

Submission
to the
Standing Committee
on Finance & Economic Affairs

PRE-BUDGET CONSULTATION BRIEF

March 5, 2002



Submission to the Standing Committee on Finance & Economic Affairs
- Pre-Budget Consultation -

Ontario Catholic School Trustees' Association

The Ontario Catholic School Trustees' Association (OCSTA) represents all twenty-nine English Catholic district school boards and five English Catholic school authorities in the province. The association appreciates this opportunity to have input to the province's pre-budget consultation process.

Our presentation today is based in large part on the education finance brief that our Association presented to the Minister of Education in the fall of 2001. Our brief, entitled ***Student-Focused Funding: Addressing Adequacy*** is included in our documentation today.

OCSTA and its member boards share the government's goal of providing high quality education for Ontario's students. We recognize, as does the government, that education plays a central role in both the economic and social development of our province. We note and strongly support the government's continuing stated commitment to maintain education as a provincial priority.

OCSTA has long maintained that, to be acceptable, the education funding system in Ontario must respond to four essential principles:

- **Equity** among all Ontario school boards and students
- **Adequacy** of resources in the funding system
- **Flexibility and autonomy** to address the goals of each system and to meet local needs
- **Accountability** to ensure efficient and effective use of educational resources for students

OCSTA wishes to acknowledge again the actions of the government in establishing a fair and equitable funding model for Ontario's four publicly-funded school systems. Although delay in implementing equity in Toronto and Ottawa and the impact of many years of inadequate funding levels for the province's assessment-poor boards continue to create challenges, very positive steps have been taken toward achieving equity. OCSTA is carefully reviewing this aspect of the funding model in preparation for the required 2003 legislative review.

OCSTA and Catholic school boards acknowledge and appreciate the refinements made to various parts of the funding formula since its introduction, as well as the examples of one-time funding provided to boards for various purposes outside of the formula. At the same time, we are alert to the impact of each of these adjustments across the four publicly funded systems. We urge the government to continue to maintain the integrity of the model and its fundamental commitment to equity in the face of all such adjustments.

OCSTA sees the funding model and the basic principles and structures upon which it is built as fundamentally sound and workable. It is important however, to distinguish the structure and concepts of the funding model from the level of funding it allocates at any point in time. It is clear to OCSTA and our member boards that some allocations within the funding formula are currently inadequate to meet the needs of students, schools and school boards. The data on board costs on which the model is built is outdated, in most cases derived from a 1996-97 costing framework. Real cost increases have not been systematically recognized within the formula since it was introduced in 1998 – a period in which the CPI has increased by over 8 percent.

OCSTA believes that the credibility of student-focused funding depends upon congruence between the level of allocations within the model and boards' actual costs. Such congruence is now lacking in many parts of the grant formula. OCSTA strongly recommends that the Ministry of Education establish a provincial system to track changes in school board costs on a regular basis and update the costing framework accordingly.

Catholic school boards have a history of cost-effective operations. They will continue to carefully manage their resources and to remain accountable to their communities. At this critical moment in the development of the funding formula, however, OCSTA must express to you our concern about boards' ongoing ability to meet all responsibilities and maintain current service levels within the dollars allocated.

Multi-Year Funding

The actual amount of revenue generated by some aspects of the funding formula is problematic, as it has not kept pace with costs. Of concern also is the manner in which that revenue is currently made available to school boards, that is, on an annual basis only. School boards require multi-year grant forecasts in order to engage in effective long-range planning. This is especially critical in light of the new requirement for three-year collective agreements between boards and their teachers, beginning in August 2004.

Key Issues Regarding Adequacy

Our member boards continue to report to us their concerns about the adequacy of specific areas of the funding formula. As previously mentioned, all of these are outlined in some detail in our finance brief. In the time we have today, however, we would like to summarize just a few of the key issues our boards have identified.

Staffing Costs

The significant gap between the formula allocation and realistic board costs for staff salaries and benefits is an area of major concern.

At present, the funding model does not adequately recognize actual levels of compensation negotiated locally with teachers and other employee groups. School boards are challenged to negotiate fair and reasonable collective agreements with their employees within the constraints imposed by limited funding and provincial requirements on class size and teacher workload.

In 2000-01, when collective agreements were averaging over 3.5 percent, the model provided for a 1.95 percent wage adjustment for both salaries and benefits. In 2001-02, there was no increase in the salary grid.

