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COMMITTEE MEMBERS:

All Trustees

STAFF:

Camille Williams-Taylor, Director of Education and Secretary of the Board

ASSOCIATION REPRESENTATIVES (NON VOTING):

Ottawa-Carleton Assembly of School Councils (OCASC), Malaka Hendela, Alternate: Christine Moulaison

Ottawa-Carleton Elementary Operations Committee (OCEOC), Jennifer Capitani

Elementary Teachers' Federation of Ontario (ETFO), Wulf Heidecker

Ontario Secondary School Teachers' Federation (OSSTF), Cathy Bailey (Teachers), Kelly Granum (OSSTF –

OT), Nancy Akehurst (OSSTF – ESP), Troy Cluff (OSSTF- PSSU), Karen Iving (OSSTF- PSSP), Jean Trant

(OSSTF-SSP), Biana Gordon (OSSTF-PECCS), Alternate: TBC

Ottawa-Carleton Secondary School Administrators Network (OCSSAN), Rupi Bergamin and Steven Spidell

Non-affiliated Staff, Stacey Kay

Student Senate (OCSPC or STAC), TBC

Special Education Advisory Committee (SEAC), TBC

Advisory Committee on Equity (ACE), Elaine Hayles, Alternate: Harvey Brown

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ABOUT COMMITTEE OF THE WHOLE (PUBLIC):

- The Committee of the Whole (Public) is comprised of all members of the Board with the Vice-chair presiding.

ABOUT THIS AGENDA:

- The Ottawa-Carleton District School Board posts complete standing committee and Special Education Advisory Committee agendas and reports on the website on the Friday, at least ten days prior to the scheduling of the meeting.
- In most instances, staff names have been included on the agenda for contact purposes should you have any questions prior to the meeting.
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IN CAMERA MEETINGS:

- Under provincial law, “A meeting of a committee of a board, including a committee of the whole board, may be closed to the public when the subject-matter under consideration involves,
(a) the security of the property of the board;
(b) the disclosure of intimate, personal or financial information in respect of a member of the board or committee, an employee or prospective employee of the board or a pupil or his or her parent or guardian;
(c) the acquisition or disposal of a school site;
(d) decisions in respect of negotiations with employees of the board; or
(e) litigation affecting the board.”

HOW TO APPEAR AS A DELEGATION:

- The following rules apply to members of the public who would like to address the Committee at a public meeting:
 - If registered by the Thursday prior to the meeting, providing a written submission, and a first appearance on the subject, (up to a 4 minute delegation); or
 - If registering prior to the start of the meeting using the sign-up sheet (up to a 2 minute delegation).
- To pre-register your delegation, you must submit a written statement to Leigh Fenton on your issue by 4:00 pm on the Thursday prior to the release of the agenda package. Please note, if the Friday prior to the regularly scheduled Board meeting is a statutory holiday, then the deadline is 4:00 pm on Wednesday. Your written statement will be included in the agenda package. If you would like to pre-register, please contact Leigh Fenton, Board/Committee Coordinator at (613) 596-8211, ext. 8641, or leigh.fenton@ocdsb.ca. At the beginning of each Committee meeting, a maximum of 20 minutes will be allotted for delegations.

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COMMITTEE OF THE WHOLE, BUDGET PUBLIC AGENDA

Tuesday, February 4, 2020, 8:00 pm

Board Room

Administration Building

133 Greenbank Road

Ottawa, Ontario

Pages

1. Call to Order - Chair of Committee of the Whole, Budget
2. Approval of Agenda
3. Delegations
4. Discussion Items
 - 4.1 Report 20-003, Revised Estimates 2019-2020 (M.Carson, ext.8881) 2
 - 4.2 Report 20-021, 2020-2021 Budget Process (M.Carson, ext.8881) 24
5. New Business - Information and Inquiries
6. Adjournment



**AUDIT COMMITTEE
COMMITTEE OF THE WHOLE (BUDGET)
Report No. 20-003**

**22 January 2020
3 February 2020**

2019-2020 Revised Estimates

Key Contact: Mike Carson, Chief Financial Officer, 613-596-8211 ext. 8881

PURPOSE:

1. To explain changes reflected in the District's 2019-2020 Revised Estimates as compared to the District's 2019-2020 Budget and to seek approval of the In-Year Deficit Elimination Plan (the Plan) as required by the Ministry of Education.

CONTEXT:

2. The Ministry requires that school boards approve and submit annual budget estimates by the end of June preceding the beginning of a new school year. The original budget estimates were approved by the Board on 10 June 2019.

The Ministry also requires that the approved budget estimates be revised after the start of the school year to reflect the financial impact resulting from actual enrolment levels. Changes in revenues and expenses not related to enrolment are also included. The update to the Board approved budget is referred to as the revised estimates.

The changes reflected in the 2019-2020 Revised Estimates include the impact of net enrolment changes which resulted in reduced revenue, the effect of increased attrition from classroom-based teaching positions, updates resulting from the remaining service life (RSL) review of physical assets, adjustments resulting from grants announced after the approval of the District's budget and changes identified as part of ongoing monitoring of operations. The revised estimates are prepared relatively early in the school year and, recognizing the reduced enrolment, staff continues to closely monitor resources to ensure that the planned deficit is not unexpectedly exceeded.

The revised estimates also reflect the anticipated use of \$6.2 million of accumulated surplus to support capital spending on classroom portables and administrative facilities.

KEY CONSIDERATIONS:

3. In June 2019, the Board approved the 2019-2020 Budget authorizing expenses totaling \$980.2 million. Funding of the expenses was provided through grants and other revenues totaling \$971.8 million. This would result in a planned deficit of \$8.4 million.

The District's 2019-2020 Revised Estimates provide for expenses of \$977.8 million, revenues of \$969.4 million and a planned deficit of \$8.4 million. Table 1 compares the anticipated deficit reflected in the revised estimates with the amount originally budgeted.

Table 1 – Comparison of Revised Estimates and Budget

	Revised Estimates	Budget	Change (decrease)	Change
	\$	\$	\$	%
Revenues	969,410,500	971,802,500	(2,392,000)	(0.2)
Expenses	977,803,400	980,246,000	(2,442,600)	(0.2)
Deficit	(8,392,900)	(8,443,500)	(50,600)	

Changes to revenues and expenses since the approval of the 2019-2020 Budget are expanded upon in Appendix A - Analysis of Changes in Revenues and Expenses. Costs by program area for the current and prior year are presented in Appendix B - Comparative Summary of Expenses. Additional detail regarding grants is provided in Appendix C - Grants for Student Needs and a list of special purpose grants is provided in Appendix D – Priorities and Partnership Funds and Other Deferred Revenues.

4. **Enrolment Estimates and Grants**

The 2019-2020 Budget was developed using enrolment estimates established in early 2019. Average daily enrolment (ADE) levels have a direct impact on funding and also affect related instructional expenses. The approved budget reflected ADE of 50,246 for elementary and 23,373 for secondary (excluding high credit and adult day school enrolment).

The revised elementary ADE for 2019-2020 is 50,484 students which is an increase of 238 students (0.5%) over the approved budget. Secondary day school enrolment ADE is projected to be 23,060 students which is a decrease of 313 students (1.3%) from the approved budget.

As previously mentioned, enrolment has a direct impact on various grants and in particular the Pupil Foundation Grant (PFG). This grant applies to students of the District under 21 years of age and excludes high credit and adult day school ADE. Table 2 shows that the District's PFG is \$196,200 less than budgeted. The amount reflects increased elementary enrolment and reduced secondary enrolment.

Table 2 – Effect of Decreased Average Daily Enrolment on Pupil Foundation Grant

	Enrolment (Pupils of the Board)			Pupil Foundation Grant		
	Revised Estimates	Approved Budget	Change	Revised Estimates	Approved Budget	Change
Elementary	50,484	50,246	238	\$ 272,847,600	\$ 271,519,300	\$ 1,328,300
Secondary	23,060	23,373	(313)	112,577,700	114,102,200	(1524,500)
Total	73,544	73,619	(75)	385,425,300	385,621,500	(196,200)

Other allocations that comprise the Grants for Student Needs (GSNs) are affected by changes in enrolment and student demographics. One grant that shows relatively significant growth is the Indigenous Education grant. The District's grant is comprised of a base amount to support the Board's action plan on indigenous education, a per pupil amount reflective of the enrolment of Indigenous students and an Indigenous studies amount which provides funding based on student enrolment in qualifying secondary panel courses. The \$427,200 increase relates to Indigenous studies where 1,663 pupil credits are anticipated as compared to the 1,330 pupil credits assumed during budget development. The increase is attributable to enrolment in compulsory English credit courses which qualify for the supplemental funding.

Special mention must be made regarding the Cost Adjustment and Teacher Qualifications and Experience grant. The grant is used to provide funding for teacher compensation relative to the provincial benchmark that is used in the PFG. It also provides funding to cover the Ministry's contributions to employee life and health benefit trusts and, commencing 2019-2020, to provide attrition protection funding as part of the government's plan to achieve financial savings through changes to average class sizes for certain grades. The grant shows a significant reduction of \$3.7 million relative to the budget. The reduction is comprised of two amounts:

- A \$2.0 million reduction in the teacher qualifications and experience allocation. The 2019-2020 Budget assumed that the qualifications and experience of teachers would result in higher average compensation costs for the District. The revised estimates reflect the actual placement of teachers on the salary grid as at 31 October 2019. The change reflects a modest reduction in average costs; and
- A \$1.7 million reduction attributable to teacher job protection funding. The 2019-2020 Budget anticipated that 230 secondary teacher FTEs would be protected; however, actual attrition up to 31 August 2019 increased beyond projections and, when combined with the reduced enrolment at the secondary level, resulted in only 217 FTEs being protected.

A number of other grants also changed: the School Operations grant decreased by \$294,900, the Adult Education grant decreased by \$552,900 and the Transportation grant decreased by \$831,200.

Appendix C - Grants for Student Needs compares the GSNs with the approved budget and reflects the effect of revenue deferrals. The additional revenue relating to minor tangible capital assets (MTCA) is discussed in Section 13.

5. Compensation-Related Instruction Costs

Compensation-related instruction costs are those incurred in meeting the needs of students in the classroom. Examples of staff whose costs are reported in the Instruction category include classroom teachers, school-based administrators, learning consultants and professional and support staff such as psychologists, educational assistants (EAs) and early childhood educators (ECEs).

The forecast of compensation-related instruction costs shows that savings of \$1.4 million are likely in comparison to the 2018-2019 Budget. Almost all of this reduction relates to classroom teachers and reflects the update of average compensation costs reflective of qualifications and experience relative to the provincial salary benchmark. The revised estimates also include anticipated compensation costs for term EA positions that were recently approved by the Board.

