

Back-to-school update on school board finances for 28 the province's 72 boards
Prepared by People for Education
August 27, 2006

“The loss of dollars coupled with the timing of the funding release is devastating. Staffing costs represent 76% of our budget and contractual commitments and necessary planning for the fall have made this million dollar revenue loss a tough blow. When we have to cut \$1M from approximately one quarter of our budget, it makes for some hard decisions.”

Rainy River District School Board

“While we applaud the enhancements your Government has made to education funding in recent years, these enhancements have invariably been accompanied by increased obligations for school boards. This means that funding increases have done little to address the systemic shortfalls that already existed.”

Ottawa Carleton District School Board

“The release of the Grants for Student Needs at the end of June 2006 has had an immediate impact on the 2006-2007 budgets of school districts across Northern Ontario. In addition, there is a serious concern about the future as we strive to meet the educational targets set by the Provincial Government that have been embraced by all Boards... the reduction of these school-based services will have a significant negative impact on student success.... The impact of the funding changes will be felt in September but most important a continuation of this design, even after an effort to make appropriate adjustments, will change the complexion of program and service delivery in the North.”

A letter from 15 Directors of Education in Northern Boards

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Basic changes needed to education funding formula

An examination of funding for school boards for the 2006/2007 school year shows that the current funding formula is not serving the needs of school boards, schools or students.

Boards using reserves to balance budgets

Most boards have balanced their budgets for this year, but most have also had to use reserve funds to accomplish this.

Funds are kept in reserves to cover projected capital costs, unfunded liabilities (such as pensions), projected legal costs, and unforeseen cost increases (such as recent dramatic increases in fuel and utilities costs). Operating without reserves is not fiscally prudent, nor is it sustainable.

Flexibility removed from formula

Before this year's changes to the education funding formula, school boards had access to a Local Priorities Amount of \$200 per student, and they could use some of that grant and a grant targeted at students-at-risk to fund things like all-day senior kindergarten in high needs areas, outdoor education, extra staff for special education and parenting and nutrition centres.

That flexibility has now been removed from the funding formula, leaving parents and students facing cuts to these valuable programs over the next two years.

Funding inequities:

School boards with many small schools, such as those in Northern Ontario, were already at a disadvantage under the funding formula. Recent announcements have exacerbated funding inequities for these boards.

Despite an announcement of funding increases of 2.5% and changes in the funding formula to address the teacher salary gap, eleven school boards received cuts in their operating funding – every one of them in Northern Ontario.

Cuts to grants for high-risk students affect some boards more than others

Northern boards received significant funding through the Learning Opportunities Grants (funding for students-at-risk based, in part, on demographics, i.e., the percentage of low-income, recent immigrant, non-English speaking and aboriginal students in a board.)

Over 25% of the funding for this grant was moved into the grant for teachers' salaries and re-distributed to every board in the province. Boards like those in the north, that received substantial funding through the Learning Opportunities Grant, lost millions of dollars – at a much higher rate than boards with fewer students-at-risk.

Northern directors speak out

Northern boards also received significant funding through the Geographic Circumstances Grant because many of their schools are very remote. Cuts were made to this grant and the funding re-distributed across the province. This too affected northern boards disproportionately.

Appendix "A" contains a letter from 11 northern Directors of Education outlining the disproportionate effect funding changes have had on northern boards. Appendix "B" is a notice from the Rainy River Board outlining their concerns. Appendix "C" is a release from the Algoma District School Board.

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Declining enrolment grant cut in half

For the last five years boards have received funding to help cushion the blow from cuts caused by declining enrolment. This funding allowed them to make gradual adjustments to programs and services to reflect the enrolment decline. This year that grant was cut by nearly half. The \$60 million cut, delivered half-way through June, came as a surprise to boards across the province.

Fuel, utilities, school maintenance and busing

Costs for utilities have increased by between 12 and 15% in the last year, but the grant for utilities was increased by only 2% for 2006/07. There have been some increases in funding for school renewal, but boards must find the funding to pay for increased utilities costs by cutting from other areas of their budgets.

Boards are also without a funding formula for transportation for the ninth year in a row. For many boards this means continuing to receive funding at rate that does not match their actual costs for school buses.

Salary Gap

While the province has begun the process of closing the gap between funding benchmarks for teachers' salaries and the

actual costs boards pay, a 1% gap remains. This small gap adds up to millions of dollars across the province.

