

Education Funding

Technical Paper
2005–06

Ministry of Education

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Introduction

Purpose

This paper contains details of the education funding grant formulas and other criteria for education funding for the 2005–06 school year. It is intended to provide an overview of the formulas that are used to calculate school boards' 2005–06 allocations for budgeting and financial reporting purposes.

The grant formulas outlined in this paper are based on the following regulations: Grants for Student Needs – Legislative Grants for the 2005-2006 School Board Fiscal Year, Calculation of Average Daily Enrolment for the 2005-2006 School Board Fiscal Year, and Calculation of Fees for Pupils for the 2005-2006 School Board Fiscal Year.*

Changes for 2005–06

A summary of the changes in the 2005–06 education funding approach is provided below. Further details are outlined in the relevant sections of this paper.

Education funding for the 2005–06 school year includes \$250 million outside the Grants for Student Needs (GSN).

In 2005–06, funding to school boards is projected to be approximately \$820 million more than the funding for the 2004–05 school year. This increase has three components:

- i) Funding for school boards through Grants for Student Needs (GSN) is projected to total \$16.90 billion in 2005–06. This represents an increase of \$658 million, or 4 percent, from 2004–05 and maintains the multi-year funding commitment to elementary and secondary education announced in 2004.
- ii) The Government is also undertaking some initiatives outside the GSN to invest in student success. These initiatives will provide \$250 million, an increase of \$117 million from the 2004–05 investment in initiatives outside the GSN.

The Government is committed to stable funding while key elements of education funding are restructured.

* Should there be any discrepancy between this paper and the regulations, the regulations prevail.

iii) The balance of the increased funding comes from the change in base funding requirements in 2005–06 compared to 2004–05.

Changes for 2005–06 include enhancements to support student achievement, to support stability in the education sector, and to support reform by ensuring stable funding for school boards in 2005–06 as consultation continues about restructuring key aspects of the funding approach in 2006–07 and future years.

Greater transparency of funding and budget decisions, at both the provincial and school board levels, is a priority, and the extent to which resources are used to benefit students is a key measurement of the effective use of funding. The Ministry continues to work with its partners in education to develop a more streamlined and transparent reporting system.

Support for student achievement

Primary Class Size

As the next step in its commitment to cap primary (Junior Kindergarten to Grade 3) classes at 20:1 by 2007–08, the Government is investing an additional \$92 million in 2005–06 to increase the total operating allocation for the Primary Class Size Reduction Amount to \$181 million.

The Government is making up to \$36 million available in 2005–06 for boards that need to undertake capital construction to accommodate lower primary class sizes. School operations and renewal funding is also being adjusted to recognize the increase in the number of classrooms needed for the first two years of reducing primary class sizes.

Increased Teaching Staff

Changes to the Foundation Grant in 2005–06 include measures to implement the first year of a multi-year plan that increases teaching staff in elementary and secondary schools.

Elementary Specialist Teachers

Starting in 2005–06 and phased in over four years, funding for additional specialist teachers in elementary schools provides new resources to help students achieve high levels of literacy and numeracy and promotes a full range of learning that includes physical education, arts, music, and drama. The increase in specialist teachers also supports increases in preparation time for elementary classroom teachers. Funding in 2005–06 for this initiative is projected to be \$39 million.

Secondary Student Success Teachers

Starting in 2005–06, funding to increase the number of teachers to support secondary student success will be phased in over three years. Student success will be measured by increased credit accumulation in Grades 9 to 12, improved graduation rates (especially four-year graduation rates), and decreased drop-out rates. Funding in 2005–06 for this initiative is projected to be \$89 million.

French-Language Boards

To help reduce assimilation and improve the literacy and numeracy skills of French-language students, the Government is providing \$13.5 million to French-language school boards in 2005–06. This increase is allocated through the Actualisation linguistique en français (ALF) component of the Language Grant. A further \$6.5 million will also be provided to French-language boards in the 2005–06 school year.

Good Places to Learn

Stage 1 of Good Places to Learn funding provides boards with funding to support \$1 billion in major repairs, additions, and new school construction. Stage 1 projects are those high and urgent priority projects identified through the inspection of schools in 2003 and incorporated in the ReCAPP facility management database. Actual allocations will be based on boards' actual costs of borrowing in 2005–06 to initiate these projects.

Support for stability

Salary Benchmarks

Salary benchmarks for all categories of school board staff are increasing by 2 percent in 2005–06, with additional funding in 2005–06 and future years to address the difference between the annual benchmark increase and the cost of a corresponding annual increase to actual average salaries.

Non-Salary Benchmarks

The Government is investing a total of \$46.3 million for an increase in non-salary benchmarks to help keep up with costs in 2005–06. This additional funding provides for a 2 percent increase for most benchmarks. Increases in benchmarks are in addition to other funding enhancements.

Non-Salary Benchmarks	(\$M)
Textbooks and Learning Materials	4.9
Classroom Computers	3.0
Classroom Supplies	7.1
School Supplies	2.0
School Operations	12.7
Student Transportation	13.7
Board Administration	2.9
Total	46.3

Support for reform

Rural Schools

The Government is committed to fully develop a distinct rural education funding formula by reforming how the existing \$800 million in grants that are not tied to students function to support good education.

In 2005–06, \$20 million in new funding is being provided for 1,134 rural schools to bring the total funding for these schools to over \$50 million. Through the Good Schools Open initiative, funding is provided to support the higher costs of supplies, equipment, and services and 100 percent of the benchmark costs of a principal and a secretary. The \$20 million enhancement also includes increased top-up funding, which is allocated through the School Operations and School Renewal Allocations of the Pupil Accommodation Grant.

Declining Enrolment Adjustment

Funding for the Declining Enrolment Adjustment is increasing with a one-time investment of \$53 million. This increase ensures that boards receive the same level of funding in 2005–06 as they received in 2004–05, plus additional funding in recognition of further enrolment decline in 2005–06.

Special Education

Special education funding in 2005–06 ensures stability in programs and services for students with special education needs. A transitional funding approach for 2005–06 addresses “net new needs.” This approach is similar to the one used in 2004–05 to calculate allocations from the Effectiveness and Equity Fund.

Student Transportation

In 2005–06, student transportation funding is increasing by \$33 million. These additional funds will provide stability as work continues with the sector to develop a fair and equitable approach to funding transportation and to expand the use of consortia and other efficiency measures.

Cleaner Safer Schools

The Government is enhancing funding for school operations and renewal in all elementary schools in 2005–06. The elementary benchmark area requirement and the elementary on-the-ground capacity for school operations and renewal funding is adjusted to recognize the increase in the number of classrooms boards must operate as a result of the first two years of the Primary Class Size Reduction initiative. It is anticipated that further changes to these benchmarks will occur in future years to support full implementation of the cap on primary class size.

Boards are to use the increased funding to hire additional custodial staff to clean and maintain school grounds and facilities, as well as to address the additional operation and repair costs of space added as a result of the Primary Class Size Reduction initiative.

This enhancement will total \$31 million in 2005–06.

New Pupil Places

With the Good Places to Learn announcement, the Ministry's policy that allowed boards to close and dispose of schools at no cost in order to reduce their capacity and generate funding for New Pupil Places was rescinded. Also, a new accountability measure has been introduced for 2005–06, so that boards will only receive funding once they have reported to the Ministry that they have signed construction contracts.

Geographic Adjustment Factor

The Geographic Adjustment Factor used in the calculation of the New Pupil Places Allocation has been revised to reflect updated regional cost differences. This revised factor also applies for the first time to the calculation of the School Renewal Allocation.

Early Learning Grant

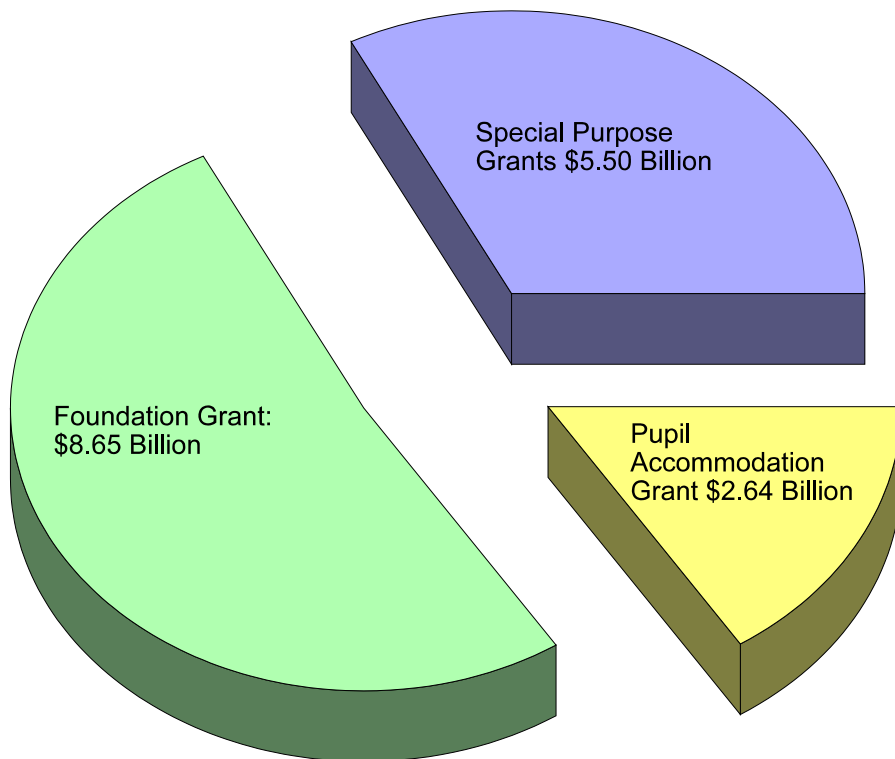
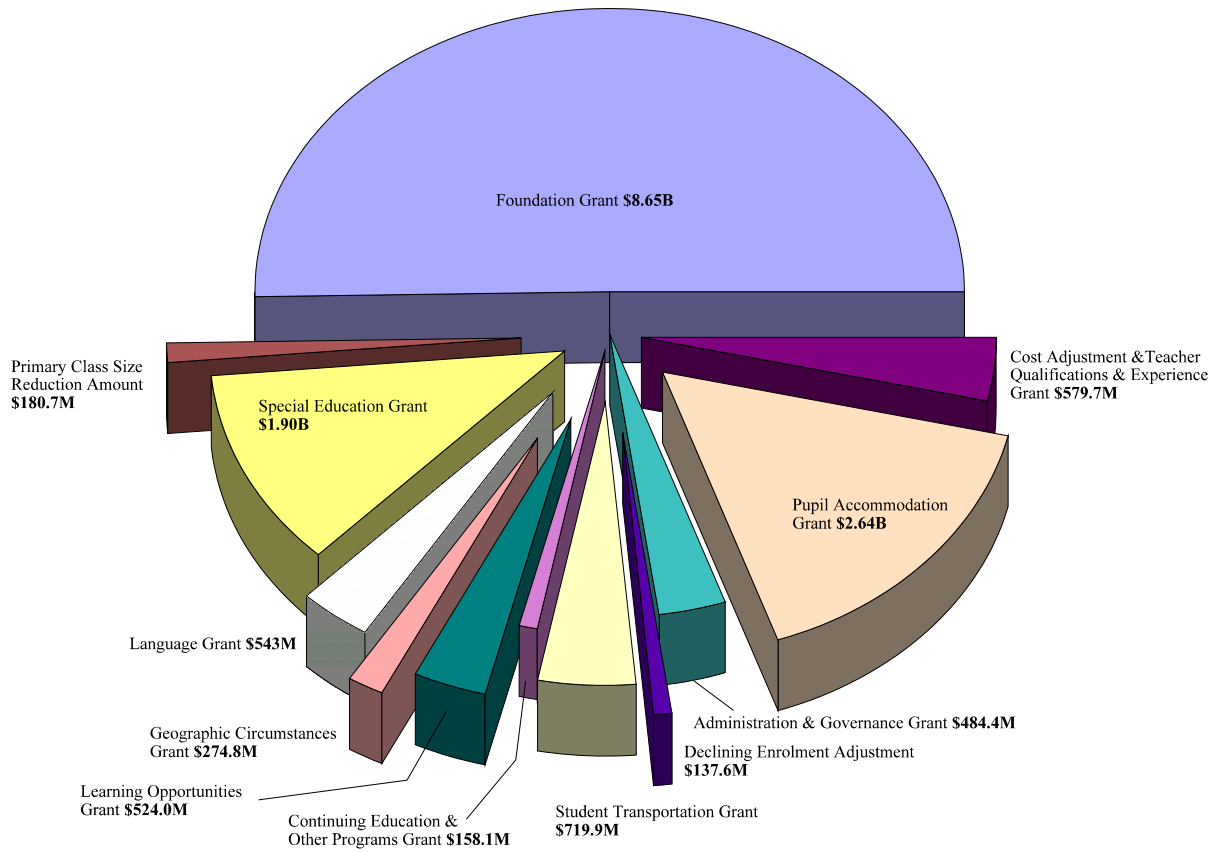
The purpose of the Early Learning Grant was to provide equitable funding for early learners to boards that did not offer Junior Kindergarten programs. As all school boards are offering a Junior Kindergarten program in 2005–06, this grant is discontinued. When boards have declining enrolment, their revenue loss from this change is mitigated in 2005–06 by the Declining Enrolment Adjustment.