Salaries and wages comprise approximately 80 percent of the costs of elementary and secondary education. Until allocations more realistically mirror actual costs, monies from other budget areas will continue to be allocated to fund staffing costs.

Funding for benefits provides no relief for school board negotiations with employees. Allocations within the funding formula for benefits for teaching and non-teaching staff have remained unchanged while actual costs have risen sharply. In 2000-01, for example, the allocation for salary and benefits increased by 1.95 per cent, while costs for life insurance rose by 8.7 percent and for extended health by 40 percent. For some boards difficulties arise from long commitments to gratuities and the increasing retirement rate. The 12 per cent benefit factor in the funding model falls far short of meeting the costs of benefits.

Special Education

Funding for special education continues to be an area of major concern for boards. Almost all Catholic school boards find it necessary to spend more than their current allocation in order to meet the needs of their most challenged students.

It has been helpful that ISA funding for high needs students has remained stable while the provincial comprehensive review continues. We urge the government, however, as part of your budget decisions this year, to permanently adjust special education funding to recognize factors such as inflationary costs and new enrolments. We also urge you to make it possible for boards who have qualified for ISA funding higher than current stable funding levels to opt to go to live funding for the 2002-03 school year. To do so would certainly be in keeping with the government's stated commitment to provide each school board with funds based on the board's demonstrated incidence of students with very high needs.

Transportation

Transportation is an essential aspect of Catholic education. Catholic school boards have disproportionately higher transportation costs than their coterminous boards, since as a rule they have fewer schools within the same geographic area. The government's allocation of an additional 29.3 million in one-time funding to help boards manage increased transportation costs was appreciated, as was a similar allocation in the previous year. Catholic school boards, particularly those experiencing declining enrolment, however, continue to experience difficulty providing necessary transportation services within the current allocation. OCSTA urges the government to proceed as quickly as possible with the implementation of a new and more realistic transportation formula to provide needed dollars to school boards on a permanent basis.

School Renewal Funding

OCSTA supports the government's current approach of funding major maintenance projects through the school renewal allocation. Catholic school boards are growing increasingly concerned, however, about their ability to maintain their aging stock of school facilities at even present levels of repair within current funding allocations.

A large proportion of Ontario's schools are now 25 to 50 years old and have higher maintenance and facility renewal requirements than newer buildings. Catholic school boards are concerned not only about managing the backlog of deferred maintenance built up over years of underfunding under the old model, but also about the impact that component life cycle degradation will have on the future condition of our schools. Cost factors within the renewal allocation require review and updating now in order to address the life cycle needs of school facilities and avoid much higher replacement costs in the future.

New Initiatives Must Be Funded

During this government's mandate, significant reforms have been implemented in several aspects of elementary and secondary education. Some of the government's recent education initiatives mandated through legislation or regulation have carried with them specific costs for school boards.

Examples of such initiatives include required new programs and procedures around student suspensions and expulsion, the administration of criminal reference checks for employees, extensive professional assessments and administrative procedures related to special education funding for very high needs students, and teacher inservice required to implement new curriculum and assessment programs.

In order for these new responsibilities to be fulfilled without disruption or reduction in other necessary services, these new responsibilities assigned to school boards must be accompanied by funding. If existing service levels are to be maintained, it is essential that the funding model recognize any additional costs to school boards of new legislative or regulatory requirements at the time they are implemented.

Conclusion

Ontario's new student-focused funding model has now been in place for three full years. We commend the government for the progress that has been made in realizing the goals and key principles on which it was based. We have come a long way toward realizing the government's commitment to providing equity of educational opportunity for all students in Ontario's elementary and secondary schools. The funding system is also, as hoped, more transparent and accountable to parents and the general public.

At this critical point in the evolution of the funding model, however, OCSTA sees it as essential that government attention now be given to concerns around adequacy. If the quality of education for all our students is to be ensured and if the unique needs of some of our most challenged students are to be met, the overall amount of funding for education in Ontario's elementary and secondary schools must be increased to recognize legitimate increases in costs. Such an investment today in the education of our young people is, we believe a crucial investment in the future strength and success of our province.

Once again, OCSTA appreciates the opportunity to present this brief to the Standing Committee on Finance and Economic Affairs.