No action has been taken to reduce the substantial gap between actual salaries for non-teaching staff and the benchmarks set in the funding formula. Boards pay many thousands of dollars more per year to support staff such as psychologists and social workers, to caretaking staff and to secretaries.

Special Education

Funding for Special Education is now granted on a per pupil basis, based on the percentage of high needs students in a board in 2005/06 plus a provincial per pupil amount. For boards with declining enrolment, the result is funding cuts each year, whether or not the percentage of high needs special education students changes. The province is exploring ways to audit boards' incidence rates (the percentage of high needs special education students.)

Late funding announcement curtails boards' ability to plan

Grant announcements in mid-June (the latest they had ever been) made it difficult for boards to make the necessary cuts to staff, because of the necessity of hiring staff for September and because of contractual obligations. Thus boards could target only their discretionary budget areas which represent less than 20% of budget expenditures.

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Board	Overall budget situation	Programs and positions to be reduced	Change in special education	Change in operating budget
Algoma DSB	Forced to use most of its reserve to balance budget Balanced budget dependent on \$1.25 million in increased funding board is hoping for from the province	Cuts made to: <ul style="list-style-type: none"> ▪ Classroom supplies ▪ Board admin ▪ Furniture ▪ Information technology ▪ Staff professional development ▪ Special ed salaries and supplies 	Grant cut by \$450,000 While enrolment is declining, the percentage of students requiring special education is not declining at the same rate.	Cut by \$1.3 M
CSD Catholique Grandes Rivières			Grant cut by \$401,000	Cut by \$1.4 M
CSD catholique des Aurores boréales			Grant cut by \$57,000	Cut by \$276
DSB Ontario North east (Timmins area)	Will have to cut teacher leaders who have been successfully working to improve EQAO scores.	Cut 15.6 school secretaries and board office staff	Grant cut by \$60,000	Cut by \$928,000
Dufferin Peel Catholic DSB	Deficit between \$7.5 and \$15 million this year, next year's deficit projected at \$20M.	Among other things, the provincial investigator recommended cutting: <ul style="list-style-type: none"> ▪ \$2 million from vice principals ▪ \$930,000 from continuing education ▪ \$300,000 from textbooks ▪ \$3.9 million for secondary teachers ▪ \$3.9 million from board admin ▪ \$2.6 million from maintenance ▪ \$1.9 million from Reading Recovery ▪ \$636,000 from secretaries and supplies ▪ \$2.5 million from busing ▪ \$500,000 from supply teachers 		

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Grand Erie DSB	The chair of the board says, "We balanced the budget, but it's tight,"	<ul style="list-style-type: none"> ▪ Already over-burdened (according to board chair) high schools will lose 1.5 secretaries. ▪ Cutting 3.75 vice-principals in elementary and secondary schools and other school staff. ▪ Vice-principals in 11 elementary schools will be cut to half-time. 		
Hamilton Wentworth DSB		Cut 6 special ed EA's – had originally intended to cut 16 but used reserves to keep them.		
Huron Perth Catholic DSB			Grant cut by \$105,000	
Huron Superior Catholic DSB	Unable to add more "lead" literacy teachers needed to improve EQAO scores		Grant cut by \$412,000	Cut by \$699,282
Keewatin Patricia DSB	Geographic Circumstances funding cut by \$2.6 Million			Cut by \$1.3 M
Lakehead DSB	\$1.1 M cut to Learning Opportunities Grant \$370,000 cut in technology	Cut \$137,000 for social workers	Grant cut by \$220,000	Cut by \$1.5M
Lambton Kent DSB			Grant cut by \$50,000	
Limestone DSB			Grant cut by \$98,000	
Near North DSB	Forced to use \$5million from reserves to fund needed programs	<p>Lost \$2.5 million from remote and rural grant Lost \$3.25 M from Learning Opportunities Grant</p> <ul style="list-style-type: none"> ▪ Had piloted very successful programs to provide alternatives to suspensions– they will have to reduce the number of programs ▪ Will have to cut full-day senior kindergarten next year 		