Further Information

If you have any questions about the material in this paper, please contact your Ministry of Education regional office finance officer or the following branches of the Ministry:

Education Finance Branch	(416) 325-8407
Business Services Branch	(416) 325-4242
Transfer Payments and Financial Reporting Branch	(416) 314-3711

2005–06 Grant Allocations



Education Funding Grants

Education funding consists of a Foundation Grant, ten special purpose grants, and a Pupil Accommodation Grant as summarized below.

FOUNDATION GRANT

Classroom teachers
Education assistants
Textbooks and learning materials
Classroom supplies
Classroom computers
Library and guidance services
Specialist teachers/preparation time
Student Success teachers/preparation time
Professional and para-professional supports
In-school administration
Classroom consultants
Local Priorities Amount

SPECIAL PURPOSE GRANTS

1. Primary Class Size Reduction Amount
2. Special Education Grant
3. Language Grant
4. Geographic Circumstances Grant
5. Learning Opportunities Grant
6. Continuing Education and Other Programs Grant
7. Cost Adjustment and Teacher Qualifications and Experience Grant
8. Student Transportation Grant
9. Declining Enrolment Adjustment
10. School Board Administration and Governance Grant

PUPIL ACCOMMODATION GRANT

School Operations
School Renewal
New Pupil Places
Outstanding Capital Commitments
Debt Charges

Foundation Grant

The Foundation Grant is a per-pupil allocation that supports the components of a classroom education that are required by, and generally common to, all students.

In 2005–06, changes have been made to the Foundation Grant to implement multi-year funding initiatives to increase teaching staff in both elementary and secondary panels. These changes are detailed below.

For 2005–06, Foundation Grant funding is projected to total \$8.65 billion. Actual funding varies over the course of the school year because of changes in enrolment, other factors used in calculating the grants, and board program decisions.

Important Notice

The changes to the Foundation Grant described below require statutory changes that are subject to approval by the Legislative Assembly. It is the intention of the Minister of Education to introduce legislation that would, if passed, repeal sections 170.2 and 170.2.1 of the *Education Act* regarding elementary and secondary teaching time.

Foundation Grant – ELEMENTARY		# staff per 1,000 students	average salary + % benefits	\$ per pupil for supplies and services	\$ allocation per pupil
Classroom Teacher Class Size: 24.5:1	Classroom Teacher	40.82	56,264 + 12%		\$2,572
	Specialist Teacher/ Preparation Time	4.53			286
	Supply Teacher			92	92
	Staff Development			11	11
Education Assistants		0.2	24,934 + 16%		6
Textbooks and Learning Materials				80	80
Classroom Supplies				82	82
Classroom Computers				46	46
Library and Guidance Services	Teacher-Librarian	1.3	56,264 + 12%		82
	Guidance Teacher	0.2	56,264 + 12%		13
Professional/Para- Professional Supports		1.33	48,219 + 14.8%		74
In-School Administration	Principal	2.75	87,524 +12%		270
	Vice-Principal	0.75	79,868 +12%		67
	Secretary	3.67	31,286 +18%		135
				8	8
Classroom Consultants		0.48	77,452 +12%		42
Local Priorities Amount					200
TOTAL FOUNDATION GRANT		56.03		\$319	\$4,066

NOTE: Numbers have been rounded for reporting purposes.

Foundation Grant – SECONDARY	# staff per 1,000 students	average salary + % benefits	\$ per pupil for supplies and services	\$ allocation per pupil
Classroom Teacher Class Size 22:1 Credit load per pupil 7.5	Classroom Teacher	42.61	56,264 + 12%	\$2,685
	Student Success Teacher/Preparation Time	14.22		896
	Supply Teacher			67
	Staff Development			12
	Department Head allowances	9.00	3,601 + 12%	36
Textbooks and Learning Materials			107	107
Classroom Supplies			187	187
Classroom Computers			60	60
Library and Guidance Services	Teacher-Librarian	1.10	56,264 + 12%	69
	Guidance Teacher	2.60	56,264 + 12%	164
Professional/Para- Professional Supports		2.10	48,219 + 14.8%	116
In-School Administration	Principal	1.10	95,452 + 12%	118
	Vice-Principal	1.50	84,258 + 12%	142
	Secretary	5.33	32,958 + 18%	207
Classroom Consultants		0.54	77,452 + 12%	8
Local Priorities Amount				8
TOTAL FOUNDATION GRANT		71.10		\$441
	(excluding Department Heads)			\$5,121

NOTE: Numbers have been rounded for reporting purposes.

Changes to the Foundation Grant – Elementary

Specialist Teachers

The 2005–06 school year is the first year of a four-year plan that will significantly increase the number of elementary specialist teachers.

Specialist teachers are certified classroom teachers with rotating, regularly scheduled, full or partial teaching assignments in subject areas such as literacy and numeracy, physical education, music, the arts, French, and anglais.

Funding for specialist teachers will be added in each year from 2005–06 to 2008–09. In 2005–06, new funding of \$39 million for this initiative will be allocated to school boards through the Foundation Grant – Elementary. On a province-wide basis, it is expected that boards will be able to hire approximately 600 additional elementary teachers. This investment will grow to \$146 million by 2008–09, which will allow boards to hire more than 2,000 teachers.

The increase in specialist teachers is implemented through an increase in preparation time, and the number of specialist teachers added each year will be in accordance with these additional minutes of preparation time.

Boards that already have preparation time at levels above those defined in this framework will receive credit for those teachers.

Salary Benchmarks and Preparation Time

The changes to the Foundation Grant – Elementary incorporate adjustments to teacher salary benchmarks and to the level of elementary teachers' preparation time.

Starting in 2005–06, benchmarks for teachers' average salary will be adjusted to provide for increases of 2 percent in 2005–06, 2.5 percent in 2006–07, and 3 percent in 2007–08.

Average teacher salary benchmarks	2005–06	2006–07	2007–08
Average teacher salary	\$56,264	\$57,671	\$59,401
Average teacher salary including benefits @ 12% of salary	\$63,016	\$64,591	\$66,529

Preparation time for elementary school teachers will be supported at increasing levels for each year from 2005–06 to 2008–09. The cost of implementing increased preparation time will be met by a combination of funding provided through the Foundation Grant – Elementary, and a realignment of resources by school boards.

Elementary teachers' preparation time on a weekly basis is set at the following levels:

160 minutes in 2005–06,
180 minutes in 2006–07,
190 minutes in 2007–08, and
200 minutes at June 30, 2008.

New funding supports increased preparation time at the following levels:

10 minutes in 2005–06,
18 minutes in 2006–07 (an additional 8 minutes over 2005–06),
25 minutes in 2007–08 (an additional 7 minutes over 2006–07), and
35 minutes in 2008–09 (an additional 10 minutes over 2007–08).

The difference between funded preparation time and a board's actual preparation time represents the board's contribution. This means that boards with different amounts of existing preparation time contribute different amounts.

Classroom Teacher Section of the Foundation Grant – Elementary

The Classroom Teacher section of the Foundation Grant – Elementary has been reconfigured to implement the new investment in specialist teachers. In 2004–05 and previous years, this section included three components: Classroom Teacher, Supply Teacher, and Staff Development. In 2005–06, this section includes a new Specialist Teacher/Preparation Time component, which replaces the Preparation Time section from 2004–05 and previous years. Specialist Teacher/Preparation Time is now reported as a classroom expenditure; the classroom envelope has been changed to reflect this new approach.

The number of classroom teachers funded through the Foundation Grant continues at 40.82 teachers per 1,000 pupils. This reflects an average class size of 24.5.*

Current benchmarks for Library and Guidance Services in the Foundation Grant have not changed.

The additional teachers hired as a result of the specialist teacher initiative are included in the calculation of the Cost Adjustment and Teacher Qualifications and Experience Grant, which recognizes variations in salary costs based on teachers' qualifications and experience. Funding to boards will be adjusted to reflect the costs of the additional teachers according to these teachers' placement on the salary grid.

* The Ministry may, in the future, propose amendments to the *Education Act* concerning elementary class size requirements that would, if approved by the Legislative Assembly, support implementation of a primary class size cap.

Over the four years of implementation, the increase in the total number of teachers funded through the Classroom Teacher section of the Foundation Grant – Elementary is set out below.

	Elementary teachers per 1,000 students	2005–06	2006–07	2007–08	2008–09
A	Classroom teachers in 2004–05 (based on class size 24.5:1)	40.82	40.82	40.82	40.82
B	Funded level of preparation time in 2004–05	4.08	4.08	4.08	4.08
C	Increase in funded minutes for specialist teacher/preparation time	0.34	0.61	0.85	1.19
D	Increase in preparation time for teachers funded through the special purpose grants*	0.11	0.2	0.28	0.4
E	Total additional teachers (C + D)	0.45	0.81	1.13	1.59
	Total teachers	45.35	45.71	46.03	46.49

* Note: Funding for elementary teachers in the various special purpose grants has not been adjusted. Instead, a corresponding amount has been incorporated in the Specialist Teacher/Preparation Time component of the Foundation Grant.

Reporting and Accountability

Funding for specialist teachers includes a reporting and accountability framework that requires each board to report annually on its plan to use these additional resources, clearly linking the resources to the board’s overall strategy for improved student achievement. The report is to set a target for improved literacy and numeracy of primary students. Boards are also required to report annually on the level of preparation time in their collective agreements and the number of specialist teachers hired, categorized by specialty (literacy and numeracy, physical education, music, the arts, and French/anglais) Boards are expected to report publicly on both the use of resources and the success in achieving literacy and numeracy goals.

Boards that already have specialist elementary teachers at levels above those defined in the framework will receive credit for those teachers.

Specialist teachers/preparation time are reported as a classroom expenditure. The classroom envelope has been changed to reflect this new approach.

Changes to the Foundation Grant – Secondary

Student Success Teachers

The 2005–06 school year is the beginning of a three-year investment of additional resources for secondary education that will increase the number of teachers supporting student success. New funding of \$89 million is being allocated through the Foundation Grant – Secondary in 2005–06 to enable boards to hire approximately 1,300 teachers. This investment will grow to \$143 million by 2007–08, allowing boards to hire more than 1,900 additional teachers at full implementation.

This funding results in additional teachers as follows:

- 1.89 additional teachers per 1,000 students in 2005–06
- 2.35 additional teachers per 1,000 students in 2006–07
- 2.82 additional teachers per 1,000 students in 2007–08

These increases are implemented through adjustments to the Foundation Grant – Secondary as outlined below.

- Salary benchmarks are adjusted to provide for increases of 2 percent in 2005–06, 2.5 percent in 2006–07, and 3 percent in 2007–08.
- Schools are no longer required to establish a Teacher Advisor program. In 2004–05, the Classroom Teacher section of the Foundation Grant – Secondary included a Teacher Advisor component that allocated 1.09 teachers per 1,000 students. This component is now included in the new Student Success teacher/preparation time component. The program goals of the Teacher Advisor program will be met in the future, in part, through individual and small-group student mentoring and advocacy as alternative duties and, in part, through the additional dedicated secondary staff for Student Success.
- The average secondary teacher workload is adjusted from 6.5 credits to 6.10 in 2005–06, 6.05 in 2006–07, and 6.00 in 2007–08, with an average secondary class size of 22:1.
- The benchmark for the average student credit load is now 7.5 rather than 7.2. The Special Assistance for Average Per-Pupil Credit Load component of the former Teacher Qualifications and Experience Grant provided assistance to recognize an average credit load of up to 7.5 credits per pupil. Since the Foundation Grant now recognizes 7.5 credits as the average credit load, this component of the Cost Adjustment and Teacher Qualifications and Experience Grant is no longer necessary and has been discontinued.
- Further investments increase the total Student Success teacher/preparation time component to 14.22 teachers per 1,000 students in 2005–06.

	Secondary teachers per 1,000 students	2005–06	2006–07	2007–08
A	Classroom teachers in 2004–05 (based on 7.2 credit load and class size 21:1)	42.86	42.86	42.86
B	Funded level of preparation time in 2004-05 (including teacher advisor)	9.88	9.88	9.88
C	Adjustment to reflect average student load of 7.5	2.20	2.20	2.20
D	Additional investment in student success teachers/preparation time*	1.89	2.35	2.82
	Total teachers	56.83	57.29	57.76

* Note: Funding for secondary teachers in the various special purpose grants has not been adjusted. Instead, a corresponding amount has been incorporated in the Student Success Teacher/Preparation Time component of the Foundation Grant.

The additional teachers hired as a result of this initiative are recognized in calculating the Cost Adjustment and Teacher Qualifications and Experience Grant. Funding to boards is adjusted to reflect the costs of the additional teachers according to these teachers' placement on the salary grid.

Eligible Uses

The focus of these additional resources for secondary education is to increase the number of teachers to support student success. Student success will be measured by increased credit accumulation in Grades 9 to 12, improved graduation rates, especially four-year graduation rates, and decreased dropout rates.

Eligible uses for the additional staffing have been identified for 2007–08 when this initiative will be fully implemented. Board and school staffing committees should be part of the process of allocation and mandated to look at staffing implications, help track results, and recommend best practices.

