

# 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 boards<sup>1</sup> 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.

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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](http://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
<b>Total</b>	<b>\$3.10 billion</b>

- 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
<b>Total</b>	<b>\$866.8 million</b>

- **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
<b>Total</b>	<b>\$80.2 million</b>

- 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
<b>Total</b>	<b>514.2 million</b>

- 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
<b>Total</b>	<b>\$49.7 million</b>

- 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
<b>Total</b>	<b>\$137.9 million</b>

- 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
<b>Total</b>	<b>\$2.83 billion</b>

- 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
<b>Total</b>	<b>\$11.9 million</b>



- 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
<b>Total</b>	<b>\$683.0 million</b>

- 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
<b>Total</b>	<b>\$2.50 billion</b>

- 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.