

The Ontario
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*Telling tales out of school:
How the Ontario government
is(n't) funding education*

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Introduction and summary

When it was released in December 2002, the report of the Education Equality Task Force (the Rozanski Report) was seen as heralding a significant change in the Provincial Government's approach to funding for elementary and secondary education.

Rozanski made dozens of recommendations and called for substantial reinvestment in public education to address specific shortcomings in the provincial funding formula.

All of that detail, however, boils down to one very simple message. If you're going to control education funding using a centralized formula, you have to make sure that you keep the benchmarks that drive the formula up-to-date.

All of Rozanski's recommendations flow from this basic message. Rozanski recommended: increases in funding to bring benchmarks up-to-date; annual reviews of benchmarks to ensure that they reflect current costs; new investments to address areas in which the funding formula was clearly inadequate; and periodic (every five years) reviews of the appropriateness of the benchmarks themselves.

After an encouraging start — announcements of new funding totalling \$610 million within 72 hours of the release of the report — the Government's response turned into an exercise in political spin.

Both before and after the release of the Magna-budget, a steady stream of photo-op

announcements has highlighted specific areas in which the funding formula was to be enhanced. In each of these announcements, the Government claimed to be taking one more step towards full implementation of the Rozanski recommendations.

When you look behind the spin to the numbers, however, it becomes clear that the Government has in fact repudiated the Rozanski report's central message.

The funding numbers released in the March Financial Statement were the first hint that what the Government had in mind was a great deal less than what Rozanski had called for. In its three-year funding projection, the statement revealed a third-year funding target of \$16.2 billion, \$1.5 billion short of the \$17.7 billion that would have been required for full implementation of the Rozanski recommendations.

Indeed, the Government's projections will leave funding of elementary and secondary education further behind Rozanski's standard at the end of the three-year "phase-in period" than it was when Rozanski was appointed to review the system in June, 2002.

However, it was only after the full package of funding detail (the General Legislative Grants, or GLGs) for 2003-4 was released quietly late on the eve of the Easter weekend, that the full extent of the Government's departure from Rozanski's plan was revealed.

A board-by-board and grant-by-grant analysis of the Government's funding an-



nouncement for 2003-4 shows a shortfall of 1.4 billion compared with the amount that would be required for full implementation of the Rozanski recommendations in 2003-4. If Rozanski's benchmark updates were phased in over three years, as he suggested, the analysis shows 2003-4 funding \$666 million short of what would be required in the first year of a 3-year implementation plan.

If Rozanski's funding model is the target, as the Government keeps claiming it is, the amounts announced for this year and projected for the next two years fall far short of that target.

More important, it is clear from its statements in recent weeks that the Government is not even aiming at that target. With the exception of the allocation for teacher salaries in 2002-3 and 2003-4, the Government has been careful to characterize its funding changes as new investments, rather than as funding increases to bring benchmarks up-to-date.

The message that the Government is not interested in adjusting benchmarks to reflect costs has been reinforced in Ministry briefing documents made public after the GLG announcement. In these briefing notes the Government makes it clear that it is not funding catch-up for benchmarks that were allowed to fall behind cost increases, and that it does not intend to fund automatic increases in benchmarks in response to cost increases in the future.

That refusal to acknowledge the importance of keeping benchmarks current is a lot more than a subtle shift in political messaging. It is a repudiation of the fundamental message in Rozanski's report.

That repudiation is evident in the Government's silence on those recommendations

in his report to which Rozanski did not attach specific dollar figures. Rozanski highlighted key areas in which he believed a more fundamental assessment of benchmarks would be required, most notably the grant for pupil accommodation, the grant which compensates boards for the higher costs associated with children at risk (the learning opportunities grant) and the transportation grant.

To bring the learning opportunities and the school operations grants alone up to the levels recommended by the Government's own expert panels in 1997 would add over \$300 million to the (increased but not yet realized) funding levels recommended by Rozanski.

It must be emphasized that the problems with these benchmarks identified by Rozanski did not emerge over time after the introduction of the formula. These problems result directly from decisions by the Government to ignore the advice of its Expert Panels that it had appointed in 1997, and impose cuts. Indeed, the cuts implicit in the Government's original underfunding in these areas make up a substantial proportion of the \$500 million that was cut from elementary and secondary education funding when the formula was introduced.¹

Of these three key grants, only the transportation grant has attracted any attention from the Government, and even there it has merely repeated the same promise it has made every year since the formula was introduced: that there will be a new approach in place for next year.

The losers will be hundreds of thousands of students in Ontario's public schools, who will be denied the opportunity to benefit from services that could have been restored had Rozanski's recommendations been implemented.



More generally, Ontarians at large will be the losers as the Harris-Eves formula of gradual starvation of the public education system rolls on, interrupted only temporarily by Rozanski’s report and the election-driven need to be seen to be managing the education funding issue.

Funding warning #1 — the March economic statement

In its March 2003 economic statement, the Government highlighted proudly a 3-year commitment to funding increases for elementary and secondary education.

The budget touted a funding commitment of \$15.3 billion for school year 2003-4 and funding targets of \$15.8 billion for 2004-5 and \$16.2 billion for 2005-6, compared with \$14.3 billion at the time of last year’s budget.

It hailed the announcement as a 14% increase, by 2005-6, compared with the \$14.3 billion for 2002-3 announced in May 2002.

Compared with the actual amount spent in 2002-3, however, the change looks much less dramatic.

The Government’s own data make the point.

With the single exception of 2002-3, when the December response to Rozanski pushed the funding increase from 2.9% to 6.5%, funding increases post-Rozanski are not dramatically different from the increases prevalent pre-Rozanski — a pattern that produced the funding crisis to which Rozanski’s appointment was a response.

These data are suggestive of a problem in the Government’s response to Rozanski.

That problem becomes more apparent when you consider how the Government’s funding projections for the next three years compare with funding projections based on implementation of Rozanski’s recommendations over the same three-year period. These projections of Rozanski implementation costs are based on a combination of Rozanski’s specific recommendations for benchmark updat-

Table 1
Education Funding (School Year) Multi-Year Base Funding Profile² (\$ billion)

	99-00	00-01	01-02	02-03 Plan	02-03 Interim	03-04 Plan	04-05 Proj.	05-06 Proj.
Total	13.2	13.5	13.9	14.3	14.8	15.3	15.8	16.2
Increase from prior year final		0.3	0.4	0.4		0.5	0.5	0.4
% increase from prior year final		2.3%	3.0%	2.9%	<u>6.5%</u>	3.4%	3.3%	2.5%



ing to 2002-3 and the application of Rozanski's benchmark update methodology to the 2002-3 to 2005-6 period.

They also incorporate the net impact on enrolment of the elimination of Grade 13 for the school year 2003-4. Using the Ministry's enrolment forecasts for 2003-4 and adjusting the grants in the funding formula that are sensitive to enrolment levels "saves" the government \$150 million, after the declining enrolment grant is taken into account.³

These figures indicate that, to reach the Rozanski funding target, the government would have to provide three consecutive years of 6.2% increases on top of the 6.5% increase in final funding for 2002-3 compared with 2001-2.

