

CUPE FACTS

Education Funding in Ontario for 2017-2018

April 2017

Introduction:

The Grants for Student Needs (GSN) for 2017-18 were released on April 12, 2017. Overall, allocations for education will increase by approximately 3.8% over last year, totalling \$23.8 billion. The allocation covers funding for collective agreement settlements (wage improvements and allocations for specific funding negotiated with unions), increases to per pupil funding, and some increases to funding in other areas.

The GSN documents can be found at: <http://www.edu.gov.on.ca/eng/policyfunding/funding.html>

Although the increases to funding are welcomed, they are still based on a flawed funding formula, one that dates back to the Mike Harris government in the 1990s. Failure to address the fundamental flaws in the system will lead to continued problems in School Boards, including continued underfunding of special education and school operations, and an ongoing deferred maintenance problem that tops \$15 billion.

Wages and Collective Agreements:

A significant portion of the increased GSN funding is intended to address the nine collective agreements reached with teacher and education worker unions. As the Ministry indicates, this is for modest wage improvements, as well as increased funding for local priorities, including allocations for priorities negotiated by CUPE as part of the

collective agreement extensions. This marks a significant impact we have had on education policy in Ontario, providing a clear example of the link between good, secure jobs, and quality public services.

The Ministry will establish a Local Priorities Fund (LPF) of \$218.9 for these negotiated investments. The Ministry is reporting that these funds could support the creation of approximately 875 FTE teachers and 1600-1830 FTE education workers. CUPE's extension agreement identifies where our part of the LPF will be invested.

Special Education:

Overall, special education funding is being increased by approximately 3.5%. The Special Education per Pupil Amount is increasing by (SEPPA) is increasing by approximately 3.85% (roughly \$54 million), and the Differentiated Special Education Needs Amount (formerly called the High Needs Amount) is increasing by roughly 1.4% (about \$15 million).

It is unlikely that this additional funding will be sufficient to address the backlog of student needs for special education. Virtually every board currently spends more on special education than the amount they receive from the Ministry, and students have unacceptable waits for the resources they need.

The funding formula for special education will need to be addressed to address the persistent problem of underfunding. The

Ministry currently uses predictive modeling to determine how much each Board will be allocated. The return to the Long Form Census might provide more data to make the models more precise, but a more effective way to approach funding would be to incorporate data on actual need into the predictive framework.

School Operations and Renewal Grant:

The School Operations and Renewal Grant is being increased by \$41 million, or 2.15%. Only about \$11 million of that is going to School Operations, representing a 0.5% increase for things such as heating, lighting, maintenance and cleaning of schools.

The School Operations Allocation is based on a flawed formula. It is calculated based on a benchmark operating cost associated with a standard floor area of schools. This method of calculating the costs of operations goes back to the Conservative government of Mike Harris in the late 1990s, and has not been altered since then. The benchmark was determined by listing the costs for each board from highest to lowest, and using the mid-point as the benchmark. Since there was an even number of Boards, the costs of the middle two boards were averaged, which set the benchmark. Funding has only increased to reflect inflation since that time.

This rather arbitrary method of setting the benchmark for school operations means that cost differences between boards are not accounted for in funding allocations. A 0.5% increase for this allocation will only make matters worse.

Within this Grant is \$1 billion for the School Condition Improvement program (SCI), and \$357 million for the School Renewal Allocation, which amounts to just under \$1.4 billion (although the Ministry has conveniently rounded up for this projection). Of that \$1 billion for SCI, \$800 million will be for core funding for school improvement,

and \$200 million for a Greenhouse Gas Reduction Fund (GGRF).

The 2015 report of the Auditor General determined that an investment of \$1.4 billion per year is required to maintain buildings in a state of good repair. Adjusted for inflation, that would require an additional \$48 million in 2017-18 to meet that standard. The failure to fund at an adequate level has meant that there is an accumulated deferred maintenance problem that would require a \$15 billion to fix. There is no additional money to address deferred maintenance.

The \$200 million GGRF is a time limited program that forms part of the government's overall strategy to reduce greenhouse gas emissions. It is targeted for replacement, renewal, and installation of new energy efficient building components. While some of this money will contribute to the necessary operating funding, the fact that it is targeted for specific expenditures and is time limited means that it only partially addresses the need for \$1.4 billion for the School Operations and Renewal Grant.

Grants Increasing by the Rate of Inflation:

The School Foundation Grant, which provides funding for office staff will be increased by 2%, to \$1.47 billion. Other grants that will increase by 2% are the School Transportation Grant, and the non-staff portion of the School Operations Allocation.

These increases will match the government's projections for cost inflation. Essentially this means that there is no budgeting for improvements to these areas (except where we have been able to negotiate improvements to staffing levels or job security), and any deficiencies in funding will not be offset.