6. Teacher Absences

Occasional teachers (OTs) provide coverage when teachers are absent due to illness or to attend medical appointments. In addition, OTs provide coverage when teachers are attending certain professional development and student support activities on a school day.

For the revised estimates, the District has assumed supply teaching costs of \$18.0 million, which is \$1.0 million more than budgeted. The increased cost reflects current experience and reporting. It is important to note that OTs are also used to staff vacant contract teaching positions, but that such costs are reported in the Instruction category.

Although the use of OTs has a financial impact, the effect on student learning is also a primary consideration. Accordingly, OT use will continue to be monitored as will the continued promotion of a healthy workplace that fosters employee well-being.

7. International Students

The Ottawa-Carleton Education Network (OCENET) is a not-for-profit organization that offers international students the opportunity to learn alongside the District's students. OCENET helps prospective students to submit their applications and fees and also supports their transition into the school and community. Fees collected cover OCENET's administrative costs and approximately 60% of the fee is remitted to the District. The percentage is an estimate of the amount of tuition fees necessary to support instruction-related costs.

The District's 2019-2020 Budget reflected revenue of over \$11.4 million based on 846 students. The revised estimates reflect anticipated revenue of just over \$11.0 million based on 818 students. Reduced enrolment of 28 students accounts for the \$387,000 revenue decrease.

Administrative fees paid to OCENET by the District are reported as a fee in the Instruction category. These costs have decreased by \$144,600 to \$4.3 million.

8. Other Instruction-Related Costs

Other instruction-related costs are those that are not specifically identified elsewhere in the report, but form part of the overall spending classified as Instruction. These costs represent an overall increase relative to the budget of \$294,900.

9. Student Transportation

Transportation of the District's students is provided by the Ottawa Student Transportation Authority (OSTA). Amounts reflected in the 2019-2020 Budget were based on information received from OSTA. The estimates have been updated and costs are expected to be \$29,300 more than budgeted. The additional costs relate to student transportation contracts.

Although costs are projected to be relatively stable, funding provided through the Transportation grant shows a decrease of \$831,200 relative to the budget. The grant calculation incorporates the previous year's actual funding and related costs. The use of these amounts in the funding formula resulted in the reduction.

Transportation expenses of \$46.1 million are shown in the revised estimates. These costs are supported by the \$43.1 million Transportation grant.

10. Facility Operations

Spending on school facilities represents the largest operating cost category outside of the instruction envelope. Projected compensation costs have remained relatively stable and show a small increase of \$133,500. Non-compensation costs have increased by close to \$3.7 million. The significant contributors to the latter amount include:

- \$1.1 million for additional costs to relocate portables during the year;
- \$2.0 million for additional costs for snow clearing, property maintenance and for natural gas and electricity; and
- \$606,400 for additional school renewal maintenance needs such as roof and floor repairs, masonry work and supporting consulting services.

11. Other Non-Instruction Costs

Other non-instruction costs relate to the activities of the Continuing Education department and central administrative departments.

Continuing Education programs are supported by specific funding, including funding from the federal government and various government ministries. Compensation costs shown in the revised estimates are \$172,700 less than budgeted while supplies and services costs are \$60,300 more.

Central departments show increased compensation costs of \$182,600 in the revised estimates while supplies and services costs have been reduced by \$138,100.

12. **Deferred Capital Contributions and Amortization Expenses**

Funding received for the purpose of acquiring or developing a depreciable tangible capital asset is termed a deferred capital contribution (DCC). Such contributions are recognized as revenue at the same rate as the related tangible capital asset is amortized into expense. Straight-line amortization is based on the RSL of the asset.

In addition to the contributions discussed above, certain capital projects are supported internally through the use of the District's accumulated surplus. Internally supported tangible capital assets are amortized into expense in the same manner as those supported by contributions from others, but there is no related revenue.

Various capital projects will be completed and a variety of capital assets will be acquired during the year. In addition, adjustments to incorporate prior year actual results are reflected. These items increase the net value of the tangible capital assets managed by the District. In accordance with accounting requirements, the amortization of an asset's value commences immediately upon completion of the capital project. This has a direct impact on both revenues and expenses.

During 2018-2019, the Ministry directed all school boards to review the RSL of major capital assets using a prescribed methodology. As previously noted, the RSL is used in determining the revenues and expenses reported in a year based on straight-line amortization rules. The objective of the review was to update the RSL to reflect the significant infrastructure investments that had been made since 2013-2014. The review resulted in increased RSLs for various investments (e.g., the 2014-2015 addition at Longfields-Davidson Heights Secondary School). The effect of the change is being accounted for prospectively and it has resulted in a significant decrease in both expenses and related revenues.

The approved budget projected amortization expenses and related revenues of \$61.8 million. The revised estimates show \$57.2 million in expenses which is supported by \$56.9 million in revenues. Expenses and revenues decreased by \$4.6 million and \$4.9 million, respectively.

13. **Minor Tangible Capital Assets**

A portion of the annual GSN is budgeted for the acquisition of MTCA such as furniture, equipment and computers. If the funds are not required for capital purposes, they are reported as operating revenue and support overall operating costs. In total, \$7.1 million previously identified as being set aside for MTCA needs will now be used to support operating costs.

The revised estimates also reflect the anticipated use of \$6.2 million of the accumulated surplus to support capital investments in new classroom portables and for upgrades to the 440 Albert Street and the Confederation Education Centres. The use of accumulated surplus for these investments is compliant with Ministry requirements, but does not directly affect the amounts reported in the operating analysis. Requests to proceed with the projects and the use of accumulated surplus will be submitted for approval according to Board policy.

14. **Extended Day Program**

The Extended Day Program (EDP) commenced operations in 2010. Significant growth in the program ensued and it now operates District-run programs in 65 schools and serves approximately 5,500 children. The program is closely tied to the operations of the District's kindergarten programs. In fact, ECEs who staff the EDP, before and after school, also partner with teachers during the core day to provide the kindergarten program.

Participation in the program continues to be strong. The revised estimates show only a small decrease of \$61,900 in user fee revenue. This anticipated revenue is aligned with the previous year's actual results.

Costs of the program have also changed. A net decrease in compensation costs totaling \$1.1 million is anticipated. The savings result from temporarily vacant positions that occur during the year, lower than anticipated needs for special education supports and overall rates of compensation that are less than budgeted.

The budget for supplies and services has also decreased by \$273,300. The savings substantially relate to the computer software that will be used to manage participant registration and billing. A large portion of the project costs relate to computer hardware and this equipment was acquired near the end of the 2018-2019 school year. Lower than anticipated software licensing costs are also a factor.

Anticipated costs are in general alignment with the previous year's results. Table 3 shows the original budget and revised estimates by category. The program is expected to have a large surplus for the year.

Table 3 – Extended Day Program Comparative Amounts

	Revised Estimates	Budget	Change
Revenues	\$ 17,888,700	\$ 17,950,600	\$ (61,900)
Expenses			
Compensation	14,597,500	15,712,300	(1,114,800)
Administrative Transfers (Comp)	588,100	588,100	-
Supplies and Services	746,500	1,026,500	(280,000)
Facility Transfers (Supplies)	340,300	333,600	6,700
	16,272,400	17,660,500	(1,388,100)
Surplus	1,616,300	290,100	1,326,200

A comprehensive analysis of the costing methodology and participation rates is nearing completion. The results of the analysis will be referenced during the 2020-2021 budget development process and reflected in the user fee recommendation for that year. The analysis will result in a better alignment of revenues and expenses.

15. **Child Care Program**

In September 2013 the District assumed the operations of four child care centres that had previously been run by the Ottawa School Day Nursery. The Infant, Toddler and Preschool (ITP) program operates at two sites and provides 96 licensed child care spaces.

The ITP program is eligible for general operating (GO) funding. GO funding is the grant provided to licensed not-for-profit child care programs by the City of Ottawa and covers direct operating, pay equity, and wage enhancement grants. The program also derives revenue from user fees and child care subsidies.

Table 4 shows the original budget and revised estimates by category. At this time, no significant changes are forecast in program revenues and expenses. Although the information would not normally be presented in the absence of a change in the estimates, the table is presented because the anticipated deficit will be fully supported using the EDP accumulated surplus.

Table 4 – Child Care Program Comparative Amounts

	Revised Estimates	Budget	Change increase (decrease)
Revenues	\$ 1,791,000	\$ 1,791,000	\$ -
Expenses			
Compensation	1,858,700	1,858,700	-
Supplies and Services	135,000	135,000	-
	1,993,700	1,993,700	-
Deficit	(202,700)	(202,700)	-

16. **Benefit Plan Surplus and Other Net Revenue Adjustments**

The revised estimates reflect a provision of \$1.5 million relating to the return of funds held by the District's former employee benefits plan administrator. The funds were being held to cover benefit claims during the windup of the former benefit plan. The funds are to be returned now that all District employees are members of provincial life and health benefit trusts. The provision is shown as a revenue increase.

Other net revenue adjustments result in a revenue decrease of \$459,400, most of which relates to decreased funding from OCENET. The 2019-2020 Budget projected special purpose funding from OCENET of \$1.5 million. This funding, which is separate from student fees, offsets an enrolment-based reduction in the School Operating grant that was introduced with the announcement of the 2019-2020 GSNs and relates to international students. The revised estimates anticipate funding of \$1.1 million will be required to offset the reduced grant revenue.

17. **Accumulated Surplus**

An accumulated surplus is the excess of revenues over expenses that has resulted over time.

The *Education Act* allows the Board to use its accumulated surplus to balance its operating budget, but it also restricts the use in any school year to 1% of the operating grants provided by the Ministry. For the 2019-2020 Revised Estimates, this amount is \$8.5 million. Approval to use accumulated surplus in excess of this amount must be obtained from the Ministry.

Table 5 presents the components of accumulated surplus and shows the anticipated use and alignment of the projected 2019-2020 net operating surplus of \$8.4 million. The District is within the 1% compliance required.

Table 5 – Accumulated Surplus Available for Compliance

	Projected as at 31 Aug 2020	Actual as at 31 Aug 2019	Change increase (decrease)
	\$	\$	\$
Available for compliance			
Restricted-committed capital	8,604,200	2,742,400	5,861,800
Internally appropriated			
Extended Day Program	3,487,100	2,073,400	1,413,700
Budgets carried forward	1,656,100	1,656,100	-
Business Systems	2,000,000	2,000,000	-
Contingencies	17,200,000	17,200,000	-
Unappropriated	1,041,600	16,709,900	(15,668,300)
	33,989,000	42,381,800	(8,392,800)

18. **In-Year Deficit Elimination Plan**

The Ministry now requires that a board approve a plan when a district is projecting an adjusted in-year deficit. The Plan must identify how the adjusted deficit will be eliminated within two fiscal years. The District's adjusted in-year deficit is projected to be just over \$8.2 million which is \$169,600 less than the compliance- based deficit of close to \$8.4 million. The adjustment relates to the amortization of Board-approved committed capital projects incurred between 1 September 2010 and 31 August 2019.