By 2005-6, projected funding is \$1.5 billion short of what would be required to implement the Rozanski recommendations in total — a shortfall which will be higher than the \$1.45 billion funding shortfall estimated by Rozanski for 2002-3.⁵

The Government's plan to "implement" Rozanski leaves funding further behind costs at the end of its three years of "phase-in" than it was when Rozanski was appointed.

Funding formula detailed analysis

The extent of the Government's departure from the essence of Rozanski's recommendations is laid bare in the details of the General Legislative Grants, released without fanfare just before the Easter holiday weekend.

The GLG announcement sets out a breakdown of elementary and secondary education funding, for each of the separate components of the funding formula, and for each of the 72 school boards in the province.

The board-by-board and grant-by-grant analysis uses the GLG data as a starting point from which to build an assessment of the

Government's performance, relative to the standard set by Rozanski's recommendations.⁶

For each grant, the value of Rozanski's recommended changes determined is compared with the changes implemented by the Government as of the end of the 2002-3 school year.

The differences between the amounts recommended by Rozanski and the amounts actually implemented are combined with individual board grant and enrolment data and an estimate of cost increases to produce an estimate of the funding that would be required, for each grant and each board, to implement Rozanski's recommendations.

The resulting estimate forms the foundation for a comparison of actual funding with the funding that Rozanski implementation would require, grant-by-grant and board-by-board. For both grants and boards, two estimates have been calculated: the additional funding that would be required in the 2003-4 school year for full implementation of the Task Force's recommendations in that year; and the additional funding that would be required if 2003-4 were the first year of a 3-year phase-in period for the recommendations.

Grant-by-grant analysis

The grant-by-grant summary highlights in detail the extent to which the Government has moved away from its oft-repeated commitment to implement the Rozanski recommendations.

Table 3 compares, for each grant component of the funding formula, the funding announced by the Government for the 2003-4 school year with an estimate of the funding that would be required in order to implement Rozanski's recommendations.



Table 2
Financial Statement Funding Projections vs. Rozanski Implementation⁴

Funding Required, \$million	Rozanski	Financial Statement Promise \$ million	% of Rozanski	Shortfall \$ million
2002-3 Pre-Rozanski Total	14,260	14,260	100%	
Special Education Allocation	205			
Salary & Benefits Allocation	340			
2002-3 after Rozanski / 2003-4 base	14,805	14,805	100%	
New Investments	484			
1997 to 2002-3 adjustment phase-in	370			
Current cost adjustment	436			
Enrollment decline savings	(150)			
2003-4 TOTAL / 2004-5 base	15,945	15,300	62%	645
Phase-in	381			
Current cost adjustment	479			
2004-5 TOTAL / 2005-6 base	16,805	15,800	61%	1,005
Phase-in	392			
Current cost adjustment	504			
2005-6 TOTAL / 2006-7 base	17,702	16,200	56%	1,502
Total New Funding	545			645
2002-3 -- Already Implemented	1,140			360
2003-4	860			496
2004-5	896			1,502
2005-6				
3-year TOTAL	2,897	1,395		

Funding Required, \$million

2002-3 General Legislative Grants plus Budget adjustments.
 Rozanski recommendation implemented December, 2002
 Rozanski recommendation implemented December, 2002
 Remainder of \$689 million in Rozanski new investments
 1/3 of \$1.08 billion, adjusted to reflect projected costs to 2003-4
 Cost of adjusting 2002-3 base for 2003-4 cost increase
 Net savings from enrollment decline resulting from elimination of Grade 13
 1/3 of \$1.08 billion, adjusted to reflect projected costs to 2004-5
 Cost of adjusting 2003-4 base for 2004-5 cost increase
 1/3 of \$1.08 billion, adjusted to reflect projected costs to 2005-6
 Cost of adjusting 2004-5 base for 2005-6 cost increase



**Table 3
Funding for 2003-4 and the Rozanski Recommendations -- Analysis of Provincial Totals, Grant-by-Grant**

Grant	Ministry funding		Benchmark updates				Implemented in 2002-3			2003-4 Funding Requirement			Estimated shortfall based on full implementation in 2003-4 \$mm	Estimated shortfall based on 1st year of 3-year phase-in of benchmark updates \$mm
	2002-3 Rev \$mm	2003-4 projected \$mm	2003-4 not allocated (estimated distribution) \$mm	to 2001-2		New Investments \$mm	Salary for 2002-3 \$mm	New Investments \$mm	Rozanski not implemented as of end of 2002-3 \$mm	Full Rozanski \$mm	1st year of 3-year phase-in of benchmark updates \$mm	Estimated shortfall based on 1st year of 3-year phase-in of benchmark updates \$mm		
				\$mm	\$mm									
Foundation -- Basic	7,669	7,716		477	222	0	209	0	490	8,228	7,898	511	182	
Foundation -- Local Priorities	400	391		0	0	0	0	0	0	403	403	12	12	
Special Education	1,618	1,650	52	88	42	269	42	204	153	1,803	1,744	102	42	
Language	443	458		25	11	65	11	0	90	549	532	91	74	
Geographic -- Remote and Rural	119	128	50	8	2	50	2	0	58	182	177	5	(1)	
Geographic -- Small Schools	70	79		5	2	0	2	0	5	77	74	(2)	(6)	
Learning Opportunities	296	358		19	8	50	8	0	69	376	363	18	5	
Adult and Continuing Education	151	156		8	4	0	4	0	8	160	155	4	(1)	
Teacher Compensation	582	628		30	18	0	18	0	30	615	595	(13)	(33)	
Early Learning	12	12		10	1	0	1	0	10	23	16	11	4	
Transportation	629	652		80	17	20	0	20	97	748	682	96	30	
Declining Enrollment Adjustment	36	119		0	0	5	0	0	5	41	41	0	0	
Administration & Governance	463	464		40	12	0	8	0	44	511	481	46	17	
School Operations	1,437	1,437		165	64	0	40	0	188	1,638	1,512	201	75	
Phase-in Funding	0	0		0	0	0	0	0	0	0	0	0	0	
Stable Funding Guarantee	0	0		0	0	0	0	0	0	0	0	0	0	
TOTAL OPERATING	13,924	14,247	102	955	400	459	344	224	1,247	15,353	14,670	1,083	400	
Capital														
Retirement Gratuities	0	0		0	0	0	0	0	0	0	0	0	0	
School Renewal	266	287	13	25	5	250	0	0	280	563	542	263	242	
New Pupil Places	360	378		30	8	0	0	0	38	426	402	48	24	
Prior Capital Commitments	281	301		0	0	0	0	0	0	301	301	0	0	
OMERS Recovery	(79)	(45)		0	0	0	0	0	0	(45)	(45)	0	0	
School Authorities	42	43		0	0	0	0	0	0	43	43	0	0	
TOTAL CAPITAL	871	964	13	55	13	250	0	0	318	1,288	1,243	311	266	
Unallocated	0	115	0									0	0	
GRAND TOTAL	14,795	15,211	115	1,010	414	709	344	224	1,565	16,641	15,895	1,394	666	

Notes (see also Technical Note):
 Projected funding requirements for 2003-4 include adjustment for enrollment for all enrollment-linked grants
 Projected funding requirements for 2003-4 with implementation include allocation of 3% for cost increases from 2002-3 to 2003-4
 Projections for grants not covered by Rozanski recommendations assumed to be same as Ministry projections
 Temporary grants such as declining enrollment grant not included in calculation of shortfall estimate
 Funding in excess of Rozanski projection is not credited against shortfalls for special education, new pupil places and school renewal



Overall, funding for operations and capital for school boards falls short of what would be required to implement Rozanski by \$1,394 million, with immediate implementation, or \$666 million for the first year of a 3-year phase-in of the recommended benchmark catch-up recommendations.