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Nipissing Parry Sound Catholic	Cut Educational assistants by 13%		Grant cut by \$6,424	
Nipissing- Parry Sound Catholic			Grant cut by \$6,000	
Northeast Catholic DSB				Cut by \$221,000
Northwest Catholic DSB			Grant cut by \$58,000	Cut by \$155,000
Ottawa- Carleton DSB	Province recommended using \$5 million in capital reserves to offset deficit, but trustees voted against it. Province may allow two-or even three-year time frame to deal with deficit of \$21 million, as long as the board commits to cutting spending.	Possible cuts include <ul style="list-style-type: none"> ▪ 35 specialist secondary reduction ▪ 21 EA's ▪ 4 speech language pathologists ▪ 1 social worker ▪ 1 psychologist ▪ 1 brailist ▪ Outdoor education 	Grant cut by \$3.1 M	
Rainy River DSB	"When the additional dollars were announced for education, we were optimistic that we would get a small portion, or at least be able to maintain the status quo. It comes as a shock to have such a large reduction for a small school board": Atikokan Trustee, Judy Eluik.		Grant cut by \$343,000	Cut by \$1.7 million
St. Clair Catholic DSB			Grant cut by \$290,000	
Superior North Catholic DSB	Lost \$1.6 million in remote and rural funding and gained \$1.2 in new school foundation grant		Grant cut by \$23,000	Cut by \$796,999
Superior- Greenstone DSB			Grant cut by \$97,000	

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Thames Valley DSB			Grant cut by \$1 million	
Toronto Catholic DSB	Short \$34.6 Million	<p>To balance budget they would have to cut at least:</p> <ul style="list-style-type: none"> ▪ 10.2 school secretaries ▪ 5 vice principals ▪ 44.5 teachers currently funded through Learning Opportunities Grant ▪ \$9.5 M from their maintenance budget (61.5 caretakers ▪ \$3.2 million from busing ▪ 47 sec. school teachers ▪ 32 elementary teachers ▪ 10 special ed positions (EA's support staff) ▪ \$3.7 M from textbooks ▪ \$2M for supply teachers <p><i>PLUS</i> use \$15 M currently in reserves for school renewal</p>		
Toronto DSB	Sort \$84 million	<p>Two year plan recommends cuts to:</p> <ul style="list-style-type: none"> ▪ Educational assistants in kindergarten ▪ Outdoor education ▪ Parenting centres ▪ Nutrition programs ▪ Vice principals ▪ Support staff 	Grant cut by \$1.6 million	
Upper Canada DSB			Grant cut by \$39,000	
Upper Grand DSB	Declining enrolment grant reduced by \$2.5 million			

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Appendix "A"

Northern Boards
2006-2007 Ministry Funding Projections

Current and Forecasted Impact of Grant Changes for English Public and Catholic School Boards in Northern Ontario

The release of the Grants for Student Needs at the end of June 2006 has had an immediate impact on the 2006-2007 budgets of school districts across Northern Ontario. In addition, there is a serious concern about the future as we strive to meet the educational targets set by the Provincial Government that have been embraced by all Boards.

All English Catholic and Public School Boards in Northern Ontario have been surveyed. Preliminary results reveal how these Boards are responding in the short term. First, Boards have abandoned most, if not all, of their plans for any expansion of discretionary programs and services. These are programs and services that both serve the unique local needs of their communities while remaining closely aligned with the Province-wide focus on improved student learning and achievement. Second, the Boards have reduced a variety of programs and services. Finally, Boards are universally accessing their reserve funds to "bridge" several programs and services for the coming budget year while planning for further cuts in 2007-2008.

With respect to the discretionary spending, it can be simply stated there are no local "wish list" items being pursued by Boards. Almost all school boards have reduced the number of Educational Assistants who might have been hired for the upcoming school year. For example, the Nipissing Parry Sound Catholic DSB has dropped its complement by approximately 13%. Algoma District School Board will need to reduce its special education spending by 1.5 million dollars. It is noted that while Boards are in enrolment decline the incidence rate of students with special needs is not declining at the same rate.

Several Boards, such as Huron Superior Catholic, would have liked to institute or add more "lead" literacy and/or numeracy teachers from discretionary funding. This has been curtailed. Algoma District, who has been recognized for its system-wide improvement in literacy, has relied heavily upon its "flex funding" to hire additional staff. This may not be sustainable in the future.

All Boards are reducing operational expenditures as a way to try and balance budgets, primarily through staff cuts to an already lean complement. However, demands on administration due to various Ministry and local requirements have not been reduced. Major legal expenditures continue to escalate. For example, District Board Ontario North East has had to reduce several budget lines by \$1.7 million. Furniture and equipment

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along with the replacement of computers are included in this amount. This same Board has reduced school secretaries and board office staff by 15.60 FTE.

Kenora Catholic while receiving an increase of \$400,000 for 2006-2007 reports that they have cut available cost centres by 5%; don't have any "wish list"; have no reserves left to draw upon; and, no flexibility for local priorities.