The District's preliminary plan submitted with the revised estimates proposes that the deficit be eliminated over two years through a combination of revenue adjustments and expense reductions. To provide for the greatest flexibility in budget planning for the coming years, the Plan identifies revenue reductions of \$1.5 million in 2020-2021 with offsetting reductions in staffing costs and portable relocations. The approach effectively defers substantially all of the deficit elimination to 2021-2022. For that year, the Plan identifies that savings will be obtained through reduced investments in MTCA and by aligning school renewal operating costs with available funding. The approach recognizes that significant cyclical investments in District infrastructure will have been completed.

The proposed plan which requires Board approval is attached as Appendix E. It will be reviewed during the development of the 2020-2021 Staff-Recommended Budget.

19. Summary

The District's 2019-2020 Revised Estimates include the impact of net enrolment changes which resulted in reduced revenue, the effect of increased attrition from classroom-based teaching positions, updates resulting from the RSL review of physical assets and reductions in EDP operating costs.

The enrolment decrease this year has reduced revenue, but this is also offset by cost savings mainly relating to teaching staff and additional student supports.

The revised estimates show expenses of \$977.8 million, revenues of \$969.4 million and a projected deficit of \$8.4 million. As required by the Ministry, this report includes a recommendation to approve the proposed deficit elimination plan.

RESOURCE IMPLICATIONS:

20. The District's 2019-2020 Budget showed a planned deficit of \$8.4 million. The District's 2019-2020 Revised Estimates continues to show a planned deficit of \$8.4 million. The deficit is compliant with the Ministry's budget compliance framework.

COMMUNICATION/CONSULTATION ISSUES:

21. The 2019-2020 Revised Estimates were prepared by Finance staff in consultation with other departments.

STRATEGIC LINKS:

22. Aligned with the 2019-2023 Strategic Plan's pillar of developing a culture of social responsibility, an effectively functioning Audit Committee and approach to risk management is a key component of the focus on sustainably allocating resources, in particular by enhancing operational practices to effectively and responsibly manage human and financial resources in support of students. Monitoring actual performance in relation to the Board's approved budget allows staff to identify opportunities to reallocate resources to address emerging needs and to respond to changes in revenue streams and expense patterns.

RECOMMENDATION:

THAT the Board approve the In-Year Deficit Elimination Plan attached as Appendix E to Report 20-003.

Mike Carson
Chief Financial Officer

Camille Williams-Taylor
Director of Education and Secretary of
the Board

Appendices:

Appendix A – Analysis of Changes in Revenues and Expenses

Appendix B – Comparative Summary of Expenses

Appendix C – Grants for Student Needs

Appendix D – Priorities and Partnership Funds and Other Deferred Revenues

Appendix E – In-Year Deficit Elimination Plan

	<u>Report Reference</u>	<u>Revised Estimates</u>
		\$
Planned Deficit in Original Estimates		<u>(8,443,500)</u>
Revenues Increase (Decrease)		
Grants for Student Needs		
Pupil Foundation	4	(196,200)
Adult Education, Continuing Education and Summer School	4	(552,900)
School Operations	4	(294,900)
Indigenous Education	4	427,200
Teacher Qualifications and Experience	4	(3,736,200)
Transportation	4,9	(831,200)
Minor Tangible Capital	4,13	7,193,500
Net Other (School Foundation, Learning, etc.)	4	<u>(94,000)</u>
		<u>1,915,300</u>
Other Revenue		
International Student Fees (OCENET)	7	(387,000)
Amortization of Capital Assets	12	(4,899,000)
Extended Day Program	14	(61,900)
Benefits Plan Surplus	16	1,500,000
Other Net Revenue Adjustments	16	<u>(459,400)</u>
		<u>(4,307,300)</u>
Total Decrease in Revenues		<u>(2,392,000)</u>
Expenses (Increase) Decrease		
Compensation Costs		
Compensation-Related Instruction Costs	5	1,406,300
Teacher Absences	6	(1,000,000)
Facilities	10	(133,500)
Other Non-Instruction	11	(9,900)
Extended Day Program	14	1,114,800
Child Care Program	15	<u>-</u>
		<u>1,377,700</u>
Non-Compensation Costs		
International Student Fees (OCENET)	7	144,600
Other Instruction	8	(294,900)
Student Transportation	9	(29,300)
Facilities	10	(3,694,100)
Other Non-Instruction	11	77,800
Amortization of Capital Assets	12	4,587,500
Extended Day Program	14	<u>273,300</u>
		<u>1,064,900</u>
Total Decrease in Expenses		<u>2,442,600</u>
Projected Deficit	19	<u><u>(8,392,900)</u></u>

In \$ Millions EXPENSE CATEGORY	2019-20					2018-19				
	Budget	Revised Estimates	YTD Nov 2019	Variance	% Spent	Budget	Revised Estimates	Actual	Variance	% Spent
				Revised minus Budget	Variance over Budget				Actual minus Budget	Var Actual over Budget
Instruction										
Salaries and Benefits	658.8	657.4	148.4	(1.4)	-0.2%	667.2	659.4	655.6	(11.6)	-1.7%
Salaries and Benefits (Occasional Teachers)	17.0	18.0	5.4	1.0	5.9%	16.9	19.0	19.9	3.1	18.1%
Staff Development, Supplies and Services	27.3	27.4	6.4	0.2	0.7%	26.4	27.4	19.7	(6.7)	-25.3%
Fees, Contractual and Rentals	10.4	10.4	4.0	(0.0)	-0.3%	9.8	10.0	12.2	2.4	24.8%
Instruction Sub-Total	713.5	713.3	164.2	(0.3)	0.0%	720.4	715.8	707.6	(12.8)	-1.8%
Continuing Education										
Salaries and Benefits	10.7	10.5	2.2	(0.2)	-1.6%	10.0	10.0	10.3	0.2	2.5%
Staff Development, Supplies and Services	0.5	0.6	0.1	0.1	11.8%	0.5	0.5	0.5	0.1	14.2%
Fees, Contractual and Rentals	0.5	0.5	0.2	-	0.0%	0.5	0.5	0.5	0.1	19.3%
Continuing Education Sub-Total	11.6	11.5	2.5	(0.1)	-1.0%	11.0	11.0	11.4	0.4	3.7%
Transportation										
Salaries and Benefits	1.2	1.2	0.5	-	0.0%	1.2	1.2	1.2	0.1	4.5%
Staff Development, Supplies and Services	0.4	0.4	0.2	-	0.0%	0.4	0.4	0.4	(0.1)	-13.1%
Fees, Contractual and Rentals	44.5	44.5	17.7	0.0	0.1%	39.9	40.6	40.3	0.4	1.0%
Transportation Sub-Total	46.0	46.1	18.4	0.0	0.1%	41.5	42.1	41.9	0.4	1.0%
School Facilities										
Salaries and Benefits	51.6	51.8	12.3	0.1	0.3%	52.1	52.1	52.3	0.2	0.4%
Staff Development, Supplies and Services	24.9	25.4	3.8	0.5	2.2%	24.5	24.2	25.4	0.9	3.7%
Fees, Contractual and Rentals	8.5	10.0	2.7	1.5	17.2%	8.5	9.8	10.8	2.3	26.6%
Other/Temporary Pupil Accommodation	1.9	3.0	0.4	1.1	56.9%	0.8	2.0	3.4	2.6	310.0%
Interest Charges on Capital	4.3	4.3	2.2	-	0.0%	6.2	6.2	6.0	(0.2)	-3.4%
School Facilities Renewal Expense	5.1	5.7	1.6	0.6	11.9%	5.7	5.7	6.6	0.9	15.9%
School Facilities Sub-Total	96.3	100.1	22.9	3.8	4.0%	97.8	99.9	104.4	6.7	6.8%
Central Administration										
Salaries and Benefits	17.2	17.4	4.2	0.2	1.1%	17.5	17.5	17.1	(0.4)	-2.2%
Staff Development, Supplies and Services	2.1	2.1	0.9	-	0.0%	2.1	2.1	1.9	(0.2)	-11.4%
Fees, Contractual and Rentals	2.1	1.9	0.2	(0.1)	-6.7%	1.9	1.9	1.6	(0.4)	-19.7%

Ottawa-Carleton District School Board

Comparative Summary of Expenses

2019-2020 Revised Estimates

In \$ Millions EXPENSE CATEGORY	2019-20					2018-19				
	Budget	Revised Estimates	YTD Nov 2019	Variance	% Spent	Budget	Revised Estimates	Actual	Variance	% Spent
				Revised minus Budget	Variance over Budget				Actual minus Budget	Var Actual over Budget
Central Administration Sub-Total	21.4	21.5	5.2	0.0	0.2%	21.5	21.6	20.5	(1.0)	-4.6%
Other										
Extended Day Program Compensation	16.3	15.2	0.8	(1.1)	-6.8%	16.0	16.2	15.5	(0.5)	-3.0%
Extended Day Program Supplies/Int Svcs	1.4	1.1	0.2	(0.3)	-20.1%	1.1	1.1	1.1	(0.0)	-0.8%
Child Care Program Compensation	1.9	1.9	0.4	-	0.0%	2.0	1.9	1.9	(0.1)	-3.6%
Child Care Program Supplies/Int Svcs	0.1	0.1	0.0	-	0.0%	0.1	0.1	0.1	0.0	2.8%
Recoverable Compensation (Secondments)	7.3	7.3	1.7	-	0.0%	7.2	7.2	7.4	0.2	2.9%
Remedy Payments and Legal Provisions	-	-	-	-	0.0%	-	3.3	2.9	2.9	0.0%
Fifty-Five Board Trust (Capital and Interest)	2.5	2.5	-	-	0.0%	2.5	2.5	2.5	-	0.0%
Other Sub-Total	29.5	28.1	3.0	(1.4)	-4.7%	28.8	32.3	31.4	2.6	9.0%
Amortization										
Ministry Approved Projects	61.8	56.9	15.1	(4.9)	-7.9%	53.4	55.9	49.7	(3.7)	-6.9%
Board Approved Projects	0.1	0.4	0.4	0.3	416.8%	0.0	0.0	0.1	0.1	163.4%
Amortization Sub-Total	61.8	57.2	15.5	(4.6)	-7.4%	53.4	56.0	49.8	(3.6)	-6.8%
Grand Total	980.2	977.8	231.6	(2.4)	-0.2%	974.3	978.7	966.9	(7.4)	-0.8%

Finance 2019.12.16 (numbers may not add due to rounding)