The major funding shortfalls are:

- Foundation grant — \$511 million, \$182 million 1st year phase-in;
- Special education — \$102 million, \$42 million 1st year phase-in;
- Language — \$91 million, \$74 million 1st year phase-in;
- Transportation — \$96 million, \$30 million 1st year phase-in;
- Administration and governance — \$46 million, \$17 million 1st year phase-in;
- School operations — \$201 million, \$75 million 1st year phase-in; and
- School renewal — \$263 million, \$242 million 1st year phase-in.

These shortfalls arise from two primary sources in relation to Rozanski's recommendations: the failure of the Government to implement any part of Rozanski's \$1.08 billion recommendations for benchmark adjustments to reflect prior year cost changes; and the failure of the Government to act at all on two key areas of new investment: \$65 million in funding for language instruction and \$200 million annually for five years to address the school maintenance backlog.

Board-by-board analysis

In his recommendations for increased funding, Rozanski's primary focus was on updating the benchmarks, which determine school

board revenue under the funding formula, to reflect current costs. The original benchmarks had been established based on 1997 costs and had not been updated.

Consistent with this focus, Rozanski did not address issues like differences in costs between boards in Ontario, the overall level of funding for particular grants or the design of the funding benchmarks. Thus, his recommendations leave the basic structure of the funding formula untouched.

As a consequence, one would expect the estimates of funding shortfalls relative to implementation of Rozanski to exhibit little variation from board-to-board on a per-student basis. A board-level analysis of the General Legislative Grants bears this out.

The results of this analysis, for each of the 72 school boards in Ontario, are summarized in Appendix I.

With the exception of a small number of small boards serving remote areas, funding per student falls within a range of \$7,500 to \$8,000, around an average of \$7,832.

Funding shortfalls relative to Rozanski average \$712 per student in total, \$340 per student in the first year of a three-year phase-in. Most boards' Rozanski shortfall comes out within 10% + or - of the provincial average.

There were also no strong patterns among different types of boards, rural vs. urban; GTA vs. rest-of-province; public vs. catholic. The only exception was for French language boards, which make up barely 4% of total provincial enrolment. These boards receive substantially higher funding per student than the provincial average, and stand to gain more per student from the implementation of Rozanski than the provincial average.

Again, this result would be expected, given the fact that Rozanski did not deal with the



major issues that drive cost and funding differences among boards.

Having said that, however, the estimated funding shortfalls for major boards that have been under funding pressure in recent years are substantial. A sampling includes:

- Toronto District School Board — \$194.7 million total; \$101.9 million 1st year of 3-year phase-in;
- Toronto Catholic DSB — \$72.1 million total; \$39.7 million phase-in;
- Ottawa-Carleton DSB — \$47.6 million total; \$22.7 million phase-in;
- Ottawa-Carleton Catholic DSB — \$28.4 million total; \$13.3 million phase-in;
- Hamilton-Wentworth DSB — \$34.1 million total; \$15.8 million phase-in;
- Hamilton-Wentworth Catholic DSB — \$20.0 million total; \$10.1 million phase-in;
- Peel DSB — \$88.3 million total; \$42.1 million phase-in;
- Dufferin-Peel Catholic DSB — \$58.1 million total; \$27.3 million phase-in;
- Thames Valley DSB — \$54.2 million total; \$26.5 million phase-in;
- London Catholic DSB — \$15.7 million total; \$7.7 million phase-in;
- York Region DSB — \$66.8 million total; \$31.3 million phase-in;
- York Region Catholic DSB — \$32.3 million total; \$14.7 million phase-in;
- Kawartha Pine Ridge DSB — \$25.0 million total; \$11.3 million phase-in.

Notwithstanding the shortcomings of the basic funding model, implementation of Rozanski's updating and new investment recommendations alone would go a long way

towards easing the financial pressure on school boards.

Beyond Rozanski

In his report, as well as in the debate that followed its release, Rozanski made it clear that his recommendations were intended largely to deal with issues arising from the erosion of benchmarks under the funding formula. The Task Force's basic question was, given the funding structure established in 1998-9, how should the benchmarks be changed to bring them up-to-date?

To answer that question, the Task Force adjusted the original benchmarks to reflect cost changes since 1997, the year they were established.

Rozanski took the funding formula as it was established in 1998-9 as given, and made recommendations to bring it up-to-date. His report therefore leaves unaddressed issues arising from the introduction of the funding formula in the first place.

Ministry GLG data presented with the 2003-4 GLG projections show that the starting point for the funding formula in 1998-9 imposed a cut in ongoing funding for school boards of \$488 million in 1997 dollars, or approximately \$575 million in 2003-4 dollars.

That province-wide total cut was made up of gains of roughly \$100 million for 44 boards representing just under half the elementary and secondary enrolment in the province and losses of \$675 million for 28 boards representing just over half the provincial total enrolment.

These original cuts continue to play an important underlying role in the education funding issue. They explain, for example, why large



urban school boards and boards in the GTA in particular are experiencing particularly intense pressure.

Large urban boards as a group lost nearly \$620 million in 2003-4 dollars in the transition to the new funding formula.

The three boards that were taken over by the Provincial Government in 2002 and are now being run by Provincial Supervisors lost a combined total of \$575 million in the transition.⁷

Beneath the rhetoric on both sides, the extraordinary financial pressures experienced by these boards reflect fundamental issues in the original structure of the funding formula — issues that were not addressed by Rozanski and need to be addressed in the near future if the credibility of formula funding is to be restored.

Three of these issues are of particular importance:

- The funding of the components of the formula designed to offset the additional costs of education for high-risk students;
- The failure of the formula to take account of differences in the costs of providing the same services from community to community in Ontario; and
- The adoption of what many see as an unreasonably narrow definition of what constitutes “education” for the purposes of funding.

Learning opportunities

The Learning Opportunities Grant is one of a number of grants designed to address differences in costs associated with high-risk student populations. The Expert Panel established by the Government in 1997 to come up with an approach to funding in this area

recommended, as a starting point, that \$400 million be allocated to boards based on the demographic characteristics of their student populations and communities. In today’s dollars, that would be equivalent to \$468 million.

However, in the 2003-4 funding formula, the demographic component of the Learning Opportunities Grant is an estimated \$256 million, leaving a shortfall of more than \$210 million.⁸

Pupil accommodation

The most glaring example of formula’s failure to take into account community differences in costs is the amount per square foot allocated in the formula for school operations.