Eligible uses are listed below.

- A Student Success teacher in every secondary school:
 - In schools where no Student Success teacher position exists, at least one full-time position should be allocated to this role. In very small schools, boards may allocate a proportional level of resources.
 - In schools where there is already at least one full-time position dedicated to Student Success *and* where the graduation rate is below 70 percent at least 0.5 additional position should be allocated to this role. These positions may take a variety of forms, including guidance, learning resource, co-operative education, or alternative education teachers.

- Additional sections in courses, provided that at least two-thirds of the new sections created are in the following types of courses:
 - locally developed compulsory credit courses,
 - applied courses,
 - workplace preparation courses,
 - college preparation courses,
 - learning strategies courses,
 - career-related senior course packages (for example, in building construction, hospitality),
 - English as a second language/English Literacy Development (ESL/ELD) and l'actualisation linguistique en français/le perfectionnement du français (ALF/PDF) courses,
 - guidance courses related to cooperative education, and
 - alternative programs, including credit recovery (especially for Grades 9 and 10).

A school board may diverge from the two-thirds minimum when the board demonstrates that a different ratio would better achieve the goal of student success. It is expected that the establishment of these new sections of courses will result in lower class sizes in the relevant program areas, without increasing class sizes in any other program area.

- General workload improvements that help students. These improvements may be achieved through additional librarians and guidance teachers, eliminating differentiated staffing where it has had a negative effect on students, or lowering class size. It should be noted that the allocation of resources for the purpose of lowering class size would be in addition to the allocation of resources to create additional sections of courses as described above.

Reporting and Accountability

Beginning in 2005–06, each school board is required to report on the use of additional secondary teaching staff and the achievement of improved student results in its Annual Student Success Action Plan and Report.

The Ministry will monitor changes in the number of sections and in class sizes in order to assess the extent to which boards have reduced class size and increased program availability in the areas identified above without increasing class sizes in other areas. The course enrolment sections of the October and March Reports will be used to monitor course offerings.

Student Success teachers/preparation time are reported as a classroom expenditure. The classroom envelope has been changed to reflect this new approach.

Description of Foundation Grant Components

Classroom Teachers

Salaries and benefits (which include the normal cost of retirement gratuities) for classroom teachers, elementary specialist teachers, secondary Student Success teachers, supply and occasional teachers to cover absences, and professional development for teachers.

Education Assistants

Salaries and benefits for education assistants who support teachers in the classroom, primarily in Junior and Senior Kindergarten.

Textbooks and Learning Materials

Textbooks, workbooks, resource materials, updating library materials, instructional software, CD ROMs, internet expenses, and technology supporting distance education.

Classroom Supplies

Classroom supplies, such as paper, pens, pencils and other materials, and classroom equipment.

Classroom Computers

Classroom computers (hardware only) and the associated network costs.

Library and Guidance Services

Salaries and benefits for teacher-librarians and guidance teachers. Guidance teachers at the elementary level are those providing guidance primarily to Grades 7 and 8 pupils.

Professional and Paraprofessional Services

Salaries and benefits for staff who provide support services to students and teachers, such as attendance counsellors, social workers, child/youth workers, community workers, and computer technicians. Professionals and paraprofessionals who provide support for special education, such as psychologists, psychometrists, and speech pathologists, are funded through a combination of the Foundation Grant, the Special Education Grant, and some of the special purpose grants such as the Geographic Circumstances Grant.

In-School Administration

Salaries and benefits for principals, vice-principals, department heads at the secondary level, and school clerical staff, as well as supplies for school administration purposes, including for school councils.

Classroom Consultants

Salaries and benefits for teacher consultants and coordinators (for example, reading specialists and program specialists who assist teachers in developing curriculum or in working with individual students).

Local Priorities Amount

Funding that gives boards additional flexibility to direct resources to meet local needs. In 2005–06, the total Local Priorities Amount is almost \$391 million.

Special Purpose Grants

The cost of education differs depending on the needs of an individual student and where that student lives. The special purpose grants respond to these differences by recognizing the need for specialized programs for students with special needs, and the different levels of support that students require related to language proficiency, location, transportation, and other variations in personal and local circumstances. The ten special purpose grants are as follows:

Grant	Education funding * (\$ Million)
Primary Class Size Reduction Amount	\$180.7
Special Education	\$1,900.0
Language	\$543.0
Geographic Circumstances	\$274.8
Learning Opportunities	\$524.0
Continuing Education and Other Programs	\$158.1
Cost Adjustment and Teacher Qualifications and Experience	\$579.7
Student Transportation	\$719.9
Declining Enrolment	\$137.6
School Board Administration and Governance	\$484.4

* These amounts are Ministry of Education projections for the 2005–06 school year. Actual funding varies because of changes in enrolment, other factors used in calculating the grants, and board program decisions.

Primary Class Size Reduction Amount

The Government has made a commitment to cap Junior Kindergarten to Grade 3 classes at 20:1 by 2007–08. Boards are not required to implement a cap in 2005–06, but planning should take into account the goal of full implementation in 2007–08. To assist boards, the Government is providing direction on flexibility at full implementation, which is described below.

In 2005–06, the Government is providing an additional \$92 million to increase the total allocation for the Primary Class Size Reduction Amount to \$180.7 million. The additional 2005–06 funding is for hiring additional teachers; no portion is to be used for classroom supplies or temporary accommodation.

The Primary Class Size Reduction Amount is calculated by multiplying the 2005–06 day school Average Daily Enrolment of pupils enrolled in Junior Kindergarten, Kindergarten, and Grades 1 to 3 by \$340.

Funding through the Primary Class Size Reduction Amount in 2005–06 results in a corresponding adjustment to funding through the Distant Schools Component of the Geographic Circumstances Grant. This adjustment recognizes that, at present, a portion of the funding provided through the Distant Schools Component already supports primary class sizes below 20:1 in some eligible elementary schools.

Transitional Program Equivalency

In 2005–06, some boards may have insufficient space in existing school buildings to add all the new classrooms they could potentially set up with their Primary Class Size Reduction allocation. As a transitional measure, boards that have insufficient space may seek consideration by the Ministry to use Primary Class Size Reduction Amount funding for alternative programming, where that would provide more equitable implementation of the funding within their jurisdictions.

- Eligible boards are expected to hire additional primary teachers, but will be allowed to deploy these teachers to create smaller groupings of primary students within the school day. Examples include team teaching, where two teachers are assigned to a classroom, or organizing smaller classes to give students small-group instruction in areas such as reading, writing, and math.
- Eligible boards are required to demonstrate that they have hired a number of additional primary teachers commensurate with their Primary Class Size Reduction allocation and that these teachers are scheduled for regular blocks of instruction in specified primary classrooms. The full-time equivalents (FTEs) for that instruction plus the FTEs for any new primary classes established must equal the number of teachers funded by the Primary Class Size Reduction Amount.

This approach is intended as a transitional measure for 2005–06, as boards plan and implement changes to provide space for the additional primary classrooms that will be necessary for the primary class size cap in 2007–08. The need for a similar transitional approach in 2006–07 will be assessed based on a review of boards' capital plans.

Flexibility at Full Implementation

The purpose of flexibility is to ensure that boards and schools achieve the 20:1 cap in a way that maximizes the benefits for primary students. Flexibility allows schools and boards to organize classes and schools that conform to provincial guidelines while responding to local circumstances and delivering high-quality education programs. In particular, flexibility helps boards and schools accommodate in-year enrolment changes, reduce the need for more split grades, and avoid unnecessary transportation of students.

The Government recognizes that school boards and schools will need some flexibility for planning purposes to fully implement the primary class cap in the 2007–08 school year.

For planning purposes, in 2007–08, the provincial guideline for primary class size will be that each board must organize its primary classes so that, as of October 31, 2007:

- At least 90 percent of a board's primary classes have 20 or fewer students;
- Up to 10 percent of a board's primary classes may have up to 23 students.

Primary Class Size – Pupil Accommodation

The Government is making up to \$36 million available in 2005–06 for boards that need to undertake capital construction to accommodate lower primary class sizes. In some boards, full implementation of the cap on primary class size will require construction to begin as soon as possible.

All school boards are required to submit long-term capital plans outlining their capital needs by December 2005. As part of this process, boards will assess the needs arising from implementation of the primary class size cap, as well as from other program improvements.

School operations and renewal funding is also being adjusted to recognize the increase in the number of classrooms needed for the first two years of reducing primary class size.

Reporting and Accountability

Reporting and accountability requirements for the Primary Class Size Reduction Amount in 2005–06 are similar to those in 2004–05. School boards are required to:

- Submit a plan that shows how many teachers will be hired with the increased funding in 2005–06. This plan will identify the schools where class sizes will be reduced. Each board is required to make this plan available on the board's website.

- Demonstrate a reduction in average primary class size in 2005–06 while ensuring that average class size in the other elementary grades (4 to 8) does not increase.

Special Education Grant

The Special Education Grant provides funding for exceptional pupils and other students who need special education programs and supports. This funding is intended to support the additional programs, services, and equipment required to meet the educational needs of these students. The Special Education Grant includes five components – the Special Education Per-Pupil Amount (SEPPA), the Special Equipment Amount, the High Needs Amount, the Special Incidence Portion, and the Facilities Amount.

The Special Education Working Table is reviewing special education to develop a new funding approach to be implemented in future years.

Special education funding in 2005–06 ensures stability in programs and services for students with special needs.

SEPPA is increasing by 2 percent plus an equivalent increase for staff funded by the High Needs Amount (formerly ISA 2 and 3). The funding for education programs in custody, and care and treatment settings is also increasing by 2 percent.

In 2005–06, new funding is available to address new high needs students. Boards were required to submit claims by November 30, 2005. Funding will be based on audited board claims.

The Special Education Grant in 2005–06 is projected to be \$1.9 billion.

SEPPA	\$867.6M
Special Equipment Amount	\$25.0M
High Needs Amount	\$924.6M
Special Incidence Portion	\$6.2M
Facilities Amount	\$76.6M
Total	\$1,900.0M

Special Education Per-Pupil Amount (SEPPA)

The Special Education Per-Pupil Amount (SEPPA) is allocated to boards on the basis of total enrolment. SEPPA recognizes the cost of providing additional assistance to the majority of students with special needs. SEPPA has been increased to reflect increases in both salary and non-salary benchmarks. The SEPPA per-pupil amounts for 2005–06 are:

\$608 per Junior Kindergarten to Grade 3 student
\$459 per Grade 4 to Grade 8 student
\$296 per Grade 9 to 12 student.

Special Equipment Amount (formerly ISA 1)

The Special Equipment Amount covers the incremental cost of an individual student's equipment needs in excess of \$800 in the year of purchase. Boards are expected to cover the first \$800. For example, a board with a student requiring an adapted computer that costs \$3,000 would receive \$2,200 through the Special Equipment Amount, if approved.

Equipment purchased with the Special Equipment Amount travels with the student if the student transfers to another board.

Boards may also claim 80 percent of the average cost of salaries and benefits for board-employed technicians assigned to installation, maintenance, and staff training related to students' special education related equipment. The Ministry will provide Special Equipment Amount funding for up to one technician per 30,000 students, with small boards eligible for a minimum of 0.2 FTEs (full-time equivalents).

High Needs Amount (formerly ISA 2 and 3)

The High Needs Amount addresses the cost of providing the intensive staff support required by the small number of pupils with very high needs.

The transitional funding approach for 2005–06 addresses net new high needs. This approach is similar to the approach used in 2004–05 to calculate allocations from the Effectiveness and Equity Fund. Funding recognizes each board's costs of providing supports to newly enrolled students with high needs in 2005–06, net of any change in funding requirements resulting from other students with high needs no longer enrolled at the board.

Boards will receive, as the baseline for determining 2005–06 allocations for students with

high needs, the level of funding they received for ISA 2 and 3 at the end of Cycle 5 of the ISA review in 2003–04. On a province-wide basis, this represents a total of \$924.6 million in funding (excluding Special Incidence Portion allocations).

Each board's baseline allocation will be adjusted by the change in the board's population of students with high needs in 2005–06.

Each board must submit summary information, through a simple administrative process, regarding the number of high needs students enrolling and leaving the board. Boards' baseline allocations will be adjusted upwards or downwards, reflecting the movement of students with high needs.

The per-pupil amount for each student with high needs remains at \$17,000.

$$\text{Net new needs} = \begin{array}{l} \text{Number of recently} \\ \text{enrolled high needs} \\ \text{students in 2005 – 06} \end{array} - \begin{array}{l} \text{Number of students} \\ \text{on ISA baseline list} \\ \text{no longer enrolled} \end{array}$$

The “number of recently enrolled high needs students in 2005–06” is defined as the number of students who:

- are enrolled on October 31, 2005, but were not enrolled on October 31, 2003;
- are in a placement with staff support so that:
 - in an integrated setting, are receiving support from a dedicated teacher assistant or other professional or paraprofessional support for at least 50 percent of the day on average;
 - or
 - in self-contained classes, are in classes where the pupil-to-adult ratio is 4:1 or less. For this purpose, *adult* means the full-time equivalent of teachers, Education assistants, and para-professional staff assigned to the class.