	Budget	Revised Estimates	Change increase (decrease)
	\$	\$	\$
Revenue			
Pupil Foundation-ADE only	385,621,536	385,425,261	(196,275)
School Foundation	53,511,209	53,403,779	(107,430)
Special Education	101,247,505	101,177,962	(69,543)
Language	34,707,951	34,812,797	104,846
Rural and Small Community Allocation	194,481	194,481	-
Learning Opportunity (includes mental health leader)	19,443,779	19,078,676	(365,103)
Adult Education, Continuing Education and Summer School	7,674,733	7,121,869	(552,864)
Cost Adjustment and Teacher Qualifications and Experience	101,927,896	98,261,195	(3,666,701)
ECE Qualification and Experience Allocation	3,897,242	3,827,749	(69,493)
New Teacher Induction Program (NTIP)	511,212	511,212	-
Restraint Savings	(279,158)	(279,158)	-
Transportation	43,895,596	43,064,411	(831,185)
Administration and Governance	20,747,693	20,734,389	(13,304)
School Operations	78,484,394	78,189,544	(294,850)
Community Use of Schools	1,078,910	1,078,910	-
Declining Enrolment Adjustment	-	-	-
Indigenous Education Allocation	2,283,685	2,710,885	427,200
Safe and Accepting Schools	1,905,160	1,902,757	(2,403)
Permanent Financing of NPF (Board 55 Trust)	2,523,115	2,523,115	-
	<u>859,376,939</u>	<u>853,739,834</u>	<u>(5,637,105)</u>
Revenue Deferrals			
Deferred Revenue - MTCA Allocation	(21,484,423)	(21,343,496)	140,927
Deferred Revenue - Rural and Northern Education Fund	(194,481)	(194,481)	-
Deferred Revenue - Special Education	(101,247,505)	(101,177,962)	69,543
Deferred Revenue - Library Staffing	(238,628)	(238,628)	-
Deferred Revenue - Student Achievement Envelope	(6,935,924)	(6,171,222)	764,702
Deferred Revenue - Indigenous Education	(751,180)	(750,457)	723
	<u>(130,852,141)</u>	<u>(129,876,246)</u>	<u>975,895</u>
Deferred Revenue Recognition and Adjustments			
Deferred Revenue (5.1) - Special Education	100,256,176	100,252,692	(3,484)
Deferred Revenue (5.1) - Library Staffing	238,628	238,628	-
Deferred Revenue (5.1) - Student Achievement Envelope	6,935,924	6,171,222	(764,702)
Deferred Revenue (5.1) - Indigenous Education PPA	751,180	750,457	(723)
Deferred Revenue - MTCA (Sch 5.1 Capital)	1,496,552	8,549,098	7,052,546
Deferred Revenue - School Renewal (this is maintenance)	5,087,333	5,087,333	-
Deferred Revenue - Interest on Capital Projects (OFA)	4,605,569	4,666,219	60,650
Deferred Revenue - Temporary Accommodation	859,131	1,091,329	232,198
Deferred Revenue - Rural and Northern Education Fund	194,481	194,481	-
Trustees' Association Fee	43,316	43,316	-
	<u>120,468,290</u>	<u>127,044,775</u>	<u>6,576,485</u>
Total Operating and Capital Support GSN	<u>848,993,088</u>	<u>850,908,363</u>	<u>1,915,275</u>

	Budget	Revised Estimates	Change from Budget increase (decrease)
	\$		\$
Priorities and Partnerships Funds			
After School Skills Development	58,268	138,498	80,230
Autism Pilot Project	247,595	34,000	(213,595)
Curriculum Implementation Funding	-	56,554	56,554
Enhancements to Support Experiential Learning	258,693	285,696	27,003
First Nations, Metis & Inuit Studies	-	69,600	69,600
Focus on Youth	476,000	476,000	-
Focusing on Fundamental Mathematics (replaces RMS)	1,682,261	1,236,000	(446,261)
French as a Second Language	-	313,826	313,826
Graduation Coach Program (Pilot for Black Students)	-	224,162	224,162
Human Rights and Equity Advisor	-	170,430	170,430
Identity-Based Data Collection, Analysis and Use	-	46,720	46,720
Indigenous Support and Engagement Initiative	100,000	-	(100,000)
Keeping Students in School	-	47,747	47,747
Mental Health Workers in Schools	607,188	616,024	8,836
Mental Health & Well Being	180,755	-	(180,755)
OSSTF Education Workers Apprenticeship Training	425,997	150,404	(275,593)
Parents Reaching Out	84,475	40,521	(43,954)
Prepare for Recreational Cannabis	-	44,401	44,401
Safe, Inclusive, and Accepting Schools	-	90,482	90,482
Specialist High Skills Major	343,998	367,548	23,550
Teacher Learning and Leadership Program	50,000	50,000	-
Transportation Funding for Children and Youth in Care	167,378	192,193	24,815
	4,682,608	4,650,806	(31,802)
Other Deferred Revenues			
Literacy and Basic Skills (Advanced Education & Skills Dev)	831,469	831,469	-
English as a Second Language (Citizenship & Immigration)	1,886,552	1,757,425	(129,127)
Ottawa Network for Education (ONFE) Breakfast Program	555,978	601,926	45,948
Ontario Works	538,574	558,261	19,687
Council of Ontario Directors of Education (CODE) Summer Learning	-	58,855	58,855
Ontario Early Years Child & Family Centre	563,952	563,952	-
	4,376,525	4,371,888	(4,637)
Total	9,059,133	9,022,694	(36,439)

	\$
Adjusted In-year Deficit in 2019-2020	(8,223,286)
<hr/>	
Preliminary 2020-2021 Adjustments	
ADE-related teacher staffing decrease	1,125,000
Reduced costs relating to portable relocations	400,000
Revenue reductions	<u>(1,500,000)</u>
2020-2021 Net Reduction	<u>25,000</u>
Preliminary 2021-2022 Adjustments	
Reduced minor tangible capital investments including those relating to completed work on broadband modernization, WIFI infrastructure and school furniture and equipment renewal	7,598,286
Align school renewal operating costs to funding	<u>600,000</u>
2021-2022 Net Reduction	<u>8,198,286</u>
Planned in-Year Deficit in 2021-2022	-
<hr/>	



COMMITTEE OF THE WHOLE BUDGET Report No. 20-021

4 February 2020

2020-2021 Budget Process

Key Contact: Mike Carson, Chief Financial Officer, 613-596-8211 ext. 8881

PURPOSE:

1. To provide information regarding the 2020-2021 budget development cycle and to review the components of the Ministry of Education funding model.

CONTEXT:

2. The budget process for the OCDSB has been relatively unchanged over the last few years. The number of meetings and timing of reports have been dependent upon the timing of Ministry funding announcements.

The “budget binder”, the core working document for budget debate purposes has expanded over the years in response to Committee of the Whole Budget (COW Budget) requests for additional detail. As a result, there are several areas in the document that show reconciliations of expenses by funding envelope and reconciliations of expenses by department. These analyses, while useful, can be confusing to the reader given both the volume of information and how the same information is sometimes presented in multiple areas. As a result, the document may have hindered discussion, debate and decisions during previous meetings.

This year, a change is proposed in response to comments received at past COW Budget meetings. The change would reduce the volume of information provided to committee members by removing the detailed departmental analyses. Removing the analyses would enhance the presentation of information to, where possible, more readily demonstrate how recommended expenditure changes align with the 2019-2023 Strategic Plan. The full budget document would continue to be available online so that interested individuals may delve deeper into departmental budget allocations.

KEY CONSIDERATIONS:

3. **Education Funding**

A key requirement for effective decision making is a shared understanding of the constraints and opportunities that are presented to COW Budget and the Board. Appendices A and B are two Ministry publications that may assist in the development of the shared understanding.

Appendix A, 2019-20 Education Funding-A Guide to the Grants for Student Needs, summarizes the provincial funding model employed by the Ministry to allocate funds to all Ontario school boards. It elaborates on the different grants that comprise the Grants for Student Needs (GSNs) and acknowledges that local school boards have significant flexibility in how the funds are used to meet local priorities in support of student achievement. Appendix B, 2019-20 Education Funding-A Guide to the Special Education Grant, provides additional detail on special education funding.

The GSNs, with a focus on funding provided to the District, will be reviewed at the 4 February COW Budget meeting.

4. **Financial Resources Available for Decision-Making**

Over the years, questions have been raised in regards to the amount of financial resources over which the committee has specific decision-making authority. Generally speaking, costs can be divided into three categories.

The first category relates to spending that is tied to staffing costs and/or provincial regulation. For instance, the Ministry has established class size ratios that affect staffing levels. To meet class size requirements, the District must employ a sufficient number of teaching staff as influenced by both regulation and collective agreements. The staffing ratios may also apply to other staff such as early childhood educators that support kindergarten students. Other positions are also staffed based on restrictions imposed by specific requirements of various grants.

The second category represents those costs that are not specifically regulated, but which must be incurred for both regulatory compliance and operational purposes. While there is some flexibility in the ultimate amount allocated to this category, there is recognition that not incurring the costs would affect student achievement or may pose a risk to meeting overall expectations and obligations. Examples of costs that fall within this category include student transportation, cleaning and maintenance needs, principals and vice-principals, office staff (school based and central), and professional and para-professional staff. As well, the administrative infrastructure which supports students must be provided.

The third category represents those areas where more flexibility exists, particularly in relation to the second category. Funds committed to meet the needs identified in the first two categories reduce the resources available for other priorities that promote the objectives and outcomes identified in the District's 2019-2023 Strategic Plan.

Staff will present a summary of these categories as part of the budget development process. As always, the allocations between categories two and three are subject to professional judgement and as a result the estimates will normally be provided in a range.

5. **Budget Development Timeline**

As previously mentioned, the budget development timeline is influenced by the timing of Ministry funding announcements. Confirmation of the level of funding is critical to ensure that resources available to meet student needs are fully employed and that a budget is developed in compliance with statutory requirements. Given this fact, the timing of meetings and other budget development activities may be advanced or delayed. Shown below is the anticipated timeline for approval of the 2020-2021 Budget.

4 February 2020	Update on budget development and emerging issues
3 March 2020	Discussion report on academic staffing
24 March 2020	Approval of academic staffing
11 May 2020	Update, including information on GSNs
25 May 2020	Presentation of the staff recommended budget
1 June 2020	Public delegations and committee questions
8 June 2020	Budget debate continues
15 June 2020	Budget debate (if required) and recommendations to Board
22 June 2020	Board approval of staff-recommended budget

Two appendices have been provided to assist with understanding the budget development timeline. Appendix C-Schedule of Budget and Reporting Functions presents a summary that not only includes budget development activities, but also shows other important complementary tasks such as preparing consolidated financial statements, projecting student enrolment and forecasting financial results. Appendix D - OCDSB's Annual Budget Development Cycle demonstrates the cyclical nature of budget development activities and recognizes the need to align resources with the strategic plan.