To begin with, the benchmark didn’t make much sense when it was established. The original benchmark of \$5.20 per square foot was the median per square foot cost in 1997 of the 122 boards that existed prior to the 1998-9 funding changes.

Specifically, the benchmark was the average of the costs per square foot of two boards: the Brant County Roman Catholic Separate School Board and the Kent County Roman Catholic Separate School Board.

In establishing this benchmark, the Government ignored the recommendation of its expert panel for a benchmark of \$5.50 per square foot.

Rozanski recommended that the original benchmark be updated to \$5.81 as of 2001-2 and increased further to reflect cost changes thereafter. Using the Government’s 3% salary adjustments for 2002-3 and 2003-4 as a guide, Rozanski’s updated number for 2003-4 would be \$6.16 per square foot.

Compared with the actual amount funded by the Ministry for 2003-4 of \$5.44 per square



foot, this shortfall alone reduces funding for school operations by \$194 million.

Funding at the level recommended by the Expert Panel in 1997, adjusted for cost increases since then, would add another \$95 million to funding for school operations.⁹

Even these adjustments would not address the fundamental flaw inherent in using a single cost-per-square-foot number for school operations for the whole province. As the data for 1997 assembled for the Expert Panel showed, boards located in areas with high heating costs or in larger urban areas with higher labour costs, were particularly hard-hit in the transition to the new funding formula.

Average costs for boards in the North and in major urban areas in 1997 were \$5.65 per square foot. The ten boards with the highest costs all had costs per square foot exceeding \$6.25 per square foot.

The definition of "education"

Issues flowing from the definition of education have assumed a high profile in the public debate over the funding formula:

- School lunch and breakfast programs for disadvantaged children;
- The unravelling of traditional arrangements at the community level for the provision of facilities like swimming pools and arenas or the provision of dental services to children of poor families;
- Restrictions in the community use of schools;
- The elimination of adult general education programs.

In these and many other areas, the funding formula has driven dramatic changes in

the relationship between schools and communities.

In highlighting the role of the school in the community, Rozanski took the position that funding to support this role should not be the responsibility of the Ministry of Education, but should be taken up by municipalities, other Ministries of the Provincial Government, and by the Federal Government. Unfortunately, nothing has been done to fill the funding gap, and the problems created by the restrictions in the formula have not gone away.

Financial implications

The overriding objective of the Government in establishing the initial benchmarks for the funding formula was to reduce total funding for elementary and secondary education in Ontario. In its pursuit of that objective, the Government decided to ignore key recommendations of the expert panels it convened in 1997 and to adopt a highly restrictive definition of what constituted education for the purposes of funding.

It should be no surprise that large urban school boards with significant hard-to-serve student populations are under particular financial pressure, when the grant intended to address these issues is funded at a level \$210 million below that recommended by the Government's Expert Panel.

It should be no surprise that physical conditions in Ontario's schools have been deteriorating since the formula was introduced. Funding per square foot was never intended to cover the actual costs incurred by boards in school operations.

It should be no surprise that community services for children and families provided by school boards have suffered. The funding for-



mula was designed specifically to cut off funding for those services.

These and other fundamental benchmark issues were highlighted in Rozanski's report. But because they did not have specific numbers attached to them, they have been forced to the side in the debate about funding numbers.

The Politics of education funding

The Rozanski Report was generally welcomed throughout the education community in Ontario. It represented a validation of concerns that many had been raising for a number of years.

It acknowledged the many problems inherent in the particular funding formula design implemented by the Government.

It highlighted the need to keep funding benchmarks current, recommending substantial additional funding to offset prior years' erosion of benchmarks and a regular process of updating to reflect cost increases.

It recommended increased accountability on the part of the Provincial Government, calling for periodic reviews of the fundamentals of the funding formula.

Although the Report did not address in any detail a number of key funding formula issues, the substantial funding increase it recommended was seen as providing breathing space within which some of those broader concerns could be addressed.

In the few short months since the Government's initial endorsement of Rozanski's recommendations, the tune has changed.

A highly-touted three-year funding commitment falls so far short of the goals of the Rozanski Report that it will leave the 1997 benchmarks further behind costs after three

years than they were when Rozanski was appointed.

Significantly, the Government is distancing itself from the core message in the Rozanski Report. It has declared that it will not fund the updating of benchmarks from 1997 to 2002-3, beyond the salary increases for 2002-3 announced in December. It has also declared that it has no intention of providing automatic increases to reflect cost increases in the future — a core Rozanski recommendation.

Without the safety valve of increased funding from Rozanski implementation, changes flowing from the Government's initial benchmark decisions continue to roll through the system, particularly in higher-cost areas of the North and major urban areas.

At the same time, in the run-up to a Provincial Election, the Government has effectively silenced some of its most strenuous critics.

Most notably, the three school boards that have been most aggressively critical of the Government over its approach to elementary and secondary education funding have all been taken over by the Provincial Government. In Ottawa, Hamilton and Toronto, every aspect of the operation of the school system is under the control of officials responsible only to the Conservative Government. The trustees who were elected to represent the concerns and priorities of their communities have been silenced.

However, silencing critics has not made the problems go away. As surveys such as those conducted periodically by organizations such as the parents' group People for Education and the teachers' organizations show, standards of service continue to erode as years of underfunding take their toll.¹⁰

Our children are the losers.