The “number of students on the ISA baseline list no longer enrolled” is the number of students on the ISA baseline list of eligible students provided by the Ministry in September 2004 who are no longer pupils of the board on October 31, 2005.

Ensuring Effective Use of Special Education Funding

As in 2004–05, to ensure that funding provided for special education is fully expended on services and supports for students with special needs, boards' allocations for special education in 2005–06 will be reduced if an excessive amount of funding was placed in special education reserves at the end of the 2004–05 school year.

A board's allocation will be reduced by any amount in its special education reserve on August 31, 2005 that is greater than 2 percent of its allocation for ISA Levels 2 and 3 at the end of Cycle 5 in 2003–04.

Special education expenditures that were approved or authorized by the school board before May 30, 2005, can be included in expenditure for the purposes of calculation of compliance with the special education envelope. Expenditures approved or authorized after that date cannot be included as allowable expenditure for the purposes of enveloping.

Special Incidence Portion – SIP (formerly Special Incidence ISA)

The Special Incidence Portion (SIP) supports pupils with exceptionally high needs who require more than two full-time staff to address health and safety needs. Eligibility criteria for SIP are outlined in the *Special Education Funding: Intensive Support Amount (ISA) Level 1 and Special Incidence ISA, 2004–05* document available on the Ministry of Education website, < <http://www.edu.gov.on.ca> >. SIP claims are submitted to a board's Ministry of Education regional office for approval.

Facilities Amount (formerly ISA 4)

The Facilities Amount provides funding for programs serving pupils who are receiving their education through facilities such as hospitals, children's mental health centres, psychiatric institutions, detention and correctional facilities, community living/group homes, and other social services agencies*. The provision of education in these facilities is subject to an agreement between a district school board and a facility.

Funding for the Facilities Amount is based on an approval process specified in a guideline issued for these programs. The costs covered include teachers, education assistants, and classroom supplies.

Revenue is reduced for boards when a program is operating on a smaller scale than was projected, or ceases to operate during the school year. For 2005–06, funding available for this component will be increased by 2 percent corresponding to adjustments to salary and non-salary benchmarks.

* These programs are addressed under Section 20 of the regulation Grants for Student Needs – Legislative Grants for the 2005-2006 School Board Fiscal Year, which authorizes their funding.

In 2004–05, the Ministry began providing funding to school boards to help offset the accommodation and transportation costs of classrooms in care and treatment and custody settings that operate in school board space. This funding is included in the Pupil Accommodation Grant and the Student Transportation Grant calculations.

Language Grant

The Language Grant has five components:

- French as a First Language (FFL),
- French as a Second Language (FSL),
- English as a Second Language/English Skills Development (ESL/ESD),
- Actualisation linguistique en français/Perfectionnement du français (ALF/PDF), and
- Native Language (NL).

For 2005–06, total funding of \$543 million is projected for the Language Grant.

In 2005–06, an enhancement of \$13.5 million is being provided through the Actualisation linguistique en français (ALF) component to provide programs to help reduce assimilation and to improve literacy and numeracy.

French as a First Language (FFL)

This funding, available only to French-language boards, recognizes the higher instructional materials and program support costs incurred in providing French-language programs. Funding benchmarks for 2005–06 on the basis of average daily enrolment are \$445 per elementary pupil and \$718 per secondary day school pupil.

Start-up funding for new elementary classes in French is provided at the rate of \$11,823 for each new elementary school established by a board in 2005–06.

French as a Second Language (FSL)

This funding, which is available to English-language boards only, provides for the additional costs of providing core French, extended French, and French immersion programs. Funding for FSL is based on the number of pupils enrolled in these programs and the average daily length of the program.

French as a Second Language (FSL) – Elementary

At the elementary level, funding is provided for core and extended French based on enrolment in French programs for Grades 4 to 8. French immersion programs, if offered by the board, are funded based on enrolment in French programs for Junior Kindergarten to Grade 8.

Current Ministry policy requires that each elementary student accumulate at least 600 hours of French-language instruction by the end of Grade 8. School boards are required to plan their French-language programs so that students are able to meet this requirement.

Average daily length of program		Allocation per pupil enrolled in the program
20 – 59 minutes	(Core, Grades 4 to 8)	\$254
60 – 149 minutes	(Extended, Grades 4 to 8)	\$289
150 minutes or more 75 minutes or more	(Immersion, Grades 1 to 8) (Immersion, JK and K)	\$323

French as a Second Language (FSL) – Secondary

The funding is established according to credits as follows:*

Grades	Allocation per-pupil credit – French as a subject	Allocation per-pupil credit – subjects other than French taught in French
9 and 10	\$64	\$106
11 and 12	\$85	\$165

* Data source: *Elementary School October Report, 2005* – pupils enrolled on October 31, 2005, Section F; *Secondary School October Report, 2005* – pupil credits on October 31, 2005, Section F; and *Secondary School March Report, 2006* – pupil credits on March 31, 2006, Section F.

Language of Instruction

Ontario's curriculum requires that students develop strong English- and French-language skills. The cultural and linguistic diversity of Ontario's population means that many students require extra help to develop proficiency in the language of instruction. These include students who are recent immigrants to Canada and students who live in homes where the first language spoken is neither English nor French.

Two components of the Language Grant provide school boards with resources to meet the needs of these students. English-language school boards receive the English as a Second Language/English Skills Development (ESL/ESD) component. French-language boards receive the Actualisation linguistique en français/Perfectionnement du français (ALF/PDF) component.

The number of students eligible to be counted as recent immigrants is now based on the country of birth, rather than the country from which the student entered Canada. This change simplified reporting and recognized students who had "stopped over" in an English-speaking country, such as the USA, before entering Canada.

In this context, *eligibility* means that a pupil meets the criteria for funding, that is, date of entry into Canada and country of birth. It does not measure any individual pupil's need for ESL/ESD or ALF/PDF programs and services. As in previous years, the language of instruction components of the Language Grant use available data to determine each school board's relative share of need. The calculations are not intended to count every student who requires support or to determine individual needs for these programs. Boards use resources provided by the grant to provide language services and supports to students who need them.

In 2004–05, an additional \$47 million in annual funding was provided to recognize a fourth year of eligibility for each student who qualifies for ESL/PDF funding. This funding is ongoing in 2005–06.

English as a Second Language/English Skills Development (ESL/ESD)

Since December 2003, the ESL Allocation has increased substantially. A further increase is planned, but outside the GSN to better target initiatives. The Government plans to fundamentally reform the ESL Allocation.

The funding is available to English-language boards and is based on the following two components.

First Component

This first component (recent immigrants) provides a total of \$8,004 per eligible student over four years and is based on the number of recent immigrant pupils born in countries where English is not a first or standard language.

The variables used in calculating this component are:

- a weighting factor for each of the four years; and
- the number of eligible pupils who entered Canada in each year.

Weighting Factors

Year	Start date	End date	Weighting Factor
1	September 1, 2004	October 31, 2005	1
2	September 1, 2003	August 31, 2004	0.7
3	September 1, 2002	August 31, 2003	0.5
4	September 1, 2001	August 31, 2002	0.25

Number of Eligible Pupils

Principals are required to report under Section E of the *Elementary School October Report, 2005*, and Section E of the *Secondary School October Report, 2005*, the number of pupils enrolled in the schools, who entered Canada during the last four years and were born in a country where English is not a first or standard language. Schools are required to keep appropriate immigration information in a pupil's Ontario Student Record (OSR) to support the number of pupils reported as having entered Canada during the last four years.

Total Recent Immigrant Allocation

The allocation is the sum of the weighted numbers of eligible pupils for each year multiplied by \$3,267:

$$\text{Recent Immigrant Allocation} = \frac{\text{Total number of weighted recent immigrant pupils}}{\text{Total number of weighted recent immigrant pupils}} \times \$3,267$$

Second Component

The second component (Pupils in Canada) is calculated by the Ministry based on Statistics Canada data on the number of children aged 5 to 19 years whose language spoken most often at home is neither English nor French. This data is a proxy measure for the relative ESL/ESD need among boards for pupils not covered by the first component. Each board's allocation is set out in Table 1 of the Grants for Student Needs – Legislative Grants for the 2005-2006 School Board Fiscal Year regulation. The distribution among boards is calculated as follows:

$$\frac{\text{Number of children described above within board's area}}{\text{Provincial total of children described above}} \times \$26.4M$$

The distribution of children aged 5 to 19 between public and separate boards is based on the number of pupils residing within each enumeration area and on assessment data.*

Total ESL/ESD Allocation

$$\text{ESL / ESD Allocation} = \text{Total Recent Immigrant allocation} + \text{Total Pupils in Canada allocation from Table 1 of 2005 - 06 grant regulation}$$

For 2005–06, approximately \$217 million is projected to be allocated for ESL.

Actualisation linguistique en français (ALF)

To help reduce assimilation, the ALF Allocation is increasing in 2004–05. This change includes a refinement to the assimilation factors underlying the calculation.

This component is designed to assist French-language school boards in providing language instruction to pupils who are entitled to French-language education by virtue of Section 23 of the *Canadian Charter of Rights and Freedoms* and who have limited or no competencies in French, or use a variety of language that is different from standard French.

* Data source: Statistics Canada, 1996 Census – information on the 5 to 19 year old population group where the language spoken most often at home is neither English nor French.

Beginning in the 2004–05 school year, an enhancement of \$30 million provided French-language boards with additional resources to help students improve their language proficiency skills. This funding is ongoing in 2005–06.

In 2005–06, a further \$13.5 million will be invested through the Actualisation linguistique en français (ALF) component to provide programs to reduce assimilation and improve literacy and numeracy. The assimilation factors underlying the ALF calculation have been refined by establishing a minimum assimilation factor of 75 percent for boards. In addition, the per-pupil component of the ALF allocation has been increased to focus resources in the classroom.

This investment is part of the Government’s multi-year response to the recommendations of the French Language Education Strategy Task Force. The Ministry continues to work with its French-language education partners to examine the remaining recommendations of the Task Force.

Calculated for each French-language board separately, the new ALF funding allocation is the sum of the per-pupil component, school component, and board component.

Per-Pupil Component

Using 2001 Statistics Canada data on individuals aged 0 to 19 whose language spoken most often at home does not include French, a proxy measure of assimilation has been developed to reflect the cultural environment of the boards’ students.

Calculation of the Assimilation Factor:

The percentage of non-French as home language is calculated at the census sub-division (CSD) level. The CSD percentages are weighted using the CSD’s share of board enrolment of the CSDs to calculate the board’s assimilation factor.

Note:

- 1 Only CSDs where the board operates a school facility are included.
- 2 The enrolment of a CSD is the sum of enrolments of all facilities of the board in the CSD.
- 3 The Assimilation Factors are listed in Table 2 of the Grants for Student Needs – Legislative Grants for the 2005-2006 School Board Fiscal Year regulation.

Elementary Per-Pupil Allocation:

$$[\text{Elementary ADE} \times \text{Assimilation Factor}] \times \$705$$

Secondary Per-Pupil Allocation:

$$[\text{Secondary ADE} \times \text{Assimilation Factor}] \times \$315$$

School Component

The school component is calculated using the number of elementary and secondary schools identified in the Ministry's School Facilities Inventory System where pupils are enrolled in a day school program in 2005–06.

Elementary School Allocation:

$$\text{Total number of elementary schools} \times \$37,628$$

Secondary School Allocation:

$$\text{Total number of secondary schools} \times \$69,136$$

Board Component

The board amount for 2005–06 is \$86,746.

Total ALF Allocation

The total ALF allocation for a French-language board is the sum of the ALF funding components:

$$\text{Elementary Allocation} = \left(\left[\text{Elementary ADE} \times \frac{\text{Assimilation}}{\text{Factor}} \right] \times \$705 \right) + \left(\frac{\# \text{ of Elem. Schools}}{\text{Schools}} \times \$37,628 \right)$$

$$\text{Secondary Allocation} = \left(\left[\text{Secondary ADE} \times \frac{\text{Assimilation}}{\text{Factor}} \right] \times \$315 \right) + \left(\frac{\# \text{ of Sec. Schools}}{\text{Schools}} \times \$69,136 \right)$$

$$\text{Total ALF Allocation} = \text{Elementary Allocation} + \text{Secondary Allocation} + \text{Board Component}$$

For 2005–06, approximately \$62 million is projected for ALF.

Perfectionnement du français (PDF)

The second component is for PDF programs and provides a total of \$8,004 per eligible student over four years. It is based on the number of recent immigrant pupils who do not have Section 23 rights under the Charter, and who were born in countries where French is a language of administration or schooling.

PDF programs are intended for pupils who have been admitted in the schools through the board's admissions committee. These pupils are generally born outside Canada and have one of the following characteristics:

- they speak a variety of language that is different from standard French,
- their schooling has been interrupted, or
- they have little knowledge of Canada's two official languages or need to familiarize themselves with the new environment.

The variables used in calculating this component are:

- a weighting factor for each of the four years; and
- the number of eligible pupils who entered Canada in each year.

