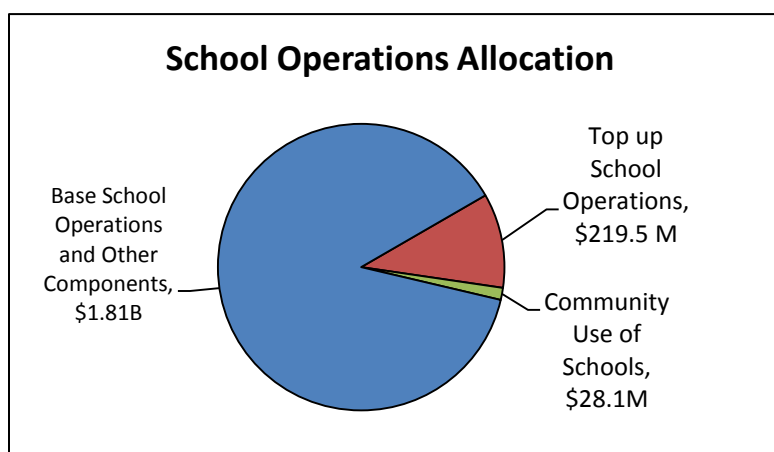
The top-up portion of the School Facility Operations and Renewal Grant provides funding for underutilized space based on a utilization rate. A school's utilization rate is based on the proportion of its average daily enrolment (based on elementary and secondary enrolment) to its on-the-ground (OTG) capacity. To encourage new partnerships, school boards are required to remove (from reporting) only 50% of their OTG capacity that is occupied by partners during the day (for six months or more) for the purpose of calculating utilization. Examples of partners could include child care providers and pediatric clinics.

School Operations Allocation

The School Operations Allocation is the sum of several components and addresses the daily costs of operating instructional buildings and sites (e.g., heating, lighting, maintenance, etc.).

The component which provides support for underutilized space is:

<i>Top-up for School Operations</i>	Address the cost of cleaning and maintaining some of the underutilized school's capacity.
-------------------------------------	---



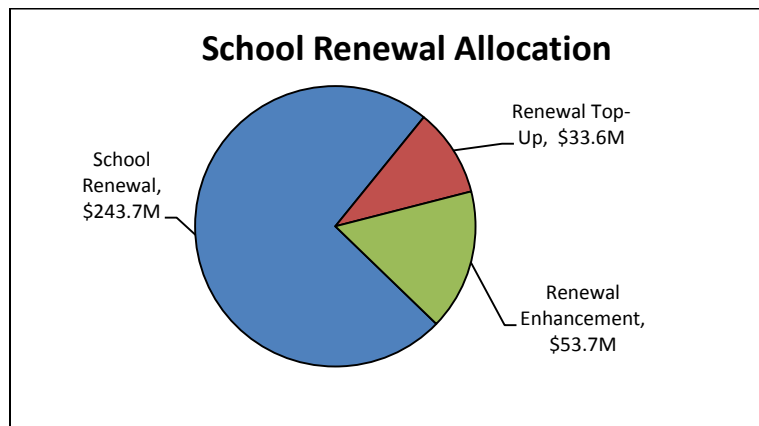
School Renewal Allocation

The School Renewal Allocation is the sum of several components and provides funding for expenses related to the costs of repairing and renovating school sites. A renewal project would normally cost more than \$10,000 and convey a benefit over more than one year (e.g., extends the previously assessed useful life of the building structure and/or installed component/systems; decreases operating costs; increases building or system capacity and/or quality).