Appendix I — Board-by-board detail, Rozanski shortfall estimates

Board-by-board analysis of GLG shortfall relative to Rozanski recommendations

Board	2003-4 GLG without unallocated \$million	2003-4 GLG incl. estimated unallocated \$million	Shortfall in funding with immediate implementation of Rozanski Phase-in \$million	Shortfall in funding compared with 1st year of 3-yr Rozanski Phase-in \$million	2003-4 enrollment	2003-4 GLG incl. estimated unallocated per student \$	Rozanski Shortfall Per Student Total \$	Rozanski Shortfall Per Student 1st Year of Phase-in \$
Algoma District School Board	110.9	114.3	9.1	3.9	12,080	9,465	\$ 753.21	\$ 324.46
Algonquin and Lakeshore Catholic District School Board	100.7	102.4	9.8	4.9	12,335	8,300	\$ 796.22	\$ 395.04
Avon Maitland District School Board	135.4	136.1	12.3	5.8	18,030	7,548	\$ 684.68	\$ 319.03
Bluewater District School Board	161.8	163.1	13.4	5.7	20,642	7,899	\$ 650.04	\$ 278.30
Briant Haldimand Norfolk Catholic District School Board	77.9	78.7	7.9	3.9	10,530	7,471	\$ 754.97	\$ 370.03
Bruce-Grey Catholic District School Board	29.9	30.4	0.7	-0.7	3,572	8,518	\$ 209.95	\$ 202.90
Catholic District School Board of Eastern Ontario	110.9	111.9	9.9	4.0	14,029	7,975	\$ 704.17	\$ 286.07
Conseil scolaire de district catholique Centre-Sud	105.0	107.1	8.9	3.5	11,006	9,728	\$ 805.12	\$ 315.50
Conseil scolaire de district catholique de l'Est ontarien	108.6	110.3	11.0	5.6	12,273	8,989	\$ 899.22	\$ 457.80
Conseil scolaire de district catholique des Auroures boréales	9.9	10.3	0.5	0.1	576	17,944	\$ 841.38	\$ 164.99
Conseil scolaire de district catholique des Grandes Rivières	82.5	85.5	7.3	3.4	8,070	10,595	\$ 902.95	\$ 425.64
Conseil scolaire de district catholique du Centre-Est de l'Ontario	134.0	135.9	13.2	6.6	15,012	9,056	\$ 878.60	\$ 439.14
Conseil scolaire de district catholique du Nouvel-Ontario	73.5	76.1	6.9	3.3	7,265	10,472	\$ 945.89	\$ 457.47
Conseil scolaire de district catholique Franco-Nord	35.4	36.1	3.1	1.4	3,336	10,831	\$ 916.37	\$ 428.46
Conseil scolaire de district des Écoles catholiques du Sud-Ouest	58.5	59.8	5.8	2.9	6,358	9,404	\$ 906.20	\$ 459.28
Conseil scolaire de district des Écoles publiques de l'Est de l'Ontario	90.4	92.3	8.5	4.1	9,395	8,923	\$ 906.49	\$ 433.79
Conseil scolaire de district du Centre-Sud-Ouest	63.6	65.0	6.2	2.9	5,632	11,542	\$ 1,106.81	\$ 522.38
Conseil scolaire de district du Grand Nord de l'Ontario	30.6	32.1	2.0	0.8	2,332	13,751	\$ 875.01	\$ 328.69
Conseil scolaire de district du Nord-Est de l'Ontario	16.9	17.5	0.6	0.0	1,033	16,943	\$ 599.40	\$ 21.99
District School Board of Niagara	295.7	297.1	28.2	13.8	41,414	7,173	\$ 680.55	\$ 333.24
District School Board Ontario North East	92.0	95.3	7.8	3.6	9,162	10,400	\$ 850.28	\$ 395.62
Dufferin-Peel Catholic District School Board	620.9	623.4	58.1	27.3	81,828	7,619	\$ 709.83	\$ 333.04
Durham Catholic District School Board	177.2	178.0	16.1	7.1	24,384	7,298	\$ 660.29	\$ 289.41
Durham District School Board	462.3	464.3	40.2	17.1	63,174	7,350	\$ 636.13	\$ 271.09
Grand Erie District School Board	210.7	211.7	18.5	8.6	28,198	7,506	\$ 657.47	\$ 305.37
Greater Essex County District School Board	261.0	262.2	25.0	12.3	36,404	7,202	\$ 685.53	\$ 338.27
Haldon Catholic District School Board	177.9	178.7	16.3	7.5	24,493	7,295	\$ 665.80	\$ 308.19
Haldon District School Board	309.0	310.5	29.6	15.0	43,644	7,114	\$ 678.66	\$ 343.82
Hamilton-Wentworth Catholic District School Board	208.4	209.3	20.0	10.1	28,071	7,457	\$ 712.87	\$ 361.56
Hamilton-Wentworth District School Board	389.5	391.3	34.1	15.8	52,880	7,399	\$ 644.81	\$ 299.48
Hastings and Prince Edward District School Board	139.9	141.3	13.2	6.1	18,387	7,685	\$ 717.82	\$ 334.30
Huron-Perth Catholic District School Board	39.4	40.1	3.6	1.6	4,789	8,366	\$ 761.50	\$ 325.45
Huron-Superior Catholic District School Board	52.0	54.1	4.8	2.3	5,900	9,166	\$ 815.93	\$ 394.81
Kawartha Pine Ridge District School Board	283.7	285.1	25.0	11.3	37,495	7,605	\$ 665.62	\$ 301.20
Keewatin-Patricia District School Board	62.2	64.9	4.2	1.5	5,982	10,844	\$ 705.96	\$ 243.55
Kenora Catholic District School Board	11.4	11.9	0.9	0.4	1,126	10,526	\$ 796.95	\$ 341.34
Lakehead District School Board	102.1	104.4	9.1	4.4	12,230	8,539	\$ 741.57	\$ 356.69
Lambton Kent District School Board	189.8	190.8	17.4	8.3	25,924	7,360	\$ 671.15	\$ 318.47
Limestone District School Board	172.1	173.4	15.4	7.1	21,886	7,924	\$ 702.46	\$ 325.26
London District Catholic School Board	157.7	158.4	15.7	7.7	20,889	7,582	\$ 752.42	\$ 389.72
Near North District School Board	107.2	109.2	9.2	3.9	12,608	8,659	\$ 726.82	\$ 310.18
Niagara Catholic District School Board	171.1	171.9	14.2	6.0	22,867	7,517	\$ 622.53	\$ 260.46
Nipissing-Parry Sound Catholic District School Board	32.2	32.9	3.1	1.5	3,484	9,452	\$ 889.65	\$ 439.03