Weighting Factors

Year	Start date	End date	Weighting Factor
1	September 1, 2004	October 31, 2005	1
2	September 1, 2003	August 31, 2004	0.7
3	September 1, 2002	August 31, 2003	0.5
4	September 1, 2001	August 31, 2002	0.25

Number of Eligible Pupils

Principals are required to report under Section E of the *Elementary School October Report, 2005*, and Section E of the *Secondary School October Report, 2005*, the number of pupils enrolled in the schools, who entered Canada during the last four years and were born in a country where French is not a first or standard language. Schools are required to keep appropriate immigration information in a pupil's Ontario Student Record (OSR) to support the number of pupils reported as having entered Canada during the last four years.

Total PDF Allocation

The allocation is the sum of the weighted numbers of eligible pupils for each year multiplied by \$3,267:

$$PDF\ Allocation = \frac{Total\ number\ of\ weighted\ recent\ immigrant\ pupils}{1} \times \$3,267$$

Total ALF/PDF Allocation

$$\text{ALF / PDF allocation} = \text{Total ALF allocation} + \text{Total PDF allocation}$$

Native Language – Aboriginal Languages

This funding assists school boards that provide Native-language (NL) programs. Funding is based on the number of pupils enrolled in the program and the average daily length of the program as set out in the following tables.

Native Language (NL) – Elementary

Average daily length of program	Allocation per pupil enrolled in the program
20 – 39 minutes	\$243
40 minutes or more	\$432

Native Language (NL) – Secondary

The funding is established according to credits as follows:*

Grades	Allocation per-pupil credit
9 and 10	\$64
11 and 12	\$85

* Data source: *Elementary School October Report, 2005* – pupils enrolled on October 31, 2005, Sections G and H; *Secondary School October Report, 2005* – pupil credits on October 31, 2004, Sections G and H; and *Secondary School March Report, 2006* – pupil credits on March 31, 2006, Sections G and H.

Geographic Circumstances Grant

The Geographic Circumstances Grant recognizes the additional costs of operating small schools in isolated areas, and costs that are associated with the geography of boards, including board size and school dispersion.

The components of the Geographic Circumstances Grant are as follows:

- Remote and Rural Allocation – \$130.2 million
- Distant Schools and Rural Schools Allocation – \$144.6 million
 - Rural Schools Component (Good Schools Open) – \$39.7 million
 - Distant Schools Component – \$90.3 million
 - Investment in Principals Component – \$14.6 million

The Ministry intends to review funding for small rural and remote schools and to develop a new education funding approach for implementation in 2006–07.

Total funding of \$274.8 million is projected for the Geographic Circumstances Grant in 2005–06.

Remote and Rural Allocation

This funding responds to the higher cost of purchasing goods and services for small school boards, as well as for boards that are distant from major urban centres, and boards with schools that are distant from one another.

Three factors are used in determining funding:

- board enrolment,
- distance from an urban centre, and
- school dispersion.

Board Enrolment

This component supports the higher per-pupil costs for goods and services faced by smaller school boards.

Enrolment	Per-Pupil Allocation
0 – 4,000	\$313.64 – (Day School ADE x 0.0170)
4,000 – 8,000	\$245.51 – ([Day School ADE – 4,000] x 0.0196)
8,000 – 16,000 or more	\$167.28 – ([Day School ADE – 8,000] x 0.0209)

Distance/Urban Factor/French-Language Equivalence

This component takes into account the additional costs of goods and services related to remoteness and the presence or absence of urban centres. This component also recognizes that, much like remote school boards, French-language school boards in southern Ontario operating in a minority language context face higher costs in obtaining goods and services.

Distance (referred to as *D* in the formula below) is measured from the nearest defined cities of Toronto, Ottawa, Hamilton, London, or Windsor to the town or city located nearest to the geographic centre of the board.

$$\text{Distance / urban allocation} = \left(\text{per pupil allocation based on distance (D)} \times \text{urban factor} \right)$$

Distance	Per-Pupil Allocation
0 – 150 kilometres	\$0
150 – 650 kilometres	\$0.0170 x (D–150)
650 – 1150 kilometres	\$535 + [\$0.0196 x (D–650)]
1150 kilometres +	\$607

City or town within a board's jurisdiction with a population of	Urban factor
0 – 25,000	1
25,000 – 200,000	$1 - \left(\frac{\text{population} - 25,000}{175,000} \right)$
200,000 +	0

Distance Equivalence

French-language school boards receive the higher of their distance/urban allocation or a distance allocation of \$175 per pupil.

School Dispersion

This component recognizes the higher costs of providing goods and services to students in widely dispersed schools.

The school dispersion measure consists of:

- the average distance between a board's schools, calculated on the basis of the shortest unique road route linking all the schools in a board, and
- the average road distance between the central board office and each school of the board, based on the shortest unique road route linking the board office with each school.

The average dispersion is expressed as a weighted average of two distances (school-to-school average weighted at 0.8 and board-office-to-school average weighted at 0.2).

Average Dispersion	Per-Pupil Allocation
0 – 14 kilometres	\$0
14 kilometres +	\$5.63 x (Average Dispersion – 14)

Only boards with an average dispersion distance greater than 14 kilometres qualify for funding under the dispersion component. Each qualifying board's allocation for this component is determined by the following formula:

$$\text{Dispersion Factor} = (2005-06 ADE) \times (\$5.63 / \text{pupil}) \times \left(\frac{\text{Dispersion}}{\text{Factor}} - 14 \text{ km} \right)$$

Each board's average school dispersion distance is set out in Table 6 of the Grants for Student Needs – Legislative Grants for the 2005-2006 School Board Fiscal Year regulation.

Distant Schools and Rural Schools Allocation

The Distant Schools and Rural Schools Allocation is made up of the Rural Schools Component, the Distant Schools Component (formerly the Distant Schools Allocation), and the Investment in Principals Component.

Rural Schools Component

The Rural Schools Component provides additional funding for rural schools. In 2005–06, \$20 million in new funding is being provided for 1,134 rural schools to bring total funding for these schools to over \$50 million.

The distribution of these funds is based on a much broader definition of *rural school* than that used under the Distant Schools Component, which identified schools to be funded based on distance criteria.

The broader definition of *rural* is as follows:

- Schools located in small towns, villages and other populated places with less than 1,000 persons according to the current census; **or**
- Schools located in rural fringes of census metropolitan areas and census agglomerations that may contain estate lots, agricultural, undeveloped and non-developed lands, **or**
- Schools located in agricultural lands, or remote and wilderness areas; **or**
- Schools for which the second character of their postal code is zero.

The \$20 million enhancement to the Goods Schools Open initiative, which was first announced in September 2004, is allocated through the Rural Schools Component and the School Operations and School Renewal Allocations of the Pupil Accommodation Grant.

This funding is provided for:

- in-school administration in rural schools, so that these schools generate 100 percent of the benchmark costs of a principal and a school secretary,
- the higher costs of supplies, equipment, and services – \$4,000 per elementary school and \$5,000 per secondary school, and
- the costs of heating, cleaning, and maintaining these rural schools where enrolment is less than capacity of the school – top-up funding.

Distant Schools Component*

The distant schools amounts that were calculated in 2003–04 are retained at that level except for the adjustments for schools that have been closed or opened since then. No recalculation of distances will be made because of closed or new schools.

The Distant Schools Component is part of the Rural Education Strategy. Other funding components of the Rural Education Strategy are:

- Distant School Top-up Funding for school operations and school renewal through the Pupil Accommodation Grant;
- Changes to the calculation of the New Pupil Places Allocation in the Pupil Accommodation Grant; and
- An adjustment to the French as a First Language component of the Language Grant.

The top-up funding that boards were allocated in 2003–04 through the Rural Education Strategy funding component of the School Operations and School Renewal Allocations is also being allocated in 2005–06; however, this top-up funding has been adjusted to take into account schools that have been opened or closed since 2003–04.

The adjustment to the New Pupil Places Allocation as a result of the Distant Schools Allocation that was implemented in 2003–04 is retained in 2005–06.

Investment in Principals Component

Funding under this component is available for principals where the average ratio of principals to schools at the elementary and secondary level is below a minimum threshold. The Investment in Principals Component has been updated by the relevant benchmarks increases for 2005–06.

Principal Allocation at the Elementary Level

$$\left(0.69 - \frac{\text{Elem. ADE} \times \$269.46}{\$87,524 \times 1.12 \times \text{Number of Elem. schools}} \right) \times \$87,524 \times 1.12 \times \text{Number of Elem. schools}$$

Principal Allocation at the Secondary Level

$$\left(0.40 - \frac{\text{Sec. ADE} \times \$117.57}{\$95,452 \times 1.12 \times \text{Number of Sec. schools}} \right) \times \$95,452 \times 1.12 \times \text{Number of Sec. schools}$$

* A detailed explanation of the Distant Schools Component is in Appendix B. (p. 99)

Learning Opportunities Grant

The Learning Opportunities Grant (LOG) for 2005–06 consists of four components:

- Demographic Component,
- Early Literacy Component,
- Literacy and Math Outside the School Day Component, and
- Student Success, Grades 7 to 12* Component.

Since December 2003, the Learning Opportunities Grant (LOG) has increased substantially. A further increase is being made this year, but outside of the GSN to better target initiatives. LOG has been identified for fundamental reform.

For 2005–06, total funding of \$524 million is projected for LOG.

Demographic Component

The Demographic Component provides funding based on social and economic indicators that have been associated with a higher risk of academic difficulties for students. This component permits boards to offer a wide range of programs to improve the educational achievement of these students. Boards have considerable latitude in determining the kinds of programs and supports that they provide with the Demographic Component funding.

In 2002–03, every board received an increase through the Demographic Component as part of a \$15 million enhancement based on recommendations of the LOG working group to use more recent statistical data and an improved allocation method.

Every school board also received a share of the \$95 million and \$65 million increases announced in December 2003 and August 2004, respectively. These enhancements provided a greater share of the increases to boards with the largest numbers of students at risk because of social and economic factors or because the students have recently arrived in Canada.

Allocation Model for the 2003–04 and 2004–05 Funding Increases

The 2003–04 and 2004–05 funding increases have been added to each board's existing Demographic Component allocation based on the following socio-economic indicators from the 1996 census:

* Formerly known as the Students at Risk component.

Indicator	Description (1996 Census)	Weight
Recent Immigration	The percent of all persons who immigrated to Canada between 1991 and 1996.	50%
Low Income Cut-Off (LICO)	The percent of all persons who are living below the low income cut-off (LICO) point.	40%
Low Education	The percent of all persons 15 years or over who have less than a Grade 9 level education.	5%
Lone Parent Status	The percent of families that are lone-parent families.	5%

Allocation Model for the Portion Added in 2002–03

The portion of the Demographic Component added in 2002–03 is determined by the following socio-economic indicators from the 1996 Census:

Indicator	Description (1996 Census)	Weight
Low Income Cut-Off (LICO)	The percent of all persons who are living below the low income cut-off (LICO) point.	50%
Low Education	The percent of all persons 15 years or over who have less than a Grade 9 level education.	12.5%
Recent Immigration	The percent of all persons who immigrated to Canada between 1991 and 1996.	12.5%
Lone Parent Status	The percent of families that are lone-parent families.	12.5%
Aboriginal Origin	The percent of all persons indicating “Aboriginal” as their ethnic origin.	12.5%

Allocation Method for the 2002–03 and 2003–04 Funding Increases

1. Schools are ranked for each indicator.
2. Based on their variable ranks, schools generate per-pupil funding units according to the funding unit scale. The 40 percent of schools with the most at-risk students for a given variable receive funding units. The funding unit scale provides a gradual increase in the per-pupil amount generated based on the level of risk in the school.
3. The per-pupil funding units for each indicator are multiplied by the enrolment of the school to create a school-level funding units total for the indicator. Funding units for all indicators are summed to produce total school funding units.

4. The total funding amount is distributed on a school basis proportional to the funding units.

$$\text{Funding Unit Value} = \frac{\text{Total Funding Available}}{\text{Total Funding Units}}$$

$$\text{School LOG Funding} = \text{School Funding Units} \times \text{Funding Unit Value}$$

5. School funding is summed to determine total funding for each school board.

Allocation Model for the Portion Introduced in 1998

The \$200 million portion of the Demographic Component, maintained from prior years, is determined by the following socio-economic indicators:

Indicator	Description	Provincial Rate
Low Income Cut-Off (LICO)	The percent of all persons who are living below the low income cut-off (LICO) point. LICOs are determined by Statistics Canada and vary from community to community.	13.1%
Low Education	The percent of all persons 15 years or over who have less than a Grade 9 level education.	11.5%
Recent Immigrants	The percent of all persons who immigrated to Canada between 1988 and 1991.	3.25%
Aboriginal Status	The percent of all persons indicating "Aboriginal" as their sole ethnic origin.	0.7%

The funding is based on:

- the eligible enumeration areas within the board,
- funding units within eligible enumeration areas, and
- allocation of funding units among each board within the eligible areas.

Eligible Area

The area used for the purpose of the calculation is an enumeration area. An area is eligible where the percentage of the area population in any one of the four socio-economic indicators is at least twice the provincial rate. Once an enumeration area is eligible on any one of the four indicators, its funding is calculated based on the LICO rate for that enumeration area.

Funding Units

$$\text{Funding Units} = \frac{\text{Child population (less than 18 years of age)}}{\text{provincial LICO rate}} \times \left(\frac{\% \text{ area population [LICO]}}{\text{provincial LICO rate}} \right)$$

In some instances, LICO information was not available for an eligible enumeration area due to the suppression of low response rates by Statistics Canada. Where no LICO information is available for the eligible enumeration area, the Low Education variable is used in place of LICO for the calculation of funding units.