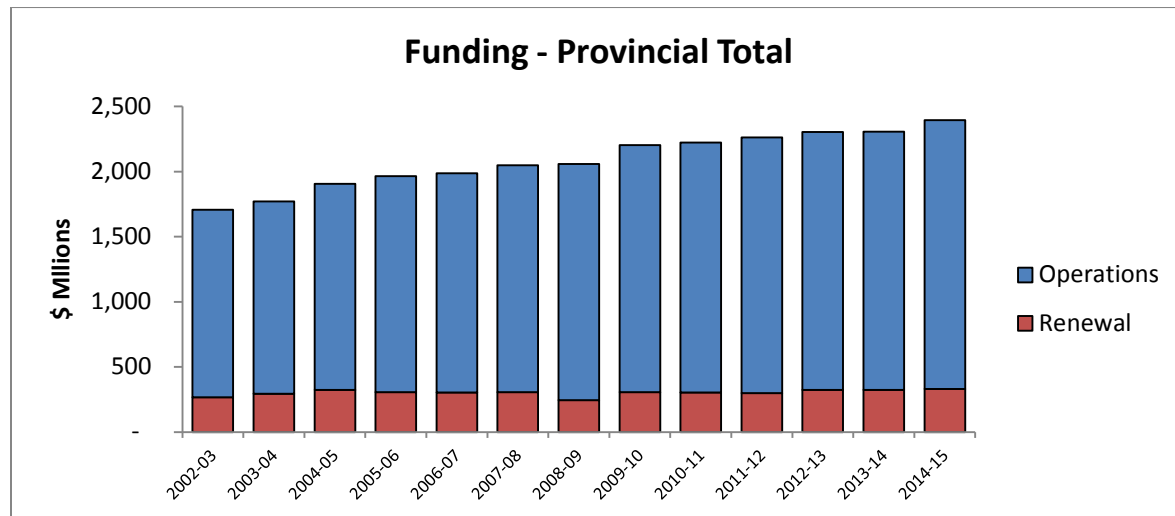
The component which provides support for underutilized space is:

Top-up for School Renewal

Address the cost of repairing and renovating underutilized school's capacity.



The threshold for Base Top-up funding for the School Renewal and School Operations Allocations is being reduced slightly in 2014-15. In its place, a two-tiered system for calculating Base Top-up funding based on a school's utilization rate is being introduced.



METHODOLOGY – Top-Up Funding

Top-up funding is provided to school boards as part of the School Facility Operations and Renewal Grant. While base funding for this grant is driven by board-wide enrolment, top-up funding is calculated at the school level and is driven by a school’s utilization rate. Top-up funding provides additional (operational and renewal) supports for schools that are operating at less than full capacity.

Level of Top-Up	Eligibility
<p>Regular</p> <p>To bridge the gap between actual utilization and capacity, almost all underutilized facilities generate regular top-up funding (new facilities and facilities with significant additions are excluded for 5 years).</p>	<p>Eligible schools \leq 65% utilization are provided a top-up rate that recognizes 10% of their excess capacity.</p> <p>Eligible schools $>$ 65% utilization are provided a top-up rate that recognizes 15% of their excess capacity rate up to a maximum 95% utilization.</p>
<p>Enhanced</p> <p>Enhanced top-up funding recognizes that some schools need to remain open due to their distance from another school within the same panel and board. It provides these schools with funding for their total underutilized space (to recognize the facility at 100% utilization). This funding makes up the difference between regular top up and funding that recognizes 100% utilization.</p>	<p>Rural and supported schools are eligible for enhanced top-up.</p> <p>Rural schools: Schools with a rural postal code are classified as rural or are deemed rural by regulation.</p> <p>Supported schools: An elementary school is deemed to be “supported” if the next closest elementary school of the board is at least 20 kilometres away. A secondary school deemed to be “supported” if the next closest secondary school of the board is at least 45 kilometres away.</p>

CONSIDERATIONS

- Does the current grant structure match the on-the-ground reality (e.g., are operating and maintenance costs the same with empty student spaces as they are if those spots are filled with students)?
- How can the structure of the grant (e.g., thresholds or cost drivers) be changed to encourage boards to make more efficient use of school space and find savings?