6. **Underlying Assumptions**

Assumptions must be made when developing a budget. These include expectations regarding provincial funding, enrolment levels in elementary and secondary grades, and cost pressures and emerging needs. In developing recommendations for 2020-2021, staff will also assume:

- some level of deficit spending, but below the 1% threshold that would trigger the requirement for Ministry approval of the use of accumulated surplus;
- the reallocation of existing dollars to address emerging challenges and opportunities; and
- that use of the accumulated surplus will be focused on one-time needs.

RESOURCE IMPLICATIONS:

7. The OCDSB has a combined operating and capital budget of approximately \$1.0 billion. The Board has a fiduciary responsibility to ensure the effective administration of these funds. Development and approval of the annual budget is a key part of the Board's responsibilities.

COMMUNICATION/CONSULTATION ISSUES:

8. The budget consultation process will reach out to parents, school councils, students, OCDSB advisory groups, staff and the general public. The goal of the consultation will be to make the community aware of the budget process and provide them with an opportunity to provide feedback to staff, trustees and other Budget Committee members. The consultation process will involve a variety of formats in order to maximize the opportunity to reach these groups.

The District's website provides a landing page for financial information. On this page is a quick link to both the current budget and budgets for prior years. Relevant supporting information such as budget questions and answers are also available. Access to all public documents, such as budget reports and staff presentations, are easily accessed from the webpage.

As has been done in the past, an email link for budget questions and comments has been established. While individual responses are not always possible, every effort will be made to answer these questions in a timely manner. Answers will be posted to the website and will be considered by staff in developing the budget recommendations.

We are continuing to consider alternate ways of receiving input. Staff understands that trustees have received valuable input through their own zone meetings. Where schedules allow, staff will provide support at those zone meetings, if required.

Staff customarily attends meetings of other committees including the Special Education Advisory Committee (SEAC) and the Advisory Committee on Equity (ACE). The presentations provided at the meetings are based on those presented at COW Budget.

All input during the 2020 consultation phase would be submitted, ideally, by early March.

STRATEGIC LINKS:

9. The 2019-2023 Strategic Plan calls for the development of a Culture of Social Responsibility. One of our stated goals is to "Foster progressive stewardship of the environment, and human and financial resources." Development and approval of the annual budget is a key component of strong governance. Thoughtful and prudent allocation of funding is required to ensure that students, staff and the District can achieve their goals.

GUIDING QUESTIONS:

10. The following questions are provided to support the discussion of this item:
- Is there support for the proposed changes to enhance the presentation of information to, where possible, more readily demonstrate how recommended expenditure changes align with the 2019-2023 Strategic Plan?
 - Are there emerging issues and opportunities that members believe should be considered during the development of the 2020-2021 Staff-Recommended Budget?

Michael Carson
Chief Financial Officer

Camille Williams-Taylor
Director of Education and Secretary of
the Board

Appendix A - 2019-20 Education Funding: A Guide to the Grants for Student Needs
 Appendix B - 2019-20 Education Funding: A Guide to the Special Education Grant
 Appendix C - Schedule of Budget and Reporting Functions
 Appendix D - OCDSB's Annual Budget Development Cycle

2019-20 Education Funding

A Guide to the Grants for Student Needs



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Introduction

This guide is intended to provide a simpler explanation of how education is funded in Ontario through the Grants for Student Needs, or GSN. It also sets out the accountabilities of school boards and the Ministry of Education for the use of education dollars and discusses efforts to continuously improve the formulas used to fund education in Ontario.

How funding is structured

The Ministry of Education provides the majority of operating funding to Ontario's 72 district school boards¹ through the annual GSN, also known as "the funding formula." The GSN is a collection of grants described in detail in an annual regulation under the *Education Act*.

Many grants are made up of two or more components, which are called "allocations." This guide sets out the funding provided by each grant and gives an explanation of the major allocations within it, including a high-level description of the calculation.

Funding entitlements for school boards can be generated on a per-pupil, per-school, or per-board basis depending on the structure of each grant within the GSN regulation. There are two major components of the GSN:

- **The Foundation Grants** cover the basic costs of an educational experience that is common to all students, which is allocated based on student enrolment and the number of schools.
- **The Special Purpose Grants** address the unique needs of students, schools and school boards related to location, student and school needs, and a board's demographic profile.

The ministry recognizes that conditions vary widely across Ontario and the funding formula cannot take every situation into account. This is why local school boards have flexibility in how they use funding, within the overall accountability framework discussed in the next section.

1. There are also 10 school authorities, consisting of four geographically isolated boards and six hospital-based school authorities.

In addition to GSN funding, school boards also receive funding from the ministry for special, often time-limited programs, and from other ministries for specific purposes related to their mandates.

School boards may also raise funds on their own. Examples include renting out excess school space or charging fees for enhanced programming. These funds, however, should not be used to replace public funding for education or to support items funded through provincial grants. *A Guideline for School Fundraising* and a *Fees for Learning Materials and Activities Guideline* may be found on the Ministry of Education website (www.edu.gov.on.ca).

Accountability for education funding

The government is committed to restoring faith in Ontario's public institutions. As the province expects to invest about \$24.66 billion in education in the 2019-20 school year, a major part of enhancing public confidence is ensuring accountability for the use of these resources.

The province, through the Ministry of Education, is accountable for the public education system as a whole and the policy decisions that determine funding for school boards. Given their key role in providing services at the local level, school boards have important accountabilities to students, parents, the ministry and others with a stake in public education.

A cornerstone of Ontario's publicly funded education system is the principle that school boards have a responsibility to ensure the effective stewardship of resources. Thoughtful, transparent budgeting, aligned with a focused strategy, is vital and integral to this goal.

With respect to the GSN, a robust financial accountability framework has been developed between school boards and the province. This framework recognizes that accountability to the ministry must be balanced against the need for school board flexibility to address local conditions. It includes:

- Legislative requirements, such as the provision that school boards balance their budgets;
- Requirements around budgeting and financial reporting, as well as monitoring, audit, review and, in some cases, supervisory activities by the province;
- Enveloping, which means requiring that certain grants be used only for the purpose intended; and
- Program/grant-specific reporting requirements overseen by various branches of the ministry.

Another important activity that supports accountability is collaboration. Ontario has a proud tradition of open and frank conversations about education funding. Through these conversations, the funding formula benefits from the perspectives of others in the system.

The ministry engages with many partners, including:

- School board representatives
- Trustees' associations
- Indigenous partners
- Principals and vice-principals
- Teachers' federations and education worker unions
- Parent groups
- Student groups

Regular engagement and other collaborations are invaluable in holding all parties, including the government, accountable for the ways education is funded. Annual adjustments are made to grants, informed by the ministry's ongoing discussions with the sector.

Foundation Grants

Pupil Foundation Grant

This grant, which accounts for about half of the GSN, supports the elements of a classroom education that are generally common to all students. As the largest single element of the GSN, it provides funding for the salaries of classroom teachers, early childhood educators in kindergarten classes, educational assistants, and other teaching staff such as teacher librarians and guidance counsellors. It also funds textbooks, classroom supplies and classroom computers.

In 2019-20, this grant will be adjusted primarily for the proposed changes to class sizes for students in grades 4-8 and grades 9-12.

The grant is calculated on a per-pupil basis. There are four different per-pupil amounts at the elementary level, depending on the grade in which a student is enrolled – kindergarten (JK and SK), primary (Grades 1 to 3), junior (Grades 4 to 6), intermediate (Grades 7 to 8). There is also one per-pupil amount for secondary students.

In general terms, for classroom teachers, the per-pupil amounts reflect benchmark salaries and benefits, class size requirements and the need for preparation time. For other staff, the per-pupil amount is based on salaries and benefits and staffing levels.

For 2019-20, the Pupil Foundation Grant is projected to be \$10.57 billion.

School Foundation Grant

This grant provides funding for principals, vice-principals and office support staff, as well as administrative supplies. It is divided into an elementary school and a secondary school portion. This grant includes measures which:

- Recognize a school's size as well as its remoteness and whether it is operating in a minority language context; and
- Provide greater funding overall for principals in combined elementary and secondary schools (subject to minimum enrolment limits), and in elementary or secondary schools with multi-buildings (subject to minimum enrolment limits).

For 2019-20, the School Foundation Grant is projected to be \$1.52 billion.

Special Purpose Grants

Special Education Grant

This grant provides boards with funding for programs, services, and/or equipment for students with special education needs. Boards may use the grant only for special education, and must set aside any unspent funding to use for special education in a future school year. There is flexibility in how they may use some of the individual allocations within the grant, as long as the funds are spent on special education.

For 2019-20, the Special Education Grant is projected to be \$3.10 billion and is made up of six allocations:

Allocation	Amount
Special education per pupil amount	\$1.57 billion
Differentiated special education needs amount	\$1.14 billion
Special equipment amount	\$0.12 billion
Other (consists of three allocations)	\$0.27 billion
Total	\$3.10 billion

- The **special education per pupil amount** provides every board with foundational funding towards the cost of special education supports. It is calculated using a board's total enrolment and a per-pupil amount. There are different per-pupil amounts for kindergarten to Grade 3 pupils, Grade 4 to 8 pupils, and Grade 9 to 12 pupils. The per-pupil amounts in the earlier grades are higher to direct more funding towards early intervention.
- Recognizing the variation across boards in the share of students with special education needs, the nature of the needs, and boards' ability to meet them, the **differentiated special education needs amount (DSENA)** aims to better align the allocation with boards' needs and resources.
- Under the **special equipment amount**, each board receives a base amount plus a per-pupil amount, which together may be used to buy computers, software and other equipment for students with special education needs, in line with funding guidelines. In addition, boards may submit claims to recover the costs, less a deductible, of other equipment recommended by a qualified professional for a student with specific special education needs.

- There are **three other** allocations of the grant. The special incidence portion for students who require more than two full-time staff to address their health and safety needs and those of others at their school. The care, treatment, custody, and correctional amount (previously named the facilities amount) for providing instruction in a care, treatment, custody or correctional facility, and an amount to support board-level expertise in applied behavioural analysis.

Language Grant

This grant provides funding to meet school boards' costs for language instruction.

For 2019-20, the Language Grant is projected to be \$866.8 million and is made up of five allocations:

Allocation	Amount
English as a second language/English literacy development (ESL/ELD)	\$362.1 million
French as a second language (FSL)	\$282.6 million
French as a first language (FFL)	\$87.8 million
Programme d'appui aux nouveaux arrivants (PANA)	\$10.0 million
Actualisation linguistique en français (ALF)	\$124.3 million
Total	\$866.8 million

- **English as a second language/English literacy development** funding, available only to Ontario's 60 English-language school boards, supports students who need extra help developing proficiency in English. It consists of two components:
 - Recent immigrant component: to support students who are eligible based on their country of birth and who have been in Canada four years or less.
 - Diversity in English-language learners' component: based on an estimate of the number of children in a school board whose language spoken most often at home is neither English nor French.
- **French as a second language** funding, available only to Ontario's 60 English-language school boards, supports the costs of French instruction. It provides a per-pupil amount for each student. At the elementary level, the amount varies depending on whether the pupil is taking core French (20-59 minutes of instruction per school day for students in Grades 4 to 8), extended French (60-149 minutes of instruction per school day for students in Grades 4 to 8), or is in a French immersion program (150 minutes or more of instruction per school day for students in JK to Grade 8). At the secondary

level, the amount reflects both the student's grade level and whether the course covers French as a subject or another subject taught in French as well as the credit value of the course.