Board-by-board analysis of GLG shortfall relative to Rozanski recommendations

Board	2003-4 GLG	2003-4 GLG	Shortfall in	Shortfall in	2003-4 GLG	2003-4 GLG	2003-4 GLG	Rozanski	Rozanski	Rozanski
	without unallocated \$million	incl. estimated unallocated \$million	funding compared with immediate implementation of Rozanski phase-in \$million	funding compared with 1st year of 3-yr phase-in \$million	incl. estimated unallocated \$million	enrollment	incl. unallocated per student \$	Shortfall Per Student Total \$	Shortfall Per Student 1st Year Phase-in \$	Shortfall Per Student 1st Year Phase-in \$
Northeastern Catholic District School Board	31.2	32.4	2.2	0.9	12.253	2,643	826.65	\$ 826.65	\$ 325.11	\$ 325.11
Northwest Catholic District School Board	12.1	13.0	0.8	0.2	10,042	1,290	640.38	\$ 640.38	\$ 172.90	\$ 172.90
Ottawa-Carleton Catholic District School Board	310.4	311.7	28.4	13.3	38,560	8,083	737.71	\$ 737.71	\$ 344.18	\$ 344.18
Ottawa-Carleton District School Board	538.5	540.9	47.6	22.7	69,418	7,792	686.27	\$ 686.27	\$ 326.52	\$ 326.52
Peel District School Board	905.5	909.6	88.3	42.1	126,368	7,198	698.48	\$ 698.48	\$ 332.78	\$ 332.78
Peterborough Victoria Northumberland and Clarington Catholic District School Board	111.7	112.5	9.9	4.3	13,922	8,081	714.53	\$ 714.53	\$ 307.45	\$ 307.45
Rainbow District School Board	123.2	125.6	11.5	5.4	15,041	8,352	765.42	\$ 765.42	\$ 361.83	\$ 361.83
Rainy River District School Board	29.0	30.2	2.4	1.1	2,854	10,599	837.10	\$ 837.10	\$ 368.18	\$ 368.18
Renfrew County Catholic District School Board	41.0	41.7	4.1	2.0	4,905	8,494	832.04	\$ 832.04	\$ 409.84	\$ 409.84
Renfrew County District School Board	82.6	83.6	6.7	2.6	10,900	7,669	617.68	\$ 617.68	\$ 241.69	\$ 241.69
Simcoe County District School Board	380.9	382.6	33.4	14.5	52,178	7,333	639.56	\$ 639.56	\$ 278.81	\$ 278.81
Simcoe Muskoka Catholic District School Board	160.3	161.0	14.1	5.9	20,429	7,883	689.13	\$ 689.13	\$ 288.07	\$ 288.07
St. Clair Catholic District School Board	88.4	89.3	7.1	3.0	10,977	8,136	650.92	\$ 650.92	\$ 270.97	\$ 270.97
Sudbury Catholic District School Board	56.1	57.4	5.0	2.2	6,790	8,451	741.87	\$ 741.87	\$ 330.14	\$ 330.14
Superior North Catholic District School Board	10.0	10.5	0.7	0.3	809	12,968	863.08	\$ 863.08	\$ 325.14	\$ 325.14
Superior-Greenstone District School Board	28.4	29.6	1.8	0.5	2,504	11,825	709.65	\$ 709.65	\$ 195.04	\$ 195.04
Thames Valley District School Board	580.6	583.2	54.2	26.5	78,045	7,472	694.27	\$ 694.27	\$ 339.47	\$ 339.47
Thunder Bay Catholic District School Board	62.3	64.0	6.1	3.0	7,537	8,485	812.09	\$ 812.09	\$ 401.68	\$ 401.68
Toronto Catholic District School Board	720.1	723.0	72.1	39.7	87,359	8,277	825.19	\$ 825.19	\$ 454.24	\$ 454.24
Toronto District School Board	2,081.7	2,090.7	194.7	101.9	263,242	7,942	739.61	\$ 739.61	\$ 386.97	\$ 386.97
Toronto District School Board	159.0	161.0	14.3	6.7	19,392	8,303	736.95	\$ 736.95	\$ 344.65	\$ 344.65
Trillium Lakelands District School Board	264.8	266.6	23.9	10.9	33,591	7,938	710.32	\$ 710.32	\$ 324.39	\$ 324.39
Upper Canada District School Board	235.9	236.9	20.0	9.0	32,010	7,402	626.27	\$ 626.27	\$ 281.57	\$ 281.57
Upper Grand District School Board	166.1	166.8	15.9	7.8	22,137	7,534	717.33	\$ 717.33	\$ 354.60	\$ 354.60
Waterloo Catholic District School Board	401.3	403.2	38.7	19.4	56,056	7,192	690.74	\$ 690.74	\$ 345.66	\$ 345.66
Waterloo Region District School Board	58.8	59.6	5.8	2.7	7,875	7,564	731.45	\$ 731.45	\$ 344.13	\$ 344.13
Wellington Catholic District School Board	190.5	191.4	18.1	9.1	26,230	7,295	691.68	\$ 691.68	\$ 347.79	\$ 347.79
Windsor-Essex Catholic District School Board	369.2	370.7	32.3	14.7	47,810	7,754	674.73	\$ 674.73	\$ 306.53	\$ 306.53
York Catholic District School Board	705.8	708.9	66.8	31.3	95,172	7,448	702.37	\$ 702.37	\$ 328.44	\$ 328.44
York Region District School Board	15,168	15,282	1,394	666	1,956,769	7,810	712.37	\$ 712.37	\$ 340.36	\$ 340.36
Board Group										
Provincial Total	15,168	15,282	1,394	666	1,956,769	7,810	712.37	\$ 712.37	\$ 340.36	\$ 340.36
Public Boards	10,204	10,274	933	447	1,335,303	7,694	698.99	\$ 698.99	\$ 334.39	\$ 334.39
Catholic Boards	4,963.3	5,007.9	460.6	219.5	621,466	8,058	741.12	\$ 741.12	\$ 353.18	\$ 353.18
Urban Boards	9,620	9,662	900	442	1,272,400	7,593	707.70	\$ 707.70	\$ 347.04	\$ 347.04
Rural Boards	5,548	5,621	493	224	684,369	8,213	721.05	\$ 721.05	\$ 327.94	\$ 327.94
GTA Boards	6,530	6,558	614	304	857,474	7,648	716.58	\$ 716.58	\$ 353.95	\$ 353.95
Rest-of-Ontario	8,638	8,725	779	362	1,099,295	7,936	709.08	\$ 709.08	\$ 329.75	\$ 329.75
French Language Boards	809	828	74	35	82,288	10,063	898.78	\$ 898.78	\$ 421.05	\$ 421.05
Other Boards	14,359	14,454	1,320	631	1,874,481	7,711	704.19	\$ 704.19	\$ 336.81	\$ 336.81