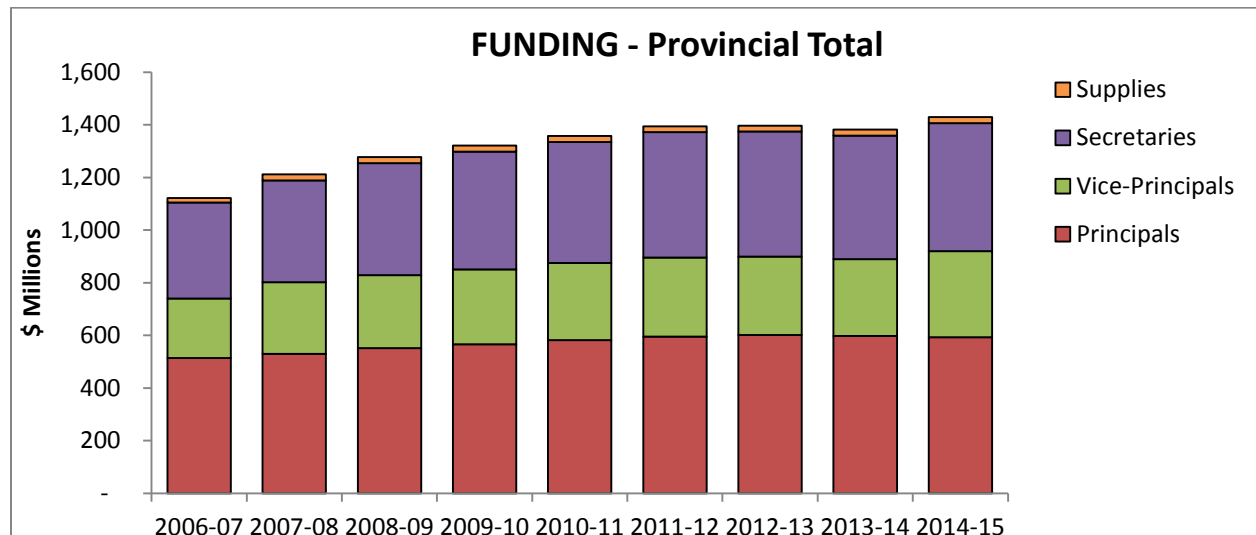
SCHOOL FOUNDATION GRANT

CONTEXT

Created in 2006-07, this school-based grant replaced board-based funding previously allocated through the Pupil Foundation Grant. This grant provides funding for a full-time principal (half-time for schools with fewer than 50 students) and full-time school office support staff (school secretary) in every school. Funding for vice-principals starts at school sizes of 250 Average Daily Enrolment (ADE) in elementary and 100 ADE in secondary, and scales based on enrolment. This grant is not enveloped, as school boards are responsible for decisions regarding the allocation of staff in schools.

Although funding is based on the number and size of schools, the list of eligible schools is specified in a table in the GSN regulation.

The School Foundation Grant is projected to be \$1.43 billion in 2014-15.



METHODOLOGY

Categories	Elementary Foundation Grant	Secondary Foundation Grant
Principals	½ Principal - schools with under 50 ADE 1 Principal - schools with 50 or more ADE	½ Principal - schools with under 50 ADE 1 Principal - schools with 50 or more ADE
Vice-Principals	VPs - scaled based on enrolment over 250 ADE (maximum 2) (1 at 600 ADE; 2 at 1,000 ADE)	VPs - scaled based on enrolment over 100 ADE (1 at 500 ADE; 2 at 1,000 ADE; and 3 at 1,500 ADE)
Secretaries	1 Secretary - for every school Additional Secretaries - scaled based on enrolment over 100 ADE (1 at 524 ADE; 2 at 796 ADE; and 3 at 1,069 ADE)	1 Secretary - for every school Additional Secretaries - scaled based on enrolment over 100 ADE (1 at 420 ADE; 2 at 637 ADE; 3 at 819 ADE; 4 at 1,000 ADE; 5 at 1,250 ADE and 6 at 1,500)
School Office Supplies	\$2,070.50 per school \$6.06 per ADE	\$3,080.50 per school \$7.07 per ADE

CONSIDERATIONS

- Does the current grant structure match the on-the-ground reality (e.g., funding a principal at 50 ADE)?
- How can the structure of the grant (e.g., thresholds or cost drivers) be changed to encourage boards to make more efficient use of school space, find savings, and further other policy objectives?
- Does the current structure of the grant provide opportunities to foster the development of senior school administration?