Example:

Data for enumeration area A:

Child population (under 18 years old)	1300
% of population below the LICO point	11.1%
% of population with aboriginal status	0.1%
% of population 15 years and older with lower than Grade 9 education	24.0%
% of population who are recent immigrants	5.0%

In this example, the enumeration area qualifies since it is more than twice the provincial rate on the low education variable.

Funding units for eligible area A:

$$1,300 \times \left(\frac{11.1 \text{ [LICO rate of area A]}}{13.1 \text{ [provincial LICO rate]}} \right)$$

Allocation of Funding Units Among Boards

All funding units in eligible enumeration areas are summed according to census subdivisions (CSD). Funding units in a CSD are apportioned to each board by using municipal enumeration data showing school-aged population of public and separate and English and French electors.

The funding units that a board has accumulated are then translated into funding as follows:

$$\left(\frac{\text{Total number of funding units for a board}}{\text{Total number of funding units for all boards}} \right) \times \text{Total allocation}$$

Each board's allocation for the total Demographic Component is set out in Table 7 of the Grants for Student Needs – Legislation Grants for the 2005-2006 School Board Fiscal Year regulation.

Early Literacy Component

In 2000–01, the Government began providing additional, ongoing funding to support improving early literacy for students from JK to Grade 3.

Funding for this component is being allocated on the basis of each board's share of enrolment (ADE) from JK to Grade 3. For 2005–06, funding through the Learning Opportunities Grant is \$126 for each of these early learners.

Boards are required to focus these resources on primary students with the greatest need: students in Grades 1 to 3 whose achievement levels are 1 ("D" on a report card) or lower ("R" on a report card), and students in JK and SK whose reading readiness assessments show they need remedial help.

Literacy and Math Outside the School Day Component

In 2000–01, funding was added to the Learning Opportunities Grant so boards could provide additional supports to enhance the literacy and math skills of students at risk of not meeting the new curriculum standards and the requirements of the Grade 10 literacy test. In 2005–06, this component is projected to be \$15.0 million.

These courses or programs can be provided during the summer, and during the regular school year outside the regular school day, for:

- A class or course in literacy and math for pupils in Grade 7 or 8 for whom a remedial program in literacy and math has been recommended by the principal of the day school.
- A non-credit class in literacy and math for pupils in Grade 9 to 12* for whom a Grade 9 or 10 remedial program in literacy and math has been recommended by the principal of the day school.

* The average daily enrolment regulation was amended in 2002–03 to clarify that students in Grades 11 and 12 are eligible to enrol in remedial programs in literacy and numeracy that are provided outside the regular school day, where their enrolment has been recommended by the principal.

- A class or course in literacy and math established for adults who are parents or guardians of pupils in all grades for whom the principal of the day school has recommended a remedial course in literacy and math.

In 2005–06, per-pupil funding is increasing to \$5,489 per ADE.

Summer Literacy and Math Programs

Per-pupil funding for literacy and math programs at \$5,489 per ADE is available in the summer of 2005, for at-risk students in Grades 7 to 12 and for parents of at-risk students. Transportation for students to summer programs in 2005–06 will continue to be provided at the increased level of funding introduced in 2000–01. (Also see Student Transportation Grant.)

Transportation for pupils enrolled in summer school literacy and math programs is provided as follows:

$$\frac{2005 - 06 \text{ transportation allocation for the board}}{2005 - 06 \text{ ADE of pupils of the board}} \times \begin{matrix} \text{ADE of Grades 7 to 12} \\ \text{literacy and math summer} \\ \text{school programs} \end{matrix} \times 3$$

School Operations and School Renewal Allocations of the Pupil Accommodation Grant are also provided for students in Grades 7 to 12 literacy and math summer school programs.

Student Success, Grades 7 to 12 Component

In 2005–06, \$52.7 million is being provided for the Student Success, Grades 7 to 12, component to assist students in Grades 7 to 12 who may not achieve their education goals, to improve the teaching and learning of literacy and numeracy, to enhance preparation of students in passing the Grade 10 literacy test, and to increase opportunities for students to participate in successful school-to-work, school-to-apprenticeship, or school-to-college program pathways.

A portion of the allocation is used to provide each school board with a dedicated leader to assist schools in developing programs to improve student success.

A school dispersion factor is used in the allocation to ensure that small, non-urban, and French-language school boards receive a higher proportion of funds to recognize their higher costs.

Also included in the allocation is a demographic factor that ensures that school boards with a higher proportion of risk factors (mostly urban boards) will receive a higher proportion of funds. Each board's Student Success Demographic Factor is set out in Table 7 of the Grants for Student Needs – Legislative Grants for the 2005-2006 School Board Fiscal Year regulation.

Funding for the Student Success, Grades 7 to 12 component is allocated as follows:

- Co-ordinator: 20 percent (\$10.4 million);
- Enrolment: 48 percent (\$25.1 million) – based on enrolment in Grades 7 to 12;
- Demographic: 20 percent (\$10.4 million) – based on socio-economic factors associated with academic success (using the same factors used to allocate the \$15 million added to the Demographic Component of LOG in 2002–03);
- Dispersion: 10 percent (\$5.3 million) – recognizes increased program costs for widely dispersed schools (using the same factor that is used in the Remote and Rural Allocation); and
- Transportation: 3 percent (\$1.5 million) – based on the board's 2005–06 transportation allocation.

Continuing Education and Other Programs Grant

Total funding of \$158.1 million is projected for the Continuing Education and Other Programs Grant in 2005–06.

This funding supports the provision of adult day school programs and continuing education programs such as adult English or French as a second language, adult Native language, adult credit for diploma, and correspondence/self-study.

Funding is provided for crossover or transfer courses to allow students to move between the applied and academic streams in secondary school, and to allow partial credits as permitted by secondary school reform. The grant provides funding for a class or course for secondary school pupils who wish to transfer between course types in accordance with Section 5.6 of the Ministry publication *Ontario Secondary School Grades 9–12: Program and Diploma Requirements, 1999*.

This funding supports the provision of credit courses for elementary reach-ahead students and for secondary school students in the summer or outside the school day, for example, in the evenings.

Funding is also provided for international language programs for elementary pupils.

The allocation for international languages for school boards offering approved classes for international language instruction in a language other than English or French is based on a rate of \$43 per classroom hour where the board's average class size for the program is 25 or more. Where the average class size for a board with this program is less than 25, the \$43 grant per classroom hour is reduced by \$1 for every pupil less than 25.

Funding for continuing education and summer school programs is \$2,528 per ADE (excluding pupils in respect of whom fees are chargeable under the tuition fees regulation).

Funding for day school pupils aged 21 and over is \$2,528 per ADE. The School Operations and School Renewal Allocations of the Pupil Accommodation Grant are provided for these students, as well as for students enrolled in summer school programs and in continuing education credit courses offered during the day.

Prior Learning Assessment and Recognition

Prior Learning Assessment and Recognition (PLAR) for mature students is a formal evaluation and accreditation process carried out under the direction of the principal and through which the principal may grant secondary school credits to mature students. Beginning in 2003–04, funding was provided for the delivery of PLAR services to mature students who are enrolled in a board to take credit courses toward the Ontario Secondary School Diploma. PLAR assessment services that are funded include:

- \$102 for an individual student assessment for Grade 9 and 10 credits (maximum of one such assessment per mature student in any one school year);
- \$102 for an individual student equivalency assessment for Grade 11 and 12 credits (maximum of one such assessment per mature student in any one school year); and,
- \$306 for each completed challenge assessment for a Grade 11 or 12 full credit course, whether successful or unsuccessful.

School boards are funded based on their reporting of these assessment activities.

After-School Credit Programs

Funding for after-school credit courses for both secondary and elementary reach-ahead students is provided through the Continuing Education and Other Programs Grant.

Cost Adjustment and Teacher Qualifications and Experience Grant

The Cost Adjustment and Teacher Qualifications and Experience Grant provides funding to boards that have teachers who, because of their qualifications and experience, have salaries above the benchmark level used to determine the Foundation Grant. A new cost adjustment for the salaries of teaching and non-teaching staff has been added to the calculation of this grant for the 2005–06 school year.

Total funding of \$579.7 million is projected for the Cost Adjustment and Teacher Qualifications and Experience Grant in 2005–06. The additional elementary specialist and secondary Student Success teachers hired in 2005–06 are included in projecting this allocation.

Cost Adjustment

A new cost adjustment amount captures the difference between a board’s allocation for a 2 percent salary benchmark increase for teachers, and the cost of a 2 percent increase to the board’s actual teachers’ salaries as of the last salary grid of 2004–05. This amount consists of the 2005–06 cost adjustment component and the 2004–05 cost adjustment component. The 2005–06 cost adjustment component is calculated as follows:

$$\left(\begin{array}{l} 2005 - 06 \text{ Teachers on grid} \times \text{Instructional salary matrix} \times \$55,161 \\ \text{LESS} \\ 2005 - 06 \text{ Teachers on grid} \times 2004 - 05 \text{ Teacher salary grid} \end{array} \right) \times 2\%$$

The 2004–05 component is calculated by dividing the 2005–06 component by 1.02. This approach recognizes salary increases retroactive to the end of 2003–04.

For the 2005–06 school year, a cost adjustment is also added to capture the difference between a board’s allocation for the difference between the 2 percent salary benchmark increase for non-teaching staff and the cost of a 2 percent increase to the board’s actual salaries for non-teaching staff. The Ministry has estimated the amount of funding needed by calculating average salaries for various staffing categories – using salary and staffing information reported by boards in the 2004–05 Revised Estimates – and comparing these average salaries to the benchmarks.

Teacher Qualifications and Experience

The elementary per-pupil allocation for teacher qualifications and experience is calculated as follows:

$$\left(\text{Sum of} \left[\frac{\text{Elementary teachers on board's regular grid} \times \text{Instructional salary matrix}}{\text{Number of elementary teachers on board's regular grid distribution}} \right] - 1 \right) \times \$2,953$$

The secondary per-pupil allocation for teachers qualification and experience is calculated as follows:

$$\left(\text{Sum of} \left[\frac{\text{Secondary teachers on board's regular grid} \times \text{Instructional salary matrix}}{\text{Number of secondary teachers on board's regular grid distribution}} \right] - 1 \right) \times \$3,814$$

Instructional Salary Matrix

Qualifications & Experience*	D	C	B	A1	A2	A3	A4
0	0.5788	0.5788	0.5788	0.6229	0.6487	0.7081	0.7449
1	0.6127	0.6127	0.6127	0.6540	0.6864	0.7502	0.7926
2	0.6332	0.6332	0.6332	0.6989	0.7318	0.7969	0.8432
3	0.6523	0.6523	0.6523	0.7416	0.7743	0.8442	0.8925
4	0.7149	0.7149	0.7149	0.7814	0.8158	0.8953	0.9443
5	0.7698	0.7698	0.7698	0.8234	0.8606	0.9435	0.9975
6	0.8225	0.8225	0.8225	0.8655	0.9042	0.9866	1.0473
7	0.8694	0.8694	0.8694	0.9073	0.9472	1.0363	1.0997
8	0.8900	0.8900	0.8900	0.9485	0.9876	1.0860	1.1512
9	0.9154	0.9154	0.9154	1.0025	1.0411	1.1534	1.2026
10	0.9667	0.9667	0.9667	1.0451	1.0989	1.2136	1.2949

* Data Source: Data Form A, January 31, 1998 and Form A, January 31, 1998. Information as previously provided to the Education Relations Commission.

The salary matrix reflects a benchmark of \$56,264 for teacher salary and excludes teacher consultants and the administrative component of principals and vice-principals. They are, therefore, to be excluded from the board's regular grid distribution for the purpose of calculating grant entitlements. Teachers providing instruction in facilities are also excluded from the board's grid distribution. This is because the instructional cost of the program is funded under special education, and pupils in these programs are not counted as pupils of the board.

The teacher distribution as of October 31, 2005, is to be used for the calculation of the 2005–06 Cost Adjustment and Teacher Qualifications and Experience Grant. Where the qualification of a teacher changes after October 31, 2005, and the change for salary purposes is retroactive to October 2004, or earlier, the changed qualification category is used for the purpose of this calculation.

Education funding recognizes teachers' actual experience and ensures consistent claims for the Cost Adjustment and Teacher Qualifications and Experience Grant by recognizing part years of teaching. Boards are to place teachers on the experience grid by rounding part-year experience to the nearest whole number of years of experience.

Student Transportation Grant

The Student Transportation Grant provides school boards with funding to recognize the costs of transporting students from home to school, including transporting students with special needs.

The Student Transportation Grant has been identified for fundamental reform. The Government is recognizing special cost factors and new safety practices this year and will explore consortia between boards as a requirement.

For 2005–06, total funding for the Student Transportation Grant is projected to be \$720 million, an increase of almost \$33 million, or nearly 5 percent, in recognition of the cost pressures of providing school bus services. This increase is consistent with the recommendation of the Education Equality Task Force regarding the update of the student transportation benchmark.