One of the major impacts of the current situation, that will probably grow in the future, will be the loss of complementary "social services" for students. Many Boards must reduce professional support staff such as child development counsellors and adolescent youth workers. These valued staff members have provided a great service enabling students to be more "ready to learn." Often in the North, there are limited community social services. Hence, the reduction of these school-based services will have a significant negative impact on student success. For example, the Near North District School Board invested in several pilot programs during the current school year in order to provide alternatives to suspension. Suspensions numbers have been reduced, retention has been improved and greater student success has been achieved. These programs will be reduced.

With only a few exceptions all Northern English Boards offer full time everyday senior kindergarten. Some offer full time junior kindergarten as well. No Board is reporting that they will abandon these extended programs for the 2006-2007 school year. They are highly valued by parents and the Boards and it is too late in the school year to cancel these programs now as a cost saving measure. Boards in the North understand the limited availability of pre-school programs and readiness status of students entering our kindergarten programs. Accordingly, we have invested heavily using our discretionary funds, to provide these enhanced and important learning readiness programs. Early evidence would indicate that our young students are making academic and social gains. The loss of support and tenuous future of the Best Start initiative would seem to reinforce board-based initiatives such as these full day programs. Unless there is a better financial outlook the forecast for these kindergarten programs will be in jeopardy in 2007-2008 school year and will have an effect on improved student learning.

The impact of the 2006-2007 budget situation must be seen in context. Our boards had embraced the idea of using some "flex funding" to support the Provincial agenda and have continually used it in a responsible manner at the local district level to this end. Our Boards have shown the expenditure gaps encountered in a Northern rural and remote environment and welcomed the acknowledgement of this in our grants. We have worked to invest "where we can" to achieve a positive learning environment for Northern students.

The impact of the funding changes will be felt in September but most important a continuation of this design, even after an effort to make appropriate adjustments, will change the complexion of program and service delivery in the North.

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August 2, 2006

Algoma DSB Chair, Wanda McQueen
Director of Education, Mario Turco
Huron Superior Catholic DSB Chair, Marchy Bruni
Director of Education, Jack Stadnyk
DSB Ontario North East Chair, Juergen Leukert,
Director of Education, Linda Knight
North Eastern Catholic DSB Chair, Colleen Landers
Director of Education, Paul Toffanello
Keewatin-Patricia DSB Chair, David Penny
Director of Education, Janet Wilkinson
Kenora Catholic DSB Chair, Jim Ames
Director of Education, Allan Craig
Lakehead DSB Chair, Ron Oikonen
Director of Education, Terry Ellwood
Thunder Bay Catholic DSB Chair, Doug Demeo

Director of Education, Carol-Lynne Oldale
Near North DSB Chair, Alan Bottomley
Director of Education, Colin Vickers
Nipissing-Parry Sound Catholic DSB Chair, Donald Houle
Director of Education, Anna Marie Bitonti
Rainbow DSB Chair, Dena Morrison
Director of Education, Jean Hanson
Sudbury Catholic DSB Chair, Paula Peroni
Director of Education, Zandra Zubac
Rainy River DSB Chair, Ron McAlister
Director of Education, Jack McMaster
Superior North Catholic DSB Chair, Sandra Svenkeson
Director of Education, Barbara Spadoni
Superior Greenstone DSB Chair, Bette Bartlette
Director of Education, Patti Pella

Appendix “B”

Rainy River District School Board Adjusting to Funding Decline News

June 27, 2006

The extra \$600M injected into the Ontario education system in the recently released provincial budget will seriously impact the Rainy River District School Board and other Northern Boards. In actual fact, the Rainy River District School Board is faced with a funding loss of \$1M, due to the Ministry’s allocation of funding from specific grant structures which will be transferred to the School Foundation Grant and the Salary Benchmark Grant.

The Declining Enrolment Grant has been slashed and the Remote and Rural Grant, Distant Schools Grant and the Learning Opportunities Grant have been realigned. On top of that, the grant for utilities was increased by 2% in the face of actual increases of 12-15%, resulting in a total budget shortfall of \$1M.

Rainy River District School Board Trustees are interested in where the \$600M has been allocated. The loss of dollars coupled with the timing of the funding release is devastating. Staffing costs represent 76% of our budget and with contractual commitments and necessary planning for the fall have made this million dollar revenue loss a tough blow. When we have to cut \$1M from approximately one quarter of our budget, it makes for some hard decisions.