DECLINING ENROLMENT ADJUSTMENT

CONTEXT

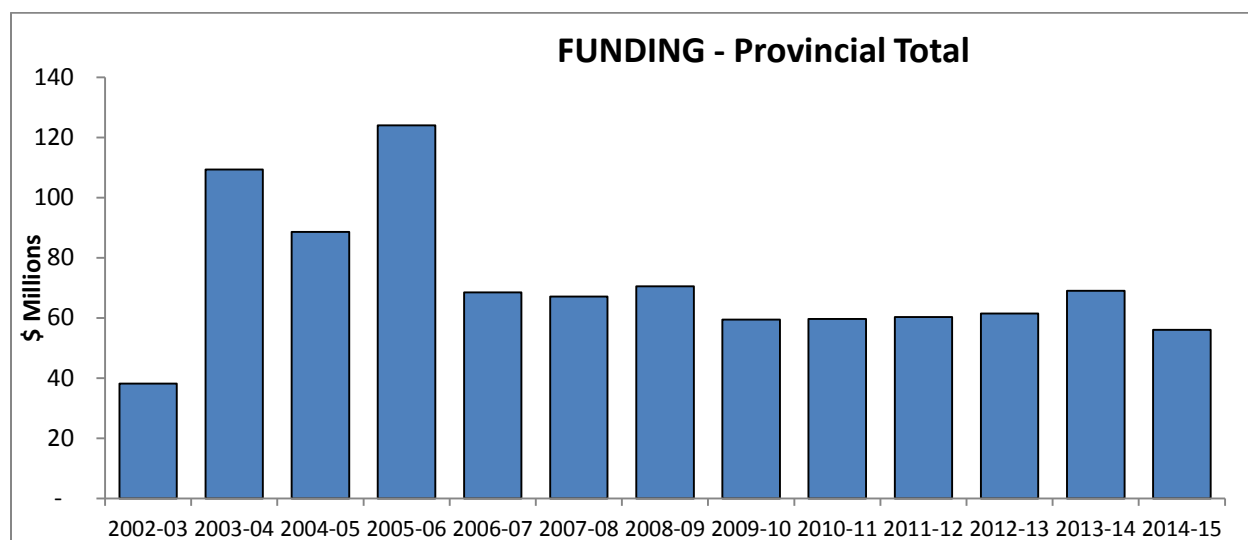
The Declining Enrolment Adjustment (DEA) was originally introduced in the 2002-03 GSN. The DEA recognizes that it takes time for boards to adjust their cost structures to declines in enrolment.

A significant portion of a school board's revenue is determined by enrolment. As enrolment goes down, so does revenue. This is appropriate as when there are fewer students, boards no longer need the same number of teachers and other supports. Board costs, however, do not decline in a way that is strictly proportional to declining enrolment. The DEA provides temporary (phased out over three years) funding to help boards transition to the reduced revenue.

Building on the recommendations of the Declining Enrolment Working Group, the DEA was modified in 2009-10 to simplify the calculation. The change recognized that some types of costs are more difficult to reduce than others, and reinforced its purpose as short-term transitional funding.

To qualify for funding, a board must experience a decline in ADE.

The DEA is projected to be \$56 million in 2014-15.



*Note that the methodology of the DEA was changed in 2009-10.



support every child
reach every student



METHODOLOGY

First-Year Component	Second-Year Component	Third-Year Component
<p>Based on the difference between the revenue under the current year’s enrolment and the projected revenue if there had been no change in enrolment from the previous year. The allocations counted for the purposes of the DEA are:</p> <ul style="list-style-type: none"> • 13% of the Pupil Foundation Grant (PFG); and • 100% of: Special Education Per-Pupil Amount; French as a First Language (start-up funding for new elementary classes is excluded); Remote and Rural; Per-pupil components of the Directors and Supervisory Officers and Board Administration; and School Operations. 	<p>50% of the First-Year Component</p>	<p>5% of the First-Year Component</p>

CONSIDERATIONS

- Does the current grant structure match the on-the-ground reality (e.g., 3 year lag in the ability to adjust costs)?
- Does the current grant provide the appropriate balance between supports for declining enrolment and ensuring adequate incentives for a school board to pursue efficiencies?
- How can the structure of the grant be updated to reflect current realities and the need to find permanent savings?
- With the introduction of the new board administration model, is there sufficient support to phase out the board administration component of the DEA?

