

Submission to
The Standing Committee on Finance and Economic Affairs
Pre-Budget Consultation

January 28, 2019



Ontario Catholic School
Trustees' Association



Ontario Catholic School Trustees' Association

Mission Statement

Inspired by the Gospel, the Ontario Catholic School Trustees' Association provides the provincial voice, leadership and service for elected Catholic school trustees to promote and protect publicly funded Catholic education in Ontario.

Vision Statement

Ontario is enriched by a publicly funded Catholic education system, governed by locally elected Catholic school trustees who serve with faith, commitment and compassion.

Background and Key Principles

The Ontario Catholic School Trustees' Association (OCSTA) was founded in 1930. It represents 237 elected Catholic trustees who collectively represent 29 English-language Catholic district school boards. Together, these school boards educate approximately 545,000 students from junior kindergarten to grade 12 and adults in continuing education programs province-wide.

Inspired by the Gospel, the Mission of the Ontario Catholic School Trustees' Association is to provide leadership, service and a provincial voice for elected Catholic school trustees who seek to promote and protect publicly funded Catholic education in Ontario.

Now in terms of our core principles, we believe the education funding system in Ontario must respond to four essential principles:

Equity: A funding formula must distribute education dollars equitably among all Ontario school boards and their students;

Adequacy: The level of funding for education must be adequate to ensure quality education for today's students;

Autonomy/Flexibility: The model must allow school boards the autonomy and flexibility in spending they require to achieve the distinctive goals of their system, and to meet local needs; and

Accountability: The educational funding model must include mechanisms that ensure the appropriate degree of accountability for all parties and transparent processes and reporting mechanisms to support efficient and effective use of educational resources for students.

Policy Context: Managing Transformation A Modernization Action Plan for Ontario

OCSTA appreciates the current government context regarding its fiscal and economic challenges. We are also cognizant of the government's modernization plans to build a modern, sustainable government while avoiding involuntary staffing reductions across the broader public sector. We have taken these considerations into account in our education policy and funding recommendations outlined in this pre-budget submission. We want to take this opportunity to provide some comments on the government's line by line review and Modernization Action Plan that was released on September 25, 2018.

Catholic School Boards as Partners in Service Delivery

Catholic school boards work closely with the Ministry of Education to develop education programs, governance models, budgets and curriculum that supports the legislative and regulatory requirements spelled out in the *Education Act*. We have enjoyed a positive working relationship with all stakeholders in the education sector for many years, including all Ontario

political parties. Our school board trustees are the democratically elected representatives of the Catholic school system with the responsibilities for:

- Establishing the education mission of the board
- Developing school board policies that promote and protect Catholic education
- Promoting the constitutional right of the Catholic school community to govern, manage and control Catholic schools.

Our school boards design and deliver education programs to students. We are directly supported by 2.4 million Catholic ratepayers and have been an integral part of the history and culture of the province for over 175 years.

Efficiencies at Catholic School Boards

OCSTA supports the government’s objective of increasing productivity and efficiency in its various operations. Our school boards are committed to being as effective and efficient as possible and have found significant cost efficiencies in the following areas:

1. Student transportation consortia
2. Purchasing consortia
3. Curriculum co-operatives
4. Ontario Education Collaborative Marketplace (non-profit group that sources products and services for the education sector at price discounts)
5. Ontario Education Services Corporation (OESC) provides a central repository for resources and provides a host of services for school boards.

These partnerships save Ontario taxpayers millions of dollars each year. The Auditor General states that “school boards have been increasing their use of group purchasing arrangements to acquire goods and services. We noted that the value of school board purchases acquired through supplier agreements negotiated by the Ontario Education Collaborative Marketplace increased from \$10 million in 2010 to \$112 million in 2016” (2017 Annual Report, Chapter 3, section 3.12 p.615-616).

Risk Based Regulatory Management

The Modernization Action Plan report makes reference to moving toward a Risk Management Model of regulation. This would reduce the “complex array of prescriptive compliance-oriented reporting [and be] replaced by a centralized reporting on those things that matter most to the design, funding, and delivery of results—namely, efficiency, productivity, and performance information” (p.21). OCSTA would support a reduction in the reporting requirements school boards currently face and further streamlining of regulation. Restoring school board flexibility and autonomy in the design of programs is a key priority for our boards.