“We will prioritize our options, keeping in mind the overall welfare of our students”, said Chair Ron McAlister. “When the additional dollars were announced for education, we were optimistic that we would get a small portion, or at least be able to maintain the status quo. It comes as a shock to have such a large reduction for a small school board”, said Atikokan Trustee, Judy Eluik.

Trustee Gord McBride said, “The cuts will negatively impact about 23 Northern Boards and School Authorities and these communities are already suffering economically, caused by multi-job losses and business downturn. Our Board should request that the Ministry review these commitments to Northern Boards so we have, at the very least, the same number of dollars we have in the current fiscal year. Only about 5% of public school students live in northern communities so we have to stand up and be counted.”

Appendix “C”



Algoma District School Board

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CHAIR
Wanda McQueen

DIRECTOR OF
EDUCATION
Mario F. Turco

August 24, 2006

MEDIA RELEASE

Board balances budget in spite of funding reductions by drawing from reserves

In spite of a substantial reduction in expected funding from the Ministry of Education, the Algoma District School Board (ADSB) has approved, after deliberation, a 2006-2007 Budget for \$133,014,634 at a Special Board meeting on August 24, 2006. The reduction in Ministry funding required the Board to draw \$1,771,451 from working fund reserves to balance the budget. Trustees agreed to reverse \$1,250,000 in budget reductions if additional funds were received from the Ministry.

Only twelve Boards in Ontario saw decreased operating funding based on Ministry funding projections and all twelve Boards were northern Boards. ADSB believes that there was at least a \$1.3 million funding reduction for ADSB after consideration of Ministry projections and the announced Ministry Framework Agreement.

What was unexpected in 2006-2007 was the Ministry's realignment of funding to provide new School Foundation grants and salary funding enhancements. These changes were financed by "notational adjustments" to reduce the geographic circumstances grant and the demographic component of the learning opportunity grant of 8% and 36.4% respectively on all school boards. The Northern Boards receive a higher portion of their funding from such grants and as a result saw more significant reductions than other boards.

With no change anticipated in the underlying causes, no change had been expected in the declining enrollment adjustment grant. Instead in 2006-2007 the freeze on this grant was revoked. With declining populations in Northern Ontario this move contributed to the reduction in total northern grants.

The Finance Audit Committee was presented by Senior Board Administration on August 14, 2006 with a budget deficit of \$5.3 million which incorporated Ministry funding and Board expenditure requests.

Trustees were updated on the discussions with Board staff that included identifying \$4,391,609 in possible reductions. To balance the budget \$871,451 would need to be

drawn from the working fund reserve, or, the alternative would be to send staff back to make further reductions in budget expenditure.

Of the \$4,391,609 in reductions the superintendents made a strong case for the reversal of \$2,150,000 in reductions in order to maintain the Board's ability to support and/or enhance programs and to continue to move forward to achieve 2006-2007 Ministry and Board objectives.

On reviewing the superintendents' submissions Trustees were concerned about the level of reductions and expressed support for the superintendents' proposals by drawing \$900,000 from reserves which, in addition to the initial \$871,451, generated a total draw from reserves of \$1,771,451. The remaining portion of the superintendents' request was deferred should future funding be provided by the Ministry of Education. This leaves the working fund reserve levels at an estimated \$127,018.

In June, when the Ministry first announced the 2006-2007 funding projections, the Northern Boards joined in a collaborative effort to analyze the rationale behind funding reductions. Joint meetings and teleconferences of the sixteen Northern Boards culminated in correspondence and a teleconference between the Boards and Ministry staff. The focus of discussions were Board prepared exhibits, derived from Ministry projections, that showed enrolment declines and funding reductions in the group of Northern Boards relative to a comparable group of southern boards. The Northern Boards showed lower funding levels relative to southern Boards of similar enrolment declines.

Director of Education Mario Turco commented, ***"We are intent on continuing the dialogue with the Ministry and Northern Boards to emphasize our funding challenges for 2006-2007. These meetings are expected to increase understanding of the funding reductions and to reaffirm the need for a grant structure to reflect unique northern needs."***

Chair Wanda McQueen expressed concern, ***"The Board has, this year, used working fund reserves to maintain selected programs. The reduction or deferral of budget requests will impact on our ability to meet all Board and Ministry objectives. Our concern is also with the impact on next year's budget when working fund reserves will not be present and funds will need to be found elsewhere."***

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