- **French as a first language** funding, available only to Ontario's 12 French-language school boards, recognizes the higher costs of instructional materials and support to provide French-language programs. It is made up of per-pupil amounts for boards' elementary and secondary enrolment and a fixed amount for each new elementary school in a French-language board in the current school year.
- The **programme d'appui aux nouveaux arrivants** funding, available only to Ontario's 12 French-language school boards, supports students from eligible countries who are newly arrived in Canada and do not have a Charter right to education in French, but have been admitted to French-language school boards and require extra help developing proficiency in French.
- **Actualisation linguistique en français** funding, available only to Ontario's 12 French-language school boards, supports students who have a right to education in French because it is the language of one or both of their parents, but need extra help developing proficiency in French. It is calculated using a per-pupil amount that varies using a factor based on census data that measures a board's cultural environment. The factor reflects the share of school-age children with at least one parent having French as their first official language spoken.

Indigenous Education Grant

The Indigenous Education Grant supports programs and initiatives that support Indigenous learning, and are aimed at improving Indigenous student achievement and well-being.

For 2019-20, the Indigenous Education Grant is projected to be \$80.2 million and is made up of four allocations:

Allocation	Amount
Indigenous languages	\$11.8 million
Indigenous studies	\$40.8 million
Per-pupil amount	\$21.7 million
Board action plans	\$5.8 million
Total	\$80.2 million

- The **Indigenous languages** allocation supports elementary and secondary Indigenous languages programs. At the elementary level, funding is based on the number of pupils enrolled in an Indigenous language program and

the average daily minutes of instruction. At the secondary level, funding is provided on a per-pupil credit amount for Grades 9 to 12 students.

- The **Indigenous studies** allocation supports secondary credit courses in Indigenous studies, providing a per-pupil credit amount for Grade 9 to 12 students.
- The **per-pupil amount** allocation supports Indigenous students, and reflects the estimated percentage of Indigenous students in a board's schools, based on census data. Some of these funds may be used to support a dedicated Indigenous Education Lead in each school board.
- The **board action plans** allocation funds the implementation of programs and initiatives that support Indigenous learning and are aimed at improving Indigenous student achievement and well-being.

Geographic Circumstances Grant

This grant recognizes the higher costs related to the remoteness of rural boards and schools. It takes into account several factors, including board and school size, board distance from urban centres and dispersion of schools over a board's geographic area.

In 2019-20, the Geographic Circumstances Grant is projected to be \$214.7 million and it is made up of three allocations:

Allocation	Amount
Remote and rural	\$117.7 million
Supported schools	\$75.9 million
Rural and Northern Education Fund	\$21.1 million
Total	\$214.7 million

- The **remote and rural** allocation provides funding to boards with enrolment of less than 16,000, boards that are distant from large urban centres, and boards whose schools are far from board offices and one another.
- The **supported schools** allocation helps make small, remote schools more viable by providing additional funding for teachers and, in some cases, early childhood educators. A school's eligibility is based on distance to the board's closest school of the same type (that is, elementary to elementary and secondary to secondary) with funding varying based on school enrolment.
- The **Rural and Northern Education Fund** allocation provides funding for school boards to further improve education for students in rural and Northern communities through support for additional operating expenses, enhanced student transportation options and improved programming or staff supports.

Learning Opportunities Grant

The Learning Opportunities Grant provides funding to help students who are at greater risk of lower academic achievement.

In 2019-20, The Learning Opportunities grant is projected to be \$514.2 million and is made up of 9 allocations:

Allocation	Amount
Demographic	\$366.1 million
Student achievement envelope (consists of 6 allocations)	\$137.7 million
Other (consists of 2 allocations)	\$10.5 million
Total	514.2 million

- The **demographic** allocation is based on social and economic indicators that signal a higher risk of academic difficulty for students. The indicators are low household income, low parental education, a one-parent household and recent arrival in Canada. This allocation is distributed to boards based on the ranking of each of their schools on these measures, and a weighting of the measures themselves. Boards can use this funding for initiatives such as breakfast programs, homework clubs, reading recovery and independent supports.
- The **student achievement envelope** comprises six discrete allocations. These allocations directly support programs to improve student achievement. There is flexibility in how boards may use the individual allocations, as long as the total funding is spent on the programs within the envelope. Any unspent funding must be used on the programs within the envelope in a future school year. The allocations are for:
 - **Literacy and math outside the school day**, which funds remedial courses or classes for students who are at risk of not meeting the curriculum standards for literacy or math and/or the requirements of the Grade 10 literacy test.
 - **Student success, Grade 7 to 12**, which funds a range of resources and activities to improve student engagement in secondary schools.
 - **Grade 7 and 8 student success and literacy and numeracy teachers**, which recognizes the importance of helping students in earlier grades so they are better prepared for the transition to secondary school and beyond.
 - **Ontario focused intervention partnership tutoring**, which helps boards set up and/or expand tutoring programs for students who are not achieving the provincial standard in reading, writing or math.

- **Specialist high skills major program**, which allows students to customize their secondary school experience and build on their strengths and interests by focusing on a specific economic sector.
- **Outdoor education program**, which provides elementary and secondary students with learning experiences in the outdoors.
- The **other** allocations of this grant provide funding for teacher-librarians and/or library technicians and an adjustment to reflect the impacts of amalgamating school authorities.

Safe and Accepting Schools Supplement

This funding supports the Safe Schools Strategy and provides targeted support to secondary schools in priority urban neighbourhoods.

In 2019-20, the Safe and Accepting Schools Supplement is projected to be \$49.7 million and is made up of two allocations:

Allocation	Amount
Safe and accepting schools	\$39.7 million
Urban and priority high schools	\$10.0 million
Total	\$49.7 million

- The **safe and accepting schools** allocation includes two components. One supports non-teaching staff such as social workers, child and youth workers, psychologists, and attendance counsellors who work to prevent and mitigate risks to the school environment. The other supports programs for long-term suspended and expelled students, and prevention and intervention resources. Both components provide a per-pupil amount and also reflect a board's demographic characteristics and dispersion distance.
- The **urban and priority high schools** allocation helps boards respond to challenges in select secondary schools, such as a lack of access to community resources, poverty, conflict with the law, academic achievement issues or a combination of these factors.

Continuing Education and Other Programs

This grant supports a range of programs aimed at adult learners and day school students, including secondary students who have completed more than 34 credits and wish to continue their studies.

In 2019-20, the Continuing Education and Other Programs Grant is projected to be \$137.9 million and is made up of 8 allocations:

Allocation	Amount
Adult day school	\$15.6 million
High-credit day school	\$5.2 million
Summer school	\$33.4 million
Continuing education	\$54.0 million
Other (consists of 4 allocations)	\$29.7 million
Total	\$137.9 million

- The **adult day school** allocation supports day school programming for students who are at least 21 years of age as of December 31 of the current school year.
- The **high-credit day school** allocation is for day school programming for secondary students who have completed more than 34 credits and wish to continue their studies.
- The **summer school** allocation supports programming offered during the summer for day school pupils.
- The **continuing education** allocation supports a variety of programs delivered inside and outside the classroom (for example, through correspondence, self-study or e-learning), including credit courses for the purpose of earning a secondary school graduation diploma.
- The **other** allocations support the following: teaching of international and Indigenous languages at the elementary level; assessments of mature students' prior learning; adult day school teacher funding supports; and a recovery amount for each international fee-paying student attending schools in Ontario.

Cost Adjustment and Teacher Qualifications and Experience Grant

This grant provides for a variety of compensation related funding adjustments for teachers and other staff.

In 2019-20, the Cost Adjustment and Teacher Qualifications and Experience Grant is projected to be \$2.83 billion and includes 8 allocations:

Allocation	Amount
Teacher qualifications and experience	\$1.73 billion
Early childhood educator qualifications and experience	\$0.13 billion
Benefits trusts	\$0.24 billion
Teacher job protection funding	\$0.69 billion
Other (consists of 4 allocations)	\$0.27 billion
Total	\$2.83 billion

- The **teacher qualifications and experience** allocation provides funding to boards with teachers that, because of their qualifications and years of experience, have average salaries different from the benchmark used in the Pupil Foundation Grant.
- In 2019-20, the ministry is introducing a new **teacher job protection funding** allocation. Funding is being provided for up to four years to protect classroom teachers impacted by the proposed changes to class size and e-learning, allowing school boards to phase in these proposed changes.
- The **benefits trusts** allocation provides the incremental funding required to support the transition of benefits plans (health, life and dental benefits) for staff to the Employee Life and Health Trusts.
- The **other** allocations under this grant include historical adjustments to the funding of non-teaching salary costs and funding for programs to mentor and train new teachers, as well as additional support for professional development for teachers and education workers.

Student Transportation Grant

This grant provides school boards with funding to transport students to and from school.

In 2019-20, the Student Transportation Grant is projected to be \$1.1 billion. The grant is based on the previous year's amount, with a number of possible adjustments and/or additional allocations:

- The **enrolment adjustment** allocation is made available only for school boards with increasing enrolment, and is based on the percentage increase in enrolment.
- The **cost update adjustment** allocation, which recognizes the increasing costs of providing transportation services, is 4% for 2019-20. The calculation applies the adjustment factor to each board's 2018-19 transportation grant.
- The **fuel escalator and de-escalator** allocation provides funding adjustments (increases or decreases) by comparing the actual price of diesel fuel for southern school boards and northern school boards to a benchmark price.
- New in 2019-20, the ministry will provide **transportation stabilization funding** to school boards that run efficient transportation operations but for which the costs of student transportation exceed funding provided for that purpose.
- **Other** allocations within this grant cover transportation to provincial or demonstration schools, school bus rider safety training, impacts of effectiveness and efficiency reviews of transportation consortia.

Declining Enrolment Adjustment

Much of a school board's revenue is determined by enrolment. When enrolment goes down, funding also declines. School boards can adjust their costs downward as well, but this may take more than one year. The declining enrolment adjustment recognizes this need for extra time.

In 2019-20, the Declining Enrolment Adjustment is projected to be \$11.9 million and is made up of two components:

Component	Amount
First-year	\$10.1 million
Second-year	\$1.8 million
Total	\$11.9 million

- The **first-year** component is based on a weighting of the difference between 2019-20 eligible revenues if enrolment had not changed from the previous year and 2019-20 revenue calculated using the current year's enrolment. It is available only if the current year's enrolment is less than the previous year's.
- The **second-year** component is 25% of a school board's 2018-19 first-year component.