Grants for Student Needs Funding Model

The Modernization Action Plan report makes specific comments on the funding framework in the education sector that OCSTA has concerns with. In particular, the report suggests that the British Columbia and Quebec government's model of funding education may point the way to improving the sustainability of the sector in Ontario (p. 11). However, Quebec for one does not have a publicly funded Catholic school system and BC only partially funds Catholic schools. Such a shift would undermine Catholic education in Ontario and contradict the government's public stated goal of supporting Catholic education funding. It would also introduce substantial and unjustified disruption in the Ontario's school system with no cost savings, since the overall number of students would not change.

The report indicates as well that education funding has increased by about 1.7% CAGR while enrollment has decreased by about 0.5%. Although education funding is largely determined by enrollment, other factors also impact the overall spending envelope. For example, labour settlements, capital repairs and new school construction are not directly tied to enrollment. Also various special purpose grants are used to accommodate a school board's unique circumstance (location/remoteness, special education, student transportation etc.).

The report suggests that the GSN model of funding may be outdated and one alternative arrangement would be to tying funding to the achievement of outcomes by providing funding to individuals who would choose service providers via market mechanisms (p. 23). However, this policy option would have far reaching and negative consequences for the functioning of school boards in Ontario. Boards that have lower than average student achievement (on what measure?) would be penalized or not funded at all. Replacing school base budgets as determined through the GSN with market mechanisms would result with a disproportionate allocation of funding to schools which is inconsistent with basic principles of equity and fairness.

Summary

The Modernization Action Plan does offer many important recommendations that should be explored further. For example, OCSTA would support the need to examine government procurement practices, especially in the context of student transportation. We would also support further examination of improving digital approaches to managing administrative functions and the need for increased broad band infrastructure for our schools.

Key Areas of Policy Reform Additional Investment

1) Increased Flexibility/Autonomy

Catholic district school boards in Ontario face increased budget pressures in the delivery of educational programs and services required by the Ministry of Education. As part of an expanding list of programs and services, the ministry continues to reduce boards' flexibility and autonomy in designing and delivering these programs that meet local needs and conditions. In addition, the ministry continues to reduce boards' flexibility in developing specific policies for students or implementing ministry policy directives. The recent proposed revisions to the Pupil Accommodation Review Guideline is one example.

The ministry has also placed increased restrictions on how school boards spend their capital and operating funds. For example, the increased number of areas in the GSN that are "enveloped" reduces school boards' budget flexibility along with more targeted EPO grants. These restrictions on school boards have reduced their capacity to plan for, fund and operate specific education programs that serve the unique needs of their local constituents.

In essence, then, Ontario's publicly funded school boards require sufficient flexibility and autonomy to realize their distinct missions and unique mandates.

OCSTA Recommendations

- **That the Ministry of Education develop new regulations/policies to restore school board autonomy and flexibility:**
 - 1. In overall school board planning/program design and the implementation of ministry policy directives;**
 - 2. Reduce restrictions (enveloping) on operating funds that decrease school board flexibility.**

2) Student Transportation

School board budgets currently face increasing pressures to meet existing program and service obligations. Many school boards are currently running significant deficits in funding student transportation. The structure and funding of student transportation is not based on the needs of a school board. The funding model is based on a "historical amount—each boards' 1997 spending level with annual adjustments for enrollment and inflation, and other minor adjustments. The most important influences on a school boards' student transportation costs are not factored into the model such as enrollment density, geography, the number of special needs students and safety hazards.

In addition, the current competitive procurement process that school boards must follow in securing transportation has resulted in significant cost increases. In one case of a large urban transportation consortium, costs increased by roughly 20% that had to be absorbed by the affected school boards.

OCSTA Recommendations

- **That the student transportation funding formula be restructured to reflect the actual needs of school boards;**
 - **Ensure coterminous school boards are able to provide comparable transportation services and be funded to support those services relative to proximity and density of its schools in an area;**
 - **The competitive procurement process restore school board autonomy and flexibility in negotiating school bus operator contracts;**
- 3) **21st Century Programs and Services for Students with Differing Abilities Including Diverse Learning Needs**

a) **Student Mental Health**

Recent research from Centre for Addiction and Mental Health shows that roughly 328,000 children in grades 7-12 report moderate to serious psychological distress (2016).