Appendix II — Board-by-board impact of funding formula introduction

Gains and losses from formula funding introduction in 1998-9

Board	2003-4 enrolment	Per student 1997 \$	Per student 1998-9 \$	Gain / (loss) per student, 1997 \$	Gain / (Loss) per student, 2003-4\$	Board Gain / (loss) total 2003-4\$ \$mm
Algoma District School Board	12,080	7,166	7,088	-\$78	-\$91	-1.3
Algonquin and Lakeshore Catholic District School Board	12,335	6,415	6,628	\$213	\$249	3.0
Avon Maitland District School Board	18,030	6,049	6,216	\$168	\$196	3.9
Bluewater District School Board	20,642	6,093	6,289	\$195	\$228	5.4
Brant Haldimand Norfolk Catholic District School Board	10,530	5,781	6,073	\$292	\$341	3.1
Bruce-Grey Catholic District School Board	3,572	5,978	6,696	\$718	\$840	3.3
Catholic District School Board of Eastern Ontario	14,029	6,285	6,496	\$211	\$247	3.1
Conseil scolaire de district catholique Centre-Sud	11,006	7,996	7,394	-\$602	-\$703	-7.4
Conseil scolaire de district catholique de l'Est ontarien	12,273	6,570	6,637	\$66	\$77	1.1
Conseil scolaire de district catholique des Aurores boréales	576	7,713	10,081	\$2,368	\$2,769	1.5
Conseil scolaire de district catholique des Grandes Rivières	8,070	7,252	7,556	\$303	\$354	3.7
Conseil scolaire de district catholique du Centre-Est de l'Ontario	15,012	7,147	6,759	-\$389	-\$454	-7.0
Conseil scolaire de district catholique du Nouvel-Ontario	7,265	7,019	7,403	\$385	\$450	4.1
Conseil scolaire de district du Nord-Est de l'Ontario	3,336	6,941	7,559	\$618	\$723	2.8
Conseil scolaire de district des écoles catholiques du Sud-Ouest	6,358	7,838	6,795	-\$1,043	-\$1,219	-7.9
Conseil scolaire de district des écoles publiques de l'Est de l'Ontario	9,395	7,654	7,637	-\$17	-\$19	-0.2
Conseil scolaire de district du Centre Sud-Ouest	5,632	8,528	8,503	-\$25	-\$29	-0.2
Conseil scolaire de district du Grand Nord de l'Ontario	2,332	9,133	9,979	\$846	\$989	2.5
Conseil scolaire de district du Nord-Est de l'Ontario	1,033	8,219	9,855	\$1,635	\$1,912	1.8
District School Board of Niagara	41,414	6,208	6,028	-\$181	-\$211	-9.4
District School Board Ontario North East	9,162	7,842	7,491	-\$351	-\$411	-4.5
Dufferin-Peel Catholic District School Board	81,828	6,048	6,412	\$364	\$426	31.9
Durham Catholic District School Board	24,384	6,015	6,129	\$114	\$133	3.2
Durham District School Board	63,174	6,033	6,151	\$118	\$138	8.5
Grand Erie District School Board	28,198	5,975	6,332	\$357	\$417	13.0
Greater Essex County District School Board	36,404	6,923	5,988	-\$935	-\$1,093	-38.6
Halton Catholic District School Board	24,493	5,745	6,080	\$335	\$392	8.1
Halton District School Board	43,644	6,397	6,375	-\$22	-\$25	-1.1
Hamilton-Wentworth Catholic District School Board	28,071	6,352	6,333	-\$19	-\$22	-0.6
Hamilton-Wentworth District School Board	52,880	6,265	6,094	-\$171	-\$200	-11.1
Hastings and Prince Edward District School Board	18,387	6,211	6,254	\$43	\$50	1.0
Huron-Perth Catholic District School Board	4,789	5,734	6,333	\$598	\$700	3.3
Huron-Superior Catholic District School Board	5,900	6,723	6,749	\$26	\$30	0.2
Kawartha Pine Ridge District School Board	37,495	6,031	6,085	\$54	\$63	2.5
Keewatin-Patricia District School Board	5,982	7,914	7,489	-\$425	-\$497	-3.6
Kenora Catholic District School Board	1,126	7,498	7,923	\$425	\$497	0.5
Lakehead District School Board	12,230	6,633	6,693	\$60	\$70	1.0
Lambton Kent District School Board	25,924	6,217	6,028	-\$189	-\$221	-6.5
Limestone District School Board	21,886	6,667	6,379	-\$288	-\$337	-7.7
London District Catholic School Board	20,889	6,188	6,504	\$315	\$368	7.7
Near North District School Board	12,608	6,871	6,749	-\$122	-\$143	-2.0
Niagara Catholic District School Board	22,867	5,877	6,140	\$264	\$308	7.2
Nipissing-Parry Sound Catholic District School Board	3,484	6,314	7,614	\$1,300	\$1,520	5.7
Northeastern Catholic District School Board	2,643	6,719	7,519	\$800	\$935	2.9
Northwest Catholic District School Board	1,290	6,322	7,089	\$767	\$897	1.2
Ottawa-Carleton Catholic District School Board	38,560	6,459	6,611	\$152	\$178	6.3
Ottawa-Carleton District School Board	69,418	7,679	6,239	-\$1,440	-\$1,683	-122.1
Peel District School Board	126,368	7,028	6,479	-\$549	-\$642	-64.2
Peterborough Victoria Northumberland and Clarington Catholic District School Board	13,922	7,187	6,426	-\$761	-\$890	-11.1
Rainbow District School Board	15,041	6,781	6,670	-\$111	-\$130	-2.2



Gains and losses from formula funding introduction in 1998-9

Board	<i>2003-4 enrolment</i>	<i>Per student 1997 \$</i>	<i>Per student 1998-9 \$</i>	<i>Gain / (loss) per student, 1997 \$</i>	<i>Gain / (Loss) per student, 2003-4\$</i>	<i>Board Gain / (loss) total 2003-4\$ \$mm</i>
Rainy River District School Board	2,854	9,411	7,930	-\$1,481	-\$1,731	-5.6
Renfrew County Catholic District School Board	4,905	6,018	6,948	\$931	\$1,088	5.6
Renfrew County District School Board	10,900	6,284	6,073	-\$211	-\$246	-3.0
Simcoe County District School Board	52,178	5,941	6,181	\$241	\$281	14.0
Simcoe Muskoka Catholic District School Board	20,429	5,953	6,472	\$520	\$608	11.0
St. Clair Catholic District School Board	10,977	5,970	6,400	\$431	\$503	6.5
Sudbury Catholic District School Board	6,790	6,204	6,666	\$462	\$540	4.2
Superior North Catholic District School Board	809	7,426	8,539	\$1,113	\$1,301	1.1
Superior-Greenstone District School Board	2,504	9,624	8,134	-\$1,491	-\$1,743	-5.8
Thames Valley District School Board	78,045	6,250	6,261	\$11	\$13	1.1
Thunder Bay Catholic District School Board	7,537	6,397	6,680	\$283	\$330	2.6
Toronto Catholic District School Board	87,359	6,711	6,755	\$44	\$52	5.0
Toronto District School Board	263,242	8,040	6,617	-\$1,423	-\$1,664	-444.4
Trillium Lakelands District School Board	19,392	6,719	6,602	-\$117	-\$137	-2.9
Upper Canada District School Board	33,591	6,536	6,363	-\$174	-\$203	-7.5
Upper Grand District School Board	32,010	5,969	6,185	\$217	\$253	8.2
Waterloo Catholic District School Board	22,137	5,895	6,407	\$511	\$598	13.1
Waterloo Region District School Board	56,056	6,246	6,281	\$35	\$41	2.2
Wellington Catholic District School Board	7,875	5,814	6,628	\$814	\$952	6.7
Windsor-Essex Catholic District School Board	26,230	6,174	6,067	-\$107	-\$125	-3.3
York Catholic District School Board	47,810	6,319	6,459	\$141	\$165	6.8
York Region District School Board	95,172	6,822	6,600	-\$222	-\$260	-20.9
	1,956,769	6,711	6,460	-\$252	-\$294	-570.2
Board Group						
Provincial Total	1,956,769	6,711	6,460	-\$252	-\$294	-573.0
Gainers	940,677	6,225	6,429	\$204	\$238	225.7
Losers	1,016,092	7,172	6,488	-\$684	-\$799	-798.7
Public Boards	1,335,303	6,863	6,417	-\$446	-\$522	-696.7
Catholic Boards	621,466	6,380	6,553	\$174	\$203	123.7
Urban Boards	1,272,400	6,846	6,414	-\$432	-\$506	-618.6
Rural Boards	684,369	6,489	6,537	\$48	\$56	45.6
GTA Boards	857,474	7,010	6,511	-\$499	-\$583	-470.9
Rest-of-Ontario	1,099,295	6,504	6,423	-\$81	-\$95	-102.2
French Language Boards	82,288	7,384	7,353	-\$31	-\$36	-3.2
Other Boards	1,874,481	6,679	6,418	-\$261	-\$306	-569.9
Underfunded categories (French, North & Catholic)	712,319	6,534	6,655	\$121	\$142	101.3
Rest of Ontario	1,244,450	6,815	6,346	-\$469	-\$548	-674.3



Technical Note A —

Basis for grant-by-grant and board-by-board analysis

Although Rozanski's funding recommendations are generally summarized as global numbers, his actual recommendations call for adjustments to individual grants to update benchmarks and implement new investments.