School Board Administration and Governance Grant

This grant provides funding for board administration and governance costs, including those related to board-based staff and board offices and facilities.

In 2019-20, the School Board Administration and Governance Grant is projected to be \$683.0 million and is made up of 9 allocations:

Allocation	Amount
Board administration	\$574.0 million
Program leadership	\$67.0 million
Other (consists of 7 allocations)	\$41.9 million
Total	\$683.0 million

- The **board administration** allocation, developed in consultation with school boards, provides funding for board-level leadership, staff and related supplies and services. The model recognizes ten core functions that all boards, regardless of size, must perform. At the same time, it recognizes that enrolment is an important driver of administrative expenses.
- The **program leadership allocation** provides funding to support six lead positions (mental health, technology, Indigenous, school effectiveness, student success and early years).
- The **other** allocations include funding for trustee compensation, parent engagement, consolidation accounting, internal audit, supports to improve school boards' information management, and the transformation of learning and teaching in the physical and virtual environment.

School Facility Operations and Renewal Grant

This grant supports the costs of operating, maintaining and repairing school facilities. Under the formula, funding is adjusted for boards that have older schools with unique design features such as wide hallways, large shop spaces, and auditorium spaces.

In 2019-20, the School Facility Operations and Renewal Grant is projected to be \$2.50 billion and includes two allocations:

Allocation	Amount
School operations	\$2.14 billion
School renewal	\$0.36 billion
Total	\$2.50 billion

- The **school operations** allocation, which addresses operating costs such as heating, lighting, maintenance and cleaning of schools, consists of several components. The largest component is based on a benchmark operating cost associated with a standard floor area for each elementary and secondary pupil.
- The **school renewal** allocation addresses the costs of repairing and renovating schools. Like the operations allocation, it consists of a number of components. The largest component is based on a benchmark renewal cost associated with a standard floor area for each elementary and secondary pupil. Funding is also adjusted to reflect the renewal needs of older schools and regional variations in construction costs.

Conclusion

Determining the best way to allocate funding and use public resources effectively in our school system is an ongoing process.

For an effective education system, we must stay attuned to and gather information on the evolving needs of students, increasing school board costs, and how well our funding approaches support student achievement outcomes.

This guide has provided high-level summaries of grants, their purposes and their funding mechanisms. It is not intended to describe the legal requirements around grant amounts or allocation methods. Readers looking for that information should consult the [Grants for Student Needs – Legislative Grants for the 2019-20 School Board Fiscal Year](#) regulation. The 2019-20 [Technical Paper](#) provides additional information on the calculations underlying many of the grants and more information about grants not discussed in detail here.

2019-20 Education Funding

A Guide to the Special Education Grant



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Some of the elements and proposals set out in this document can only take effect if certain regulations are made by the Lieutenant Governor in Council under the *Education Act*. Such regulations have not yet been made. Therefore, the content of this Guide should be considered to be subject to such regulations, if and when made.

Introduction

Special Education in Ontario

This guide provides an overview of special education and how it is funded in Ontario. The goal is to provide a clear explanation of the funding model for interested partners in the education sector.

The Ministry of Education allocates funding to Ontario's 72 district school boards¹. In addition to the Pupil Foundation Grant and other grants within Grants for Student Needs funding, the ministry allocates funding for students with special education needs through the Special Education Grant. School boards also have the ability to use other allocations of the Grants for Student Needs to support students with special education needs. The goal is to ensure equity in access to learning for all students with special education needs.

The *Education Act* mandates all school boards to provide special education programs and/or services for students with special education needs. This includes students receiving special education programs and/or services who have been identified as exceptional by an Identification, Placement and Review Committee (IPRC) and students receiving special education programs and/or services who have not been identified as exceptional by an IPRC.

All students receiving special education programs and/or services, whether identified as exceptional or not, should have an Individual Education Plan. An Individual Education Plan is a written plan describing, among other things, the special education programs and/or services required by a particular student, based on a thorough assessment of the student's strengths and needs.

1. There are also 10 School Authorities, consisting of four geographically isolated boards and six hospital-based school authorities.

There are five categories and twelve definitions of exceptionalities, as follows:

- **Behaviour** – behaviour
- **Intellectual** – giftedness, mild intellectual disability, developmental disability
- **Communication** – autism, deaf and hard-of-hearing, language impairment, speech impairment, learning disability
- **Physical** – physical disability, blind and low vision
- **Multiple** – multiple exceptionalities

These five categories of exceptionalities are designed to address the wide range of conditions that may affect a student's ability to learn, and do not exclude any medical condition, whether diagnosed or not, that can lead to particular types of learning difficulties. All students with demonstrable learning-based needs are entitled to appropriate support in the form of special education programs and services, including classroom-based accommodations.

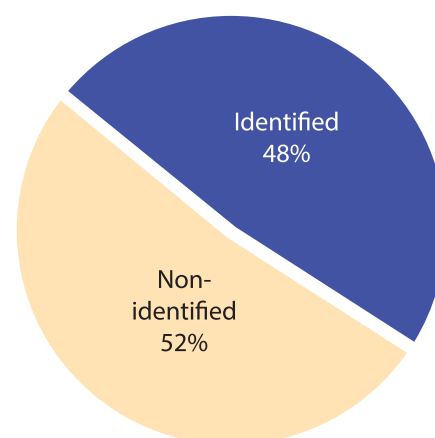
Overview of Students Receiving Special Education Programs and/or Services

Data from the Ontario School Information System showed that in 2017-18², 17.6 per cent of students in Ontario's publicly funded school system were receiving special education programs and/or services. In total there were 355,398 students receiving special education programs and/or services out of the total of 2,020,301 Junior Kindergarten to Grade 12 students. Approximately 48 per cent of students with special education needs had been identified through the IPRC process. In addition, school boards reported that approximately 85 per cent were in regular classrooms for more than half the instructional day.

OVERVIEW OF STUDENTS RECEIVING SPECIAL EDUCATION PROGRAMS AND/OR SERVICES 2017-18

Students formally identified as "Exceptional" by an IPRC*

	Number of students	Percentage of panel	Percentage of all students
Elementary	87,233	6.3%	4.3%
Secondary	84,713	13.5%	4.2%
Total	171,946		8.5%



Students NOT formally identified as "Exceptional" by an IPRC*

	Number of students	Percentage of panel	Percentage of all students
Elementary	124,225	8.9%	6.1%
Secondary	59,227	9.4%	2.9%
Total	183,452		9.1%

*IPRC – Identification, Placement and Review Committee

2. Source: As reported by schools in Ontario School Information System (OnSIS), 2017-2018 (preliminary as of November 5, 2018 with all schools that met identified criteria with signed off submissions). Data includes public and Roman Catholic schools and school authorities. Data excludes private schools, publicly funded hospital and provincial schools, care and/or treatment, custody and correctional facilities, summer, night and adult continuing education day schools. Data is based on headcount of students.

How funding is structured

Grants for Student Needs

The Ministry of Education provides the majority of operating funding to Ontario's 72 district school boards³ through the annual GSN, also known as "the funding formula." The GSN is actually a collection of grants described in detail in an annual regulation under the *Education Act*.

Many grants are made up of two or more components, which are called "allocations." The *2019-20 Education Funding: A Guide to the Grants for Student Needs* sets out the funding provided by each grant and gives an explanation of the major allocations within it, including a high-level description of the calculation.

Funding entitlements for school boards can be generated on a per-pupil, per-school, or per-board basis depending on the structure of each grant within the GSN regulation. There are two major components of the GSN:

- **The Foundation Grants** cover the basic costs of an educational experience that is common to all students, which is allocated based on student enrolment and the number of schools.
- **The Special Purpose Grants** address the unique needs of students, schools, and school boards related to location, student and school needs, and a board's demographic profile.

The ministry recognizes that conditions vary widely across Ontario and the funding formula cannot take every situation into account. This is why local school boards have flexibility in how they use funding, within the overall accountability framework discussed in the next section.

In addition to GSN funding, school boards also receive funding from the ministry for special, often time-limited programs, and from other ministries for specific purposes related to their mandates.

3. There are also 10 School Authorities, consisting of four geographically isolated boards and six hospital-based school authorities.

The *2019-20 Education Funding: A Guide to the Grants for Student Needs* provides further background on all grants and how they are calculated. As well, more detailed information on the funding formula appears in the *Education Funding Technical Paper 2019-20* and in the annual regulation under the *Education Act*.

Special Education Grant

The ministry provides school boards with the Special Education Grant funding, on top of other GSN funding. This grant supports positive outcomes for students with special education needs. It is for the additional costs of the programs, services and/or equipment they may require.

School boards may *only* use Special Education Grant funding for special education programs, services and/or equipment. Any unspent Special Education Grant funding in a given year must be put aside and spent on special education in the future. School boards have the authority and flexibility to use other Grants for Student Needs funding, as well as the Special Education Grant, to meet their responsibility to support students with special education needs.

Special education funding is allocated to school boards by provincial regulations. School boards in turn use their special education funding to implement their own local policies and priorities. As noted above, school boards are also able to use other funding to support students with special education needs.

School boards are given flexibility to use special education and other funding to support their special education policies and priorities because they have the greatest knowledge of their students and communities. They are best positioned to respond to local needs when setting budget priorities and determining what special education programs, services and/or equipment to provide. This means, for example, that individual school boards make decisions about classroom placement, classroom programming and staffing.

The Special Education Grant is made up of six allocations:

1. Special Education Per Pupil Amount
2. Differentiated Special Education Needs Amount
3. Special Equipment Amount
4. Special Incidence Portion
5. Care, Treatment, Custody and Correctional Amount
6. Behaviour Expertise Amount

The Special Education Grant is projected to be approximately \$3.1 billion in 2019–20.

The following pages outline each of the six allocations of the Special Education Grant.

1. Special Education Per Pupil Amount

The Special Education Per Pupil Amount provides funding to every school board to assist with the costs of providing additional support to students with special education needs. It is allocated to school boards on the basis of total enrolment of all students, not just students with special education needs.

This allocation provides all school boards with a foundational amount of funding for special education.

The Special Education Per Pupil Amount allocation is projected to be approximately \$1.57 billion in 2019-20.

2. Differentiated Special Education Needs Amount

This allocation addresses the variation among school boards with respect to their population of students with special education needs and school boards' ability to support these needs.

The Differentiated Special Education Needs Amount allocation includes four components:

- Special Education Statistical Prediction Model
- Measures of Variability
- Base Amount for Collaboration and Integration
- Multi-Disciplinary Supports Amount

The Differentiated Special Education Needs Amount allocation is projected to be approximately \$1.14 billion in 2019-20.