The Provincial Centre for Excellence in Children and Youth Mental Health state that schools need to develop comprehensive mental health supports and strategies to address the growing challenge.

Rural and northern school boards face unique issues with fewer professional resources to support student mental health services. Boards need more financial resources to expand promotion and prevention programs at the elementary and secondary school level. Key program areas include: suicide prevention, anxiety issues, behaviour problems, addictions.

OCSTA Recommendations:

- **That the Ministry of Finance expand funding for student mental health needs, while ensuring it is equitable and sustainable for all students.**

b) **Special Education**

Currently 28 of 29 Catholic school boards are running deficits in special education funding and experiencing significant challenges in meeting the educational, psychological and support needs of its exceptional students. More sophisticated diagnostic techniques related to Autism Spectrum Disorder (ASD), have resulted in significant increase in identifying this segment of the student population and placed considerable additional demand on special education services in school boards.

In some cases, school boards are having their special education grant reduced due to phased in changes to a key part of the grant structure supporting high needs students.

This change has placed a significant strain on some boards and has resulted in inequities in the level of service provided to special education students.

OCSTA Recommendations:

- **That the government establish a panel of experts with a stakeholder advisory board to review the adequacy of special education funding in Ontario;**
- **That the government review “student needs based” funding models for high needs special education students to supplement the overall special education funding model.**

4) Capital Funding

School boards capital requirements include the following:

1. Older schools need to be re-built;
2. Consolidation of schools due to declining enrolment and capital upgrades;
3. Deferred maintenance;
4. New school construction in boards’ growth areas.

The current situation would benefit from increased investments to deal with capital backlogs and a multi-year program to address capital planning needs.

These investments and programs would add an element of predictability to the system and would make it possible for school boards to plan and clearly articulate those plans to the Ministry of Education.

OCSTA Recommendations:

- **That the Ministry of Finance provide the Ministry of Education additional investments for capital programs**
- **Recommend to the Ministry of Education a multi-year capital funding process in order to restore the ability of both the Ministry of Education and school boards to plan for future capital needs.**

5) Sick Leave Costs

The financial costs associated with the sick leave provisions contained within the central terms of our boards’ collective agreements are becoming a significant issue. Currently, all employee groups are able to access up to 11 days payable at 100% and up to 120 days payable at 90%, for a combined total of up to 131 paid days of sick leave per year. Cost increases associated with these provisions, combined with the indirect costs associated with replacement staff, occasional teachers, and increased administrative burdens associated with managing higher utilization, are leaving many of our school boards struggling to meet obligations.

While OCSTA continues to collect absenteeism data from its member boards, in 2016, SBCI conducted a study of 54 school boards (inclusive of certain Catholic, public, French Catholic and

French public school boards) which highlighted the growth of average sick leave utilization across the sector as a whole and the associated financial magnitude of the problem. According to publicly available reports¹, absenteeism rates have, on average, risen from less than 9 days in 2010-11 to over 11 days in 2015-16, with an associated cost of approximately \$1.0 billion. Over the 2010-11 to the 2015-16 period, sick leave utilization grew significantly in every employee category:

- Elementary teachers: 29% increase in sick days, >11 days
- High school teachers: 26% increase in sick days, <10 days
- Educational assistants: 41% increase in sick days, 16 days
- Custodians: 23% increase in sick days, >16 days
- Early childhood educators:* 37% increase in sick days, > 13 days

(* period for ECEs ranged from 2013-14 to 2015-16)

There can be little debate that the exponential growth in sick leave utilization is directly linked to the sick leave plan modification that was introduced to the sector in 2012. While attendance support programs are one tool to assist in curbing growing costs, these types of programs alone are insufficient to address the magnitude of the increase in utilization. Government must also be committed to working with school boards and Trustee Associations to negotiate meaningful changes to the central sick leave collective agreement provisions.

OCSTA Recommendations

- **That Boards be supported by the Ministry of Education in implementing attendance support and disability management programs.**
- **That the Government work with trustee associations and school boards to negotiate meaningful changes to the central sick leave collective agreement provisions.**

¹ See <https://www.therecord.com/news-story/7316863-jump-in-teachers-sick-days-affecting-students-report-warns/?S=E>

Ontario Catholic School Trustees' Association
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2018-2019

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