Geographic Circumstances Grant:

This Grant provides funding for Boards with fewer than 16,000 students, and for Boards that are far from large urban centres. This year is the final year of the phase in of changes to the calculation, which results in a cut of \$5.5 million (a 2.89% reduction) from this allocation.

Consultations:

With the release of the GSN the Ministry announced that there will be two stakeholder engagements. One, arising out of recommendations from the Auditor General, will focus on transportation funding principles.

The other consultation will be on rural and remote schools, focusing on funding approaches, as well as “leveraging assets for the benefit of the community where possible”. Considering the Liberal government’s penchant for using language to obscure their real intent, we should be

concerned that “leveraging assets” could be code for privatization.

Conclusions:

This year’s GSN are not necessarily bad news. The Grants reflect our successes at the bargaining table, increasing government funding for many of our key priorities. But the increased funding in other areas, in some cases, will barely keep up with inflation, meaning that there are no real improvements in those areas.

More problematic is the fact that the government continues to base its funding on a flawed formula, dating back to an era when a Progressive Conservative government was intent on slashing education costs and attacking unions in the sector. Until the funding formula is fixed, and schools are funded based on real calculations of all of the components necessary to properly deliver education, it is unlikely that all of the existing problems can be remedied.

HIGHLIGHTS:

- Overall GSN funding will increase by \$879 million. GSN projected to be \$23.8 billion in 2017-18, an increase of approximately 3.8% from last year.
- Per pupil funding will increase by \$432 (to \$12,100/student)
 - Student enrollment is expected to increase by 0.1% this year.
 - Per pupil funding up by 3.7%
- Funding increases to meet the negotiated settlements
 - 1.5% wage benchmark increase (projected to be \$257.2 million)
 - 0.5% for Professional Development (\$85.7 million)
- Creation of Local and Other Priorities Fund (\$218.9 million)
 - Could support approximately 875 FTE teachers and 1600-1850 FTE education workers
 - 3% increase for Community Use of Schools
- Additional funding for full-day Kindergarten. 90% of Kindergarten classrooms must have no more than 30 students. Up to 10% can have up to 32 students (under certain circumstances).
- Infrastructure funding:
 - \$1 Billion for school condition improvement. \$200 million of this will be for investments in Green House Gas reduction initiatives.
 - \$357 in school renewal.
 - Total: Almost \$1.4 billion, which was the amount identified as required to maintain schools in the 2015 Auditor General's Report. With inflation adjustment, this falls short of what is needed.
- Money for utilities etc. will go up by 2%; money for transportation will go up by 2% (barely the projected rate of inflation – no money for system improvements).
- There will be two consultations this year (possibly this spring): one on rural and remote schools, one on student transportation.

SPECIFIC GRANTS:

- Pupil Foundation Grant: \$10.81 billion
- Qualifications and Experience Grant: \$2.09 billion
 - \$1.8 billion: Teacher qualifications and experience
 - \$143.3 million: Early Childhood Educator qualifications and Experience
 - \$202.9 million: Benefits trust allocation
 - \$145.8 million: Other allocations
- Continuing Education and Other Programs: \$142.4 million
 - \$16.9 million: Adult day school
 - \$6.4 million: High-credit day school
 - \$32.9 million: Summer school
 - \$57.2 million: Continuing education
 - \$29.0 million: Other allocations
- School Foundation Grant: \$1.47 billion
- School Operations and Renewal Grant: \$2.41 billion
 - school operations \$2.06 billion
 - school renewal \$357.2 million.
- School Board Administration and Governance: \$612.6 million
 - \$553.3 million: Board Administration
 - \$59.3 million: other allocations
- Student Transportation Grant: \$919.6 million
- Declining Enrolment Adjustment: \$17.3 million
- Geographic Circumstances Grant: \$185.1 million
 - \$115.8 million: Remote and rural schools,
 - \$69.4 million: Supported schools
- Learning Opportunities Grant: \$759.2 million
 - \$358.2 million: Demographic
 - \$218.9 million: Local Priorities Fund
 - \$162.9 million: Student Achievement envelope
 - \$19.2 million: Other allocations
- Special Education Grant: \$2.86 billion
 - \$1.48 billion: Special Education per Pupil Amount (SEPPA)

- 1.065 billion: Differentiated Special Education Needs Amount (formerly High Needs Amount)
- \$102.4 million: Special Equipment Amount
- \$209.9 million: Other allocations
- Language Grant: \$756 million
 - \$293.6 million: ESL/English Literacy Development (ELD)
 - \$267.4 million: FSL
 - \$81.6: French as a First Language
 - \$5.8 million: PANA
 - \$116.6: ALF
- Indigenous Education Grant: \$66.3 million
 - \$9.7 million: Native languages
 - \$25.4 million: Native studies
 - \$25.3 million: Per pupil amount
 - \$5.9 million: Board Action Plans allocation
- Safe and Accepting Schools Supplement: \$48.1 million
 - \$38.1 million: Safe and Accepting Schools
 - \$10 million: Urban and Priority Schools

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