Special Education Statistical Prediction Model

The Special Education Statistical Prediction Model estimates the likelihood of students in a school board needing special education programs and/or services. The model does this by taking into account neighbourhood profiles for all students across Ontario and in each school board. This generates predicted percentages for the population likely to have special education needs in each school board, which are used to allocate Special Education Statistical Prediction Model funding.

These neighbourhood profiles, which are anonymous, use data from the federal government's long-form census and other similar sources. This includes long-form census factors such as parent level of education, family income, unemployment, and recent immigration to Canada.

Measures of Variability

The Measures of Variability uses six categories of information that reflect differences in each school board's population of students with special education needs and in the school board's ability to respond to these needs.

Three of the categories use data to develop a school board profile of special education needs. This is done by looking at different data sets and comparing a school board to the provincial average. These three categories are: students reported as receiving special education programs and services; participation and achievement in Education Quality and Accountability Office (EQAO) assessments by students with special education needs; and credit accumulation and participation in locally developed and alternative non-credit courses (K-Courses) by students with special education needs.

This comparison is used to determine the amount of funding that each school board should receive. For example under the "credit accumulation and participation in locally developed and alternative non-credit courses" category, a component of this allocation generates more funding for school boards that report having more students with special education needs whose accumulation of curriculum credits is below the provincial average.

The remaining three categories address each school board's ability to respond to its population of students with special education needs. This is done by recognizing external factors that affect the school board's ability to meet these needs. These three categories include: Remote and Rural Adjustment, Indigenous Education Grant Adjustment, and French-language School Board Adjustment. For example, under the Remote and Rural Adjustment, a component of this allocation generates more funding for school boards whose schools are further apart.

For more detailed information on the six categories and how they are calculated, please refer to the *Special Education Funding in 2019-20* memorandum.

Base Amount for Collaboration and Integration

The Base Amount for Collaboration and Integration, provides each school board with base funding of approximately \$459,874. Its purpose is to explore collaborative and integrated approaches to serving students with special education needs.

Multi-Disciplinary Supports Amount

The Multi-Disciplinary Supports Amount supports all students with special education needs, including subsets of this population such as students with Autism Spectrum Disorder (ASD), and mental health needs. The Multi-Disciplinary Supports Amount provides funding to each school board for a

multi-disciplinary team of up to four additional staff. This team will help to build board capacity, support special education assessments and help teachers, education assistants, and other staff better understand and adapt to the unique needs of their students. The Multi-Disciplinary Supports Amount also includes funding for other staffing resources to support students with special education needs in a way that reflects their local needs.

For more detailed explanations of these four components please refer to the *Special Education Funding in 2019-20 memorandum*.

3. Special Equipment Amount

This funding supports the purchase of equipment that may be required by students with special education needs. There are two components to this allocation:

- A per-pupil amount that allows the school board to purchase computers, software, robotics, computing-related devices and required supporting furniture, as well as all Special Equipment Amount training and technician costs, maintenance and repairs. This allocation consists of a base amount for each school board plus a per-pupil amount reflecting the school board's average daily enrolment of all students.
- A claims-based process that supports the purchase by the school board of other, non-computer-based equipment required by students with special education needs. This may include hearing and/or vision support equipment, personal care support equipment and/or physical assists support equipment.

Eligibility requirements for both the per-pupil amount and claims-based amount are outlined in the Special Education Funding Guidelines: *Special Equipment Amount (SEA), 2019-20*.

The Special Equipment Amount allocation is projected to be approximately \$123.4 million in 2019-20.

4. Special Incidence Portion

The Special Incidence Portion is intended to support students with extraordinarily high needs who require more than two full-time staff to address their health and/or safety needs, and those of others at their school. Funding is based on claims submitted by school boards. The ministry provides guidance on eligibility in the Special Education Funding Guidelines: *Special Incidence Portion (SIP), 2019-20*.

The Special Incidence Portion allocation is projected to be approximately \$126.1 million in 2019-20.

5. Care, Treatment, Custody and Correctional Amount

This funding supports school boards' provision of education programs to school-aged children and youth in care and/or treatment centres, and in custody and correctional facilities. Eligible facilities include hospitals, children's mental health centres, psychiatric institutions, detention and correctional facilities, community group homes, and social services agencies. A school board provides these services under a written agreement between the school board and the facility.

The funding, which must be approved by the ministry based on established guidelines, goes toward recognized costs that include teachers, educational assistants and classroom supplies. Further details can be found in the *Guidelines for Approval and Provision of Care and / or Treatment, Custody and Correctional (CTCC) Programs 2019-20*.

The Care, Treatment, Custody and Correctional Amount allocation is projected to be approximately \$110.4 million in 2019-20.

6. Behaviour Expertise Amount

The Behaviour Expertise Amount allocation has two components that provide funding for school boards to hire professional staff at the board level who have expertise in Applied Behaviour Analysis (ABA), and funding for ABA training.

ABA Expertise Professionals Amount

The ABA Expertise Professionals Amount provides funding to hire professional staff at the school board level who have expertise in applied behaviour analysis, including Board Certified Behaviour Analysts (BCBAs). Applied behaviour analysis is an instructional approach that has been shown to be helpful for many children with *autism spectrum disorder*, as well as students with other special education needs.

The main roles of the board-level professional are to:

- Support principals, teachers, educators and other school staff through applied behaviour analysis coaching, training and resources;
- Strengthen and facilitate collaborative working relationships among schools, parents, community members and agencies; and
- Support transitions, collaboration and information sharing between community-based autism service providers, school staff and families.

The funding is made up of a fixed amount for each school board plus a per-pupil amount that reflects the school board's average daily enrolment of all students.

ABA Training Amount

The ABA Training Amount provides funding for training opportunities to build school board capacity in ABA.

The Behaviour Expertise Amount allocation is projected to be approximately \$30.5 million in 2019-20.

Priorities and Partnerships Fund (PPF)

In 2019-20 the ministry is providing school boards with Priorities and Partnerships Fund (PPF) funding, which is additional funding outside the Grants for Student Needs. Some of this funding is allocated to school boards to support students with special education needs. Details on the *Priorities and Partnerships Fund (PPF)* can be found on the Ministry of Education website.

Accountability for Special Education Funding

The province, through the Ministry of Education, is accountable for the public education system as a whole and the policy decisions that determine funding for school boards. Given the key role of school boards in providing services at the local level, they have important accountabilities to students, parents, the ministry and others with a stake in public education.

School boards have a responsibility to ensure the effective stewardship of resources. Thoughtful, transparent budgeting, aligned with a focused strategy, is vital and integral to this goal.

A robust accountability framework for the Grants for Student Needs has been developed between school boards and the province. It recognizes that accountability to the ministry must be balanced with the need for school board flexibility to address local conditions.

As noted earlier, to support accountability and the mandated role of school boards, special education funding is enveloped for special education expenditures only. If a school board does not spend all of this funding in the year, it must hold the unspent amount in a reserve account to be spent on special education in future years. School boards are required to report to the ministry on their special education expenditures three times a year.

School boards are also able to use other Grants for Student Needs funding to support students with special education needs.

Additional information

This guide focuses mainly on the approaches and calculations underlying special education funding. More details on the policy process and on the allocation of other education grants are available from:

2019-20 Education Funding: A Guide to the Grants for Student Needs

Memorandum 2019 B14: Grants for Student Needs (GSN) Funding for 2019-20

Memorandum 2019 B15: PPF Funding for 2019-20

Education Funding Technical Paper 2019-20

For more information on special education policy, programs and/or services generally, please consult:

Ministry of Education website

For more information on a school board's specific special education policies and approaches, please contact the school board superintendent responsible for special education. Alternatively, you may contact a member of the school board's Special Education Advisory Committee for more information on the overall delivery of special education programs and/or services within a school board.

Useful terms to know

Special education services: Facilities and resources, including support personnel and equipment, necessary for developing and implementing a special education program.

Special education program: An educational program that is based on and modified by the results of continuous assessment and evaluation, and that includes a plan containing specific objectives and an outline of educational services that meet the needs of the student.

Identification, Placement and Review Committee (IPRC): School boards are required to establish an Identification, Placement and Review Committee (IPRC). The IPRC is made up of at least three people, one of whom must be a principal or supervisory officer of the school board. The IPRC is responsible for deciding whether a student should be identified as exceptional. It identifies the exceptionality according to the categories and definitions set out by the ministry, decides the placement and reviews the identification and placement generally once in a school year.

Individual Education Plan (IEP): A written plan describing the special education programs and/or services required by a particular student, based on a thorough assessment of the student's strengths and needs. It documents the accommodations, modifications and/or alternative expectations needed to help the student achieve. It outlines the specific knowledge and skills to be assessed and evaluated for the purpose of reporting student achievement.

Accommodations: Special teaching and assessment strategies, human supports, and/or individualized equipment required to enable a student to learn and demonstrate learning. The provincial curriculum expectations for the grade are not altered for a student receiving accommodations.

Modifications: Expectations that differ in some way from the regular grade-level expectations for a subject or course in order to meet a student's learning needs. For students with an Individual Education Plan, these changes could include: expectations from a different grade level; significant changes (increase or decrease) in the number and/or complexity of the learning expectations; and measurable and observable performance tasks. At the secondary level, a credit may or may not be granted for a course, depending on the extent to which the expectations in the course have been modified.

Alternative Learning Expectations: Alternative learning expectations are developed to help students acquire knowledge and skills that are not represented in the Ontario curriculum expectations. Because they are not part of a subject or course outlined in the provincial curriculum documents, alternative expectations are considered to constitute *alternative programs or alternative courses* (secondary school courses).

For more information, please visit the [Ministry of Education website](#).

Schedule of Budget and Reporting Functions

Task or Function	Sep				Oct				Nov				Dec				Jan				Feb				Mar				Apr				May				Jun			
	Week:	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4			
Budget Input & Consultation																																								
- Budget Development Website Open to Public																																								
- First COW Budget Update Meeting																																								
- Second COW Budget Update Meeting																																								
- Consultation with District Leadership																																								
- Consultation with Advisory Committees																																								
- Public Consultation at Zone Meetings																																								
- Budget Questions and Answers																																								
Financial Statements (prior year)																																								
Class Size Reporting																																								
Student Enrolment Projections (for next 3 years)																																								
Education Capital Project Report Template																																								
Revised Estimates (current Year)																																								
Approval of Fees for EDP and Child Care Centres																																								
In-year Financial Projection (to December 31)																																								
Academic Staffing																																								
Budget Development																																								
Grants for Student Needs Information (Funding)																																								
In-year Financial Projection (to February 28)																																								
Provincial Consolidation Reporting (to March 31)																																								
In-year Financial Projection (to April 30)																																								
Budget Presentation, Delegations & Debate																																								
Approval of Budget																																								

Internal Task or Function

Ministry Submission / Reporting Deadline

Appendix C
to Report 20-021

OCDSB's Annual Budget Development Cycle