Using Rozanski's grant-by-grant summary of recommendations as a starting point, the value of the recommendations that had been accepted and implemented for school year 2002-3 was deducted from the total recommended to determine the amount still to be implemented.

For each grant, each board's share of the Rozanski's recommended funding increases was calculated and added to the board's prior-year funding for that grant. The total was then increased by 3% to reflect increased costs. Finally, for enrolment-linked grants, the projection was adjusted to reflect the board's forecast enrolment change from 2002-3 to 2003-4.

Grants not covered by Rozanski recommendations and the Teacher Compensation Grant were included at their value in the Ministry's 2003-4 projection.

Shares of provincial grant totals were calculated in two different ways, depending on the grant. For enrolment-based grants, each board's share of the Rozanski recommended increase was based on that board's share of 2003-4 projected enrolment.

Increases in the following grants flowing from Rozanski recommendations were distributed based on enrolment shares:

- Foundation
- Local Priorities
- Continuing Education
- Teacher Qualifications and Experience

- Early Learning
- Declining Enrolment Adjustment
- Administration and Governance

For grants not based on enrolment, each board's share of the increase was calculated assuming that each board would receive the same share of the total increase as it currently receives of the total provincial grant in that area. In other words, the assumption is that boards will gain the same percentage increase as the percentage increase in the provincial total.

Increases in the following grants were distributed based on the overall provincial change.

- Language
- Geographic
- Learning Opportunities
- Transportation
- School Renewal
- New Pupil Places

Special education increases were allocated 50% based on enrolment and 50% based on the board's share of total provincial special education funding.

To estimate funding that would be required to continue implementation of the Rozanski recommendations, the amount remaining to be implemented was added to final funding for 2002-3, and the total increased by 3% to reflect cost increases between 2002-3 and 2003-4.

In addition, the estimates for grants tied to enrolment were adjusted to reflect the Ministry's estimate, for each board, of enrolment decline between 2002-3 and 2003-4.



Grant totals for which estimates were adjusted to reflect changes in enrolment were:

- Foundation Grant
- Local Priorities
- 50% of the Special Education Grant (to reflect the Special Education Per Pupil Amount's share of special education funding)
- Adult and Continuing Education
- Teacher Compensation
- Early Learning
- Administration and Governance
- School Operations

In estimating total funding required to implement Rozanski, grants not covered by Rozanski recommendations were assumed to be at the Ministry-estimated 2003-4 level. Specifically, this assumption applies to:

- Prior Capital Commitments
- OMERS Recovery
- School Authorities

Two projections were made, one assuming immediate implementation of all recommendations and measured the full cost of immediate implementation; the other assuming a phase-in of the recommendations for benchmark catch-up and measuring the cost of the first year of a three-year implementation schedule.

The resulting revised projections were then compared with the Ministry's projected fund-

ing for each board. For the purposes of the comparison, the Ministry's projected funding for each board was adjusted by allocating a share of unallocated funding to each board. Ministry briefing materials indicated approximately \$115 million in unallocated funding: \$50 million for a rural education strategy; \$52 million for special education; and \$13 million for school renovation. In developing the adjusted Ministry forecast, these amounts were distributed based on each board's share of total grants for Geographic — Remote and Rural, Special Education and School Renewal, respectively.

Each board's total loss or gain relative to its projected Rozanski entitlement was determined by adding the loss or gain from each individual grant, with two exceptions.

In the case of special education, school renewal and new people places, grants are earmarked for particular categories of expenditure, and are not available for use in other areas. For these three grants, gains in funding relative to the Rozanski recommendations were not offset against losses in other areas. As a practical matter, this restriction had an impact on the total loss only for the New Pupil Places grant.

In all other grants, any gains in a grant were assumed to be available to offset losses in other grant areas.



Technical Note B — Reconciling the numbers

A careful reading of the tables in this paper will reveal two slightly different numbers for the total amount of the shortfall in funding based on: the analysis of the March Economic Statement’s numbers; and the detailed Grant-by-Grant and Board-by-Board GLG analysis. They are summarized and explained as follows:

	1 st year of 3 years	Total
Economic statement	\$645 million	\$1,502 million after three years
GLG detail	<p>\$666 million</p> <p>1st year phase-in estimate differs from the estimate based the figures in the March Financial Statement for three reasons:</p> <ul style="list-style-type: none"> • It excludes changes in grants not covered by Rozanski's recommendations; • It adjusts for enrolment board-by-board rather than globally; and • Gains do not offset losses relative to Rozanski 	<p>\$1,394 million immediate implementation</p> <p>In addition to the differences in the basis for the estimate set out in column 2, the Financial Statement analysis is set in a different time horizon than the full-implementation scenario in the GLG detail projection.</p> <p>The analysis of the Financial Statement forecasts of funding projects future funding requirements assuming all of Rozanski's recommendations are implemented, including annual updates, and compares that total with the multi-year funding targets set out in the Economic Statement.</p> <p>The GLG detail figure measures the total cost of implementing Rozanski immediately, and thus does not reflect the difference between future cost increases and projected future funding allocations.</p>



Endnotes

- ¹ The other major contributor to the cuts was in the area of teacher compensation. Here, the funding formula was structured so that most boards would not receive enough funding to pay the teachers they were required to employ to meet class size standards.
- ² 2003 Ontario Budget, p.23
- ³ Projected costs for 2003-4 drop by \$230 million, when enrolment decline is factored into the calculation. This amount is offset in part by an increase of \$80 million in the “declining enrolment” grant to boards that are losing enrolment.
- ⁴ For a description of the development of the Rozanski implementation funding forecasts, see “Adding Rozanski”, Hugh Mackenzie, Canadian Centre for Policy Alternatives, January 2003. www.policyalternatives.ca
- ⁵ \$1.01 billion to update benchmarks to to 2001-2 costs; \$0.07 billion for non-salary updates from 2001-2 to 2002-3; and \$0.34 billion (as determined by the Government) for salary updates from 2001-2 to 2002-3.
- ⁶ See Technical Note A for a detailed summary of the methodology used in this analysis.
- ⁷ See Appendix II for board-by-board details of impact of funding formula introduction.
- ⁸ Learning Opportunities Grant, Panel Report to Minister of Education and Training, August 29, 1997, p.9. According to the Ministry-appointed Learning Opportunities Working Group, 2001-2 funding for the demographic component of the Learning Opportunities Grant was \$189 million, or 72% of total funding of the Grant. Applying that percentage to the 2003-4 grants results in an estimate for the 2003-4 demographic component of \$256 million.
- ⁹ \$5.50 updated from 1997 to reflect 2003-4 costs would be \$6.52 per square foot.
- ¹⁰ For information, contact these province—wide organizations directly:
 People for Education
 Elementary Teachers Federation of Ontario
 Ontario Secondary School Teachers Federation
 Ontario English Catholic Teachers Association
 Ontario Teachers Federation
 Ontario Public School Boards Association
 Catholic School Boards

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