The \$33 million increase includes \$24.5 million for a 2 percent non-salary benchmark increase and funding for higher fuel prices and other costs associated with providing student transportation. For school boards that are experiencing enrolment increases, \$3.5 million is being provided for proportional increases to their transportation funding allocation. To recognize costs associated with the implementation of transportation safety programs, one-time funding of \$4.5 million is being provided to assist school boards to provide first aid/CPR training for their school bus drivers. This funding responds to a recommendation made by the Chief Coroner in November 2004.

School boards with declining enrolment will not see their funding reduced; rather, they will receive their allocation for 2004–05 plus their share of the \$24.5 million allocation for increased costs and the \$4.5 million for safety training.

School Boards with Declining Enrolment

For school boards with declining enrolment, that is, boards with a 2005–06 day school ADE less than their 2004–05 day school ADE:

$$\begin{array}{rcl}
 \text{Transportation} & & \\
 \text{Allocation} & = & \begin{array}{l}
 \text{2004 – 05 Transportation Allocation} \\
 \text{less} \\
 \text{Expenditures in 2004 – 05 for} \\
 \text{Transportation to Provincial Schools} \\
 \times \\
 1.0356
 \end{array} + \begin{array}{l}
 \text{2004 – 05 Transportation Allocation} \\
 \text{less} \\
 \text{Expenditures in 2004 – 05 for} \\
 \text{Transportation to Provincial Schools} \\
 \times \\
 0.0065 \\
 \text{OR} \\
 \text{add \$10,000,} \\
 \text{whichever is greater}
 \end{array}
 \end{array}$$

School Boards with Increasing Enrolment

For school boards with increasing enrolment, that is, boards with a 2005–06 day school ADE greater than their 2004–05 day ADE:

$$\begin{array}{r}
 \text{Transportation} \\
 \text{Allocation}
 \end{array}
 =
 \begin{array}{r}
 \text{2004 – 05 Transportation Allocation} \\
 \text{less} \\
 \text{Expenditures in} \\
 \text{2004 – 05 for Transportation} \\
 \text{to Provincial Schools}
 \end{array}
 \times
 \frac{\text{2005 – 06 day} \\ \text{school ADE}}{\text{2004 – 05 day} \\ \text{school ADE}}
 +
 \begin{array}{r}
 \text{2004 – 05 Transportation Allocation} \\
 \text{less} \\
 \text{Expenditures in} \\
 \text{2004 – 05 for Transportation} \\
 \text{to Provincial Schools} \\
 \times \\
 0.0356
 \end{array}
 +
 \begin{array}{r}
 \text{2004 – 05 Transportation Allocation} \\
 \text{less} \\
 \text{Expenditures in 2004 – 05} \\
 \text{for Transportation} \\
 \text{to Provincial Schools} \\
 \times \\
 0.0065 \\
 \text{OR} \\
 \text{add \$10,000} \\
 \text{whichever is greater}
 \end{array}$$

Funding for Transportation to Provincial Schools

Funding for student transportation to and from Provincial Schools is allocated based on the expenditure by the board in 2005–06 that is approved by the Ministry.

Funding for Summer School Transportation

An additional allowance for transportation is included under the Learning Opportunities Grant for literacy and math remediation programs. Please refer to page 56 for details.

Declining Enrolment Adjustment

For 2005–06, total funding of \$137.6 million is projected for the Declining Enrolment Adjustment (DEA).

Because much of each board’s revenue from education funding grants is determined by enrolment, boards with declining enrolment lose revenue. This is appropriate because boards no longer need the same number of teachers and other supports when there are fewer students.

Boards’ costs, however, do not decline in a way that is strictly proportional to declining enrolment. Some costs can be adjusted easily. For example, the cost of classroom teachers can be reduced by changing the arrangement of classes to adjust to reduced enrolment. Other costs cannot be adjusted as easily. For this reason, the Government introduced the DEA beginning in the 2002–03 school year.

In April 2005, the Ministry and representatives from school boards with small schools and declining enrolments held a working session to identify approaches for a transitional strategy to refine the DEA and/or funding for small schools.

In 2005–06, the Government is providing one-time funding to support boards facing difficult declining enrolment circumstances while a fuller policy review is underway.

Based on the consensus reached at the working session, the Ministry is providing a one-time funding increase to the DEA of \$53 million in 2005–06. The adjustment for enrolment decline in 2005–06 will be calculated in a manner similar to the method used in 2004–05. A school board with an enrolment decline in 2005–06 will receive its total 2004–05 DEA allocation plus an additional adjustment for any enrolment decline in 2005–06. A board without a 2005–06 enrolment decline will receive its DEA allocation from 2004–05.

	2002–03 (\$ millions)	2003–04 (\$ millions)	2004–05 (\$ millions)	2005–06 (\$ millions)
Total DEA	\$38.0	\$109.4	\$95.4	\$137.6
2002–03 DEA	\$38.0	\$19.5	\$9.7	
2003–04 DEA		\$89.9	\$45.0	
2004–05 DEA			\$40.7	

If the 2005–06 DEA had been calculated using the 2004–05 formula, the 2005–06 DEA would be \$53 million less than the amount allocated for the 2004–05 school year.

The 2005–06 adjustment is calculated as follows:

1. Determine the decrease in operating revenue between 2004–05 and 2005–06, excluding the impact of new investments added to education funding in 2005–06 (*A* in the following formula).

$$A = B - C$$

Where:

B = Total operating revenue in 2004–05 (excluding allocations not based on enrolment*)

C = Total operating revenue in 2005–06 (excluding allocations not based on enrolment and new investments**).

2. Calculate the reduction in costs the board is expected to achieve as a result of the enrolment decline (*D*). This equals 58 percent of the percent decline in enrolment applied to the 2004–05 operating revenue.

$$D = (58\% \text{ of rate of enrolment decline}) \times B$$

3. Where revenue has declined, determine the amount by which the operating revenue decline exceeds the expected reduction in the board's costs (*E*). (A board is only eligible for the Declining Enrolment Adjustment if the operating revenue decline is greater than the expected cost reduction.)

$$E = A - D$$

4. Apply scaling factor (*G*) to determine Declining Enrolment Adjustment (*F*). The scaling factor recognizes that, the greater the decline in enrolment, the more difficult it is to adjust costs.

$$F = G \times E$$

* Operating revenue in each year excludes all components of the Special Education Grant except for the SEPPA, the Cost Adjustment and Teacher Qualifications and Experience Grant, the Continuing Education and Other Programs Grant, the Demographic, Literacy/Math Outside the School Day, and Student Success Components of the Learning Opportunities Grant, all the components of the Language Grant except French as a First Language, the Declining Enrolment Adjustment, the Transportation Grant, and the Distant Schools Allocation of the Geographic Circumstances Grant.

** 2005–06 operating revenue also excludes new investments.

The table below provides examples of scaling factors that have been set for three different ranges of enrolment declines:

Percentage Decline in Enrolment	Scaling Factor
Up to 0.25%	0.5
> 0.25%, up to 1.5%	1
> 1.5%	1.5

The table below provides examples of scaling factors for specific percentage enrolment declines.

Percent Enrolment Decline	Factor	Percent Enrolment Decline	Factor	Percent Enrolment Decline	Factor
0.1%	0.50000	1.1%	0.88636	2.1%	1.08333
0.2%	0.50000	1.2%	0.89583	2.2%	1.10227
0.3%	0.58333	1.3%	0.90385	2.3%	1.11957
0.4%	0.68750	1.4%	0.91017	2.4%	1.13542
0.5%	0.75000	1.5%	0.91667	2.5%	1.15000
0.6%	0.79167	1.6%	0.95313	2.6%	1.16346
0.7%	0.82143	1.7%	0.98529	2.7%	1.17593
0.8%	0.84375	1.8%	1.01389	2.8%	1.18750
0.9%	0.86110	1.9%	1.03947	2.9%	1.19828
1.0%	0.87500	2.0%	1.06250	3.0%	1.20833

To determine the scaling factor (*G*) of a board that has declining enrolment, apply the following formula (to five decimal points):

$$H = 1 - \frac{2005 - 06 \text{ day school ADE of the board}}{2004 - 05 \text{ day school ADE of the board}}$$

Day school ADE includes enrolment of JK to Grade 12 pupils of the board, excluding pupils 21 and over.

Where boards are introducing JK in 2005–06 and did not offer the program in 2004–05, the above calculation of enrolment decline will exclude JK ADE.

If the amount H does not exceed 0.0025, the scaling factor is 0.5.

If the amount H is greater than 0.0025 but does not exceed 0.015, the scaling factor is calculated as follows:

$$G = \frac{(H - 0.0025) + 0.00125}{H}$$

If the amount H is greater than 0.015, the scaling factor is calculated as follows:

$$G = \frac{1.5 (H - 0.015) + 0.01375}{H}$$

School Board Administration and Governance Grant

This grant provides funding for administration and governance costs, including the costs of operating board offices and central facilities. This category of funding provides for all board-based staff and expenditures, including supervisory officers and their secretarial support. Funding is provided for four components:

- Trustees,
- Directors and Supervisory Officers,
- Board Administration, and
- Multiple Municipalities.

For 2005–06, total funding of \$484.4 million is projected for the School Board Administration and Governance Grant.

Trustees Component

This funding component, which is based on the number of trustees, supports trustee honoraria, expenses, meeting costs, and professional development (for example, conferences). The following amounts are provided:

\$5,000	per trustee (including chair) for trustee honoraria
\$5,000	per trustee (including chair) for travel and expense allowance, professional development, and other costs
\$10,000	per board as additional honoraria for the chair and vice-chair
\$5,000	per board for student representation for travel and expenses but not honoraria

Directors and Supervisory Officers Component

Funding is based on costs for one director per board, and a number of supervisory officers reflecting board enrolment. This component is intended to cover salaries and benefits of these staff. This component also recognizes the higher administrative costs borne by some boards, by using their Remote and Rural Allocation and Good Schools Open Component of the Geographic Circumstances Grant, the Demographic Component of the Learning Opportunities Grant, and the New Pupil Places Allocation.

Directors and Supervisory Officers Component	2005–06
Base amount	\$461,372
Per-pupil amount for first 10,000 pupils	\$12
Per-pupil amount for next 10,000 pupils	\$17
Per-pupil amount for remaining pupils	\$24
% Geographic Circumstances Grant (Remote and Rural Allocation)	2.0%
% Learning Opportunities Grant (Demographic Component)	0.5%
% New Pupil Places Allocation	1.0%

Board Administration Component

This component provides funding for the business and other administrative functions of a board and the costs of operating and maintaining board offices and facilities. As with the Director and Supervisory Officers Component, the Board Administration Component recognizes the higher costs of administration in some boards. This component covers expenses and support staff for the director and supervisory officers.

Dues to stakeholder organizations, including trustee associations, as well as support staff costs for trustees are also funded from the Board Administration Component.

This component also provides funding for school councils.

Board Administration Component	2005–06
Base amount	\$87,416
Per-pupil amount	\$189.35
% Geographic Circumstances Grant (Remote and Rural Allocation)	11%
% Learning Opportunities Grant (Demographic Component)	0.5%
% New Pupil Places Allocation	1%

Enrolment used for determining the grants are day school ADE of pupils of the board (JK to Grade 12, excluding pupils 21 and over).

Multiple Municipalities Component

In 2003–04, a component was added to the allocation for board administration to recognize the additional costs of boards that are required to interact with a large number of municipalities and other local governing agencies. Boards incur administrative costs from dealing with municipalities concerning property taxes. They also are required to reach protocols and agreements with local agencies, such as police services and children’s aid societies.

Additional funding is provided to boards with more than 30 municipalities in their jurisdiction.

Allocation Per Municipality	
# of municipalities	\$ for each municipality
Between 1 and 30	\$0
Between 30 and 49	\$500
Between 50 and 99	\$750
From 100 to any number higher	\$1,000

Pupil Accommodation Grant

The Pupil Accommodation Grant* has four major allocations:

- School Operations,
- School Renewal,
- New Pupil Places, and
- Prior Capital Commitments

For 2005–06, total funding of \$2.64 billion** is projected for the Pupil Accommodation Grant.***

Funding enhancements for pupil accommodation in 2005–06 will be implemented within the framework of a Pupil Accommodation Review. These investments address current accommodation pressures facing the education sector and set the stage for longer-term changes.

Factors Used to Determine the Pupil Accommodation Grant

Enrolment

Elementary Enrolment

“Day School Average Daily Enrolment” of pupils enrolled in Junior Kindergarten, Kindergarten, and Grades 1 to 8.

Secondary Enrolment

“Day School Average Daily Enrolment” of pupils enrolled in Grades 9 through 12, excluding students 21 years of age and older.

* Further details on this grant are available in the Ministry of Education publication *Pupil Accommodation* available from the Ministry's website, <<http://www.edu.gov.on.ca>>.

** This amount is a Ministry of Education projection for the 2005–06 school year. Actual funding varies over the course of the school year because of changes in enrolment and board program decisions.

*** Includes Prior Capital Commitments.

Adult Enrolment

“Day School Average Daily Enrolment” of students 21 years of age or older plus the “Average Daily Enrolment” of students enrolled in Continuing Education credit courses during the day, excluding pupils enrolled in correspondence self-study programs, but including students in summer school programs.