GEOGRAPHIC CIRCUMSTANCES GRANT

CONTEXT

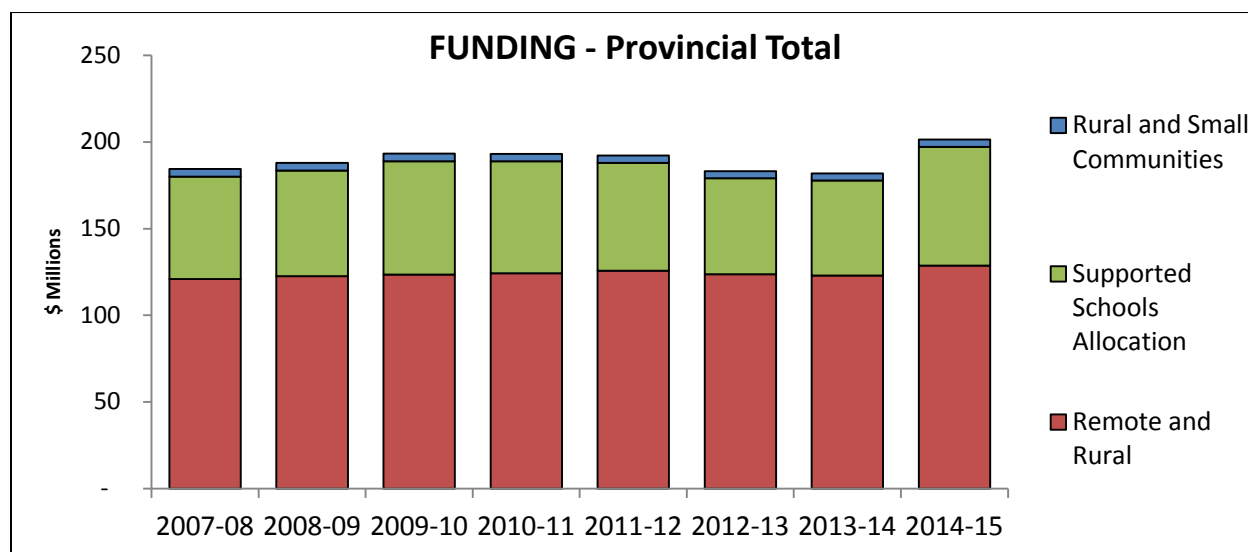
The Geographic Circumstance Grant recognizes the additional costs of operating small schools in isolated areas and the costs associated with rural boards. It provides stabilization funding for small schools, which may be underutilized.

This grant is made up of three allocations:

- Remote and Rural Allocation supports the higher cost of purchasing goods and services for Boards:
 - with low enrolment;
 - distant from major urban centres; and
 - with schools that are distant from one another.
- Supported Schools Allocation, introduced in 2007-08, provides funding for teaching staff to improve the viability of low-enrolment schools that are far from other schools of the board.
- Rural and Small Community Allocation supports boards with schools in rural or small communities.

The Supported Schools Allocation was changed for the 2014-15 school year to provide approximately \$15 million in additional support, primarily by increasing funding to combined (elementary and secondary) schools.

The total Geographic Circumstances Grant is projected to be \$201 million in 2014–15.



METHODOLOGY

Remote and Rural Allocation	Supported Schools Allocation	Rural and Small Community Allocation
<p><u>Board Enrolment</u> – scaled per-pupil amounts based on board enrolment. Tiers at 0, 4000, and 8000 students.</p> <p><u>Distance/Urban Factor/French-Language Equivalence</u> – per-pupil amount which scales based on distance from nearest urban centre and an urban factor with a minimum per-pupil amount for French-language boards. Tiers at 150, 650, and 1150 km from nearest urban centre.</p> <p><u>School Dispersion</u> – per-pupil calculation based on measures of the average distance between a board’s schools and the average distance from schools to the board office.</p>	<p><u>Teachers</u> – the difference between funding for classroom teachers provided by the PFG and funding for minimum staffing levels (up to 7.5 elementary teachers and 14 secondary teachers which scale based on ADE, with tiers at 0 and 50 ADE). Combined schools are eligible for both an elementary and secondary amount.</p> <p><u>Early Childhood Educators (ECEs)</u> – based on the difference between the funding amount for ECEs provided through the PFG and funding for minimum staffing levels which are scaled based on JK-SK ADE. Tiers at 0, 16, and 42 ADE.</p>	<p>Based on the Rural and Small Community Measure, which is used by the Ministry of Finance for municipal grant purposes.</p>

CONSIDERATIONS

- Does the current grant structure match the on-the-ground reality (e.g., increased costs for dispersed schools or those far from an urban centre)?
- How can the structure of the grant be updated to reflect current realities and find permanent savings?
- Is there any overlap between the different components of this grant that should be addressed?
- How does the stabilizing effect of this grant impact board decisions on establishing and maintaining schools in rural and small communities?