Benchmarks

The following benchmark changes occur for the School Renewal and School Operations Allocations only.

Area Requirements Per Pupil

Elementary: 104.4 square feet (9.70 m²)

Provides sufficient teaching and ancillary space to permit the effective delivery of elementary school programming consistent with the average class size limits under the *Education Act* and provides additional space required to accommodate the typical distribution of special education, learning opportunities, and language (for example, ESL) programming.

Includes changes to recognize the increase in the number of classrooms needed for the first two years of reducing primary class size.

Secondary: 130 square feet (12.07 m²)

Provides sufficient teaching and ancillary space to permit the effective delivery of secondary school programming consistent with the average class size limits under the *Education Act* and provides additional space required to accommodate the typical distribution of special education, learning opportunities, and language (for example, ESL) programming.

Adult: 100 square feet (9.29 m²)

Lower than the traditional secondary school panel because less additional space is required for special needs programs.

Operating Cost

The funding benchmark for the School Operations Allocation is:

Elementary - \$5.84 per square foot (\$62.84/m²).

Secondary - \$5.84 per square foot (\$62.84/m²)

Adult Education - \$5.84 per square foot (\$62.84/m²)

Renewal Cost

The weighted average of \$0.65 and \$0.98 per square foot (\$7.03 and \$10.54 per m²) for schools under and over 20 years of age, respectively.

Construction Cost

Elementary (2005): \$11.22 per square foot (\$120.77/m²)

Represents the estimated cost of \$154 per square foot (\$1,660/m²) to design, construct, furnish, and equip new elementary schools, amortized over a 25-year period.

Elementary (1998): \$11.00 per square foot (\$118.40/m²)

Represents an estimated cost of \$117 per square foot (\$1,259/m²) to design, construct, furnish, and equip new elementary schools, amortized over a 25-year period.

Secondary (2005): \$12.24 per square foot (\$131.75/m²)

Represents the estimated cost of \$168 per square foot (\$1,811/m²) to design, construct, furnish, and equip new secondary schools, amortized over a 25-year period.

Secondary (1998): \$12.00 per square foot (\$129.17/m²)

Represents the estimated cost of \$126 per square foot (\$1,356/m²) to design, construct, furnish, and equip new secondary schools, amortized over a 25-year period.

Geographic Adjustment Factor

A Geographic Adjustment Factor (GAF) is applied to the New Pupil Places Allocation and the School Renewal Allocation in recognition of differences in construction costs across the province.

Supplementary Area Factor

An adjustment factor is applied in the calculation of the School Operations Allocation and the School Renewal Allocation. The Supplementary Area Factor recognizes unique design features of a board's schools, such as wide hallways, large shop spaces, auditorium space, and the additional space needs of special education programs.

The factor is based on information compiled in the School Facilities Inventory System. Separate factors that reflect the area per-pupil place are calculated for elementary and secondary schools.

Top-up Funding to Reflect a 20-Percent Adjustment to Capacity Levels

Additional funding is also provided for school operations and renewal for schools that are operating at less than full capacity. Top-up funding is calculated on a school-by-school basis for schools offering a regular day school program (exclusive of adult day school). This additional funding, which is not to exceed the revenue generated by

enrolment equal to 20 percent of school capacity,* increases total revenue for school operations and renewal for a school up to the amount that would be generated if the school were operating at full capacity.

Schools identified as “distant” under the 2003–04 Rural Education Strategy will receive an amount equivalent to that received under the 2003–04 Distant School top-up funding, in addition to the regular top-up entitlement. The Distant School top-up funding has been adjusted to take into account schools that have been opened or closed since 2003–04.

Schools identified as “rural,” under the Rural Schools Component of the Geographic Circumstances Grant are provided with enhanced top-up funding for school operations and renewal up to 100 percent of the capacity to recognize the higher per pupil costs of cleaning and maintaining these facilities where enrolment is less than the capacity of the school.

* except for Distant Schools

School Operations Allocation

Increased funding supports additional custodial staff to clean and maintain school grounds and facilities.

All boards receive the School Operations Allocation, which addresses the costs of operating (that is, heating, lighting, maintaining, and cleaning) schools. The allocation is calculated separately for the elementary and secondary school panels and for adult education using the following formula.

$$\begin{aligned}
 \text{Grant for School Operations} &= \text{Enrolment plus approved spaces in Section 20 programs in schools} \times \text{Benchmark Area Requirement per pupil} \times \text{Supplementary School Area Factor} \times \text{Benchmark operating cost per square foot} \\
 &\quad \text{Plus} \\
 &\quad \text{Top – up funding for School Operations}^* \\
 &\quad \text{Plus} \\
 &\quad \text{Top – up funding for schools Identified as rural in 2005 – 06} \\
 &\quad \text{Plus} \\
 &\quad \text{Top – up funding in respect of the Rural Education Strategy (fixed at 2003 – 04 levels)} \\
 &\quad \text{Plus} \\
 &\quad \text{Allocation for Licensing & Related Fees for Approved Asset Management Software} \\
 &\quad \text{Plus} \\
 &\quad \text{Allocation for Community Use of Schools}
 \end{aligned}$$

* NOTE: Top-up funding is available for schools that are offering a regular day school program (exclusive of adult day school) and are operating at less than full capacity.

Community Use of Schools

To encourage school boards to make schools more accessible for community use, this voluntary program provide schools with up to \$20 million to cover the incremental costs of community use of facilities. To access the funds, school boards must sign Community Recreation and Use Agreements. Once an agreement is in place, community groups may access school facilities after hours and on weekends at a nominal cost. This funding is part of the School Operations Allocation.

School Renewal Allocation

The rural schools component of the School Renewal Allocation has been identified for fundamental reform.

All boards receive the School Renewal Allocation. This allocation addresses the costs of repairing and renovating schools. The allocation is calculated separately for the elementary and secondary school panels and for adult education using the following formula:

$$\begin{aligned}
 \text{Grant for School Renewal} &= \text{Enrolment} \times \frac{\text{Benchmark Area Requirement per Pupil}}{\text{Plus}} \times \frac{\text{Supplementary School Area Factor}}{\text{Plus}} \times \frac{\text{Benchmark Renewal Cost per sqare foot}}{\text{Plus}} \\
 &\quad \text{Top - up funding for School Renewal}^* \\
 &\quad \text{Plus} \\
 &\quad \text{Enhancement to address deferred maintenance needs} \\
 &\quad \text{(Allocated to reflect a board's share of the total needs in the system)} \\
 &\quad \text{Plus} \\
 &\quad \text{Top - up funding for schools identified as rural in 2005 - 06} \\
 &\quad \text{The sum total of the 4 components multiplied by} \\
 &\quad \text{Geographic Adjustment Factor (2005)} \\
 &\quad \text{Plus} \\
 &\quad \text{Top - up funding in respect of the Rural Education Strategy} \\
 &\quad \text{(fixed at 2003 - 04 with adjustments for open and closed schools} \\
 &\quad \text{since 2003 - 04)}
 \end{aligned}$$

* Note: Top-up funding is available for schools that are offering a regular day school program (exclusive of adult day school) and are operating at less than full capacity.

Good Places to Learn

Stage 1 of the Good Places to Learn initiative focuses on addressing urgent and high repair needs identified through an inspection of all schools that occurred in 2003. Boards are being provided with funding that allows them to undertake \$1 billion worth of capital renewal work.

In March 2005, as part of Stage 1, boards were asked to use short-term financing to fund their urgent and high needs priority projects, undertaken over the summer and in the 2005-06 school year, with the Government covering boards' interest costs until such time as Stage 1 commitments could be consolidated into a long-term financing vehicle.

To reduce financial costs, the Ministry of Education and the Ontario Financing Authority, working under the auspices of the joint government and school board task force on capital financing, invited financial institutions to submit proposals for providing short-term financing of Stage 1 Good Places to Learn. The National Bank of Canada's

financing rate was the most favourable, with a proposed rate of Bankers' Acceptance (BA) based on market conditions at the time of issuance plus 13 basis points for a one-, two-, or three-month term.

Boards are expected to arrange for financing at the target rate that has been secured by the Government or at a lower rate where possible. Boards have the flexibility to approach any financial institution and to negotiate terms and conditions of their choice. The Ministry will be seeking an amendment to the 2005-06 grant regulation to effect this new financing arrangement.

When a board documents that it has entered into a short-term financing arrangement based on the National Bank of Canada's financing rate or lower, the actual interest costs will be recognized for funding. If a board chooses not take advantage of this financing rate, its interest costs will be recognized for funding at the three-month BA rate plus 13 basis points at that time. Funds borrowed internally from reserves or other cash will be recognized for funding at today's one-month BA rate of 2.69%. Any interest costs in excess of the rates identified above will be borne by the board.

Boards are required to report on their Good Places to Learn short-term financing arrangements in their 2005-06 Revised Estimates.

Under Stage 2 of the Good Places to Learn initiative, additional funding to address needed repairs and the replacement of schools in poor condition will be provided. Decisions will be made after boards have submitted long-term capital plans to the Ministry.

New Pupil Places Allocation

The New Pupil Places Allocation generally enables boards to construct new schools or additions where boards have demonstrated that they have fully utilized all existing school buildings effectively and that their enrolment cannot be accommodated without new space.

New Pupil Places – Changes to the Parameters Used in the Calculation of the New Pupil Places Allocation

The Good Places to Learn announcement indicated a change in funding policy to include a new accountability measure regarding funding for new construction through the New Pupil Places Allocation. The policy continues for funding any pupil places that are recognized as in excess of capacity. The new accountability measure, however, will provide funding only when a board has reported acceptance of a tender for construction of pupil places for which it is eligible to receive funding. As a result of this policy change, there will no longer be a need to cap the New Pupil Places Allocation at \$20 million until a board has begun \$200 million or more in school construction.

Beginning in 2004–05, the benchmark construction costs used in the calculation of the New Pupil Places Allocation were revised. A 2 percent increase in the construction cost benchmark was incorporated into the calculation of the New Pupil Places Allocation.

This change applied only to eligible pupil places that had not been constructed by boards prior to October 2003. The construction cost benchmark figures used when the model was introduced in 1998 will continue to be applied to those pupil places constructed by boards prior to October 2003. Changes to construction costs since Fall 2003 will not impact board costs for schools already constructed.

As of February 17, 2005, the policy that allowed school boards to reduce permanent capacity of the inventory of schools used in the calculation of the New Pupil Places Allocation by disposing of surplus schools at no cost to coterminous school boards and the Ontario Realty Corporation was rescinded.

$$\begin{array}{rcccccc}
\text{New Pupil} & & & & & & \\
\text{Places Allocation} & = & \text{Enrolment in} & + & \text{Pupil Places} & + & \text{Pupil Places} & + & \text{Pupil Places} & - & \text{Pupil Places} \\
& & \text{excess of} & & \text{in respect of} & & \text{in respect of} & & \text{in respect of} & & \text{Constructed} \\
& & \text{Capacity} & & \text{Enrolment} & + & \text{Capital} & + & \text{Prohibitive to} & & \text{Prior to} \\
& & & & \text{Pressures} & & \text{Transitional} & & \text{Repair} & & \text{October} \\
& & & & & & \text{Pressure} & & & & \text{2003} \\
& & & & & & & & & & \\
& & & & & & & & & & \text{The sum total of the 5 components}
\end{array}$$

$$\begin{array}{rcccc}
& & \text{Benchmark Area Requirement} & \times & \text{Benchmark Construction Cost} & \times & \text{Geographic} \\
& \times & \text{per Pupil} & & \text{per Sq. Ft. (2005)} & & \text{Adjustment Factor} \\
& & & & & & \text{(2005)}
\end{array}$$

Plus

$$\begin{array}{rcccc}
& & \text{Pupil Places constructed} & \times & \text{Benchmark Area} & \times & \text{Benchmark} & \times & \text{Geographic} \\
& & \text{prior to October 2003} & & \text{Requirement per} & & \text{Construction Cost} & & \text{Adjustment} \\
& & & & \text{Pupil} & & \text{per Sq. Ft. (1998)} & & \text{Factor}
\end{array}$$

The calculation above is subject to the new accountability measure regarding new pupil places constructed or for which a tender has been accepted.

New Pupil Places – Persistent Enrolment Pressures

In 2001–02, a change was built into the funding formula to provide resources to boards that are not eligible for a New Pupil Places Allocation to address significant and persistent enrolment pressures at individual schools.

A board with a total elementary enrolment that is less than its total elementary school capacity and/or a board with a total secondary enrolment that is less than the total secondary school capacity is eligible for funding in recognition of enrolment pressures if data reported in Appendix C of the Financial Statements (Top-Up Funding) indicates that:

- Enrolment at any one of the board’s elementary schools or secondary schools has exceeded the capacity of the school by at least 100 pupils in each of the past two years (that is, 2003–04 and 2004–05); **and**
- There is not sufficient surplus capacity at nearby schools of the same panel (that is, within 8 kilometres by road to an elementary school or 32 kilometres by road to a secondary school) to accommodate the excess enrolment at the school.

For schools meeting both of these criteria, a number of pupil places equal to the average of the difference between enrolment and capacity at the school in 2003–04 and 2004–05 is recognized for funding beginning in 2005–06 and will be added to the board's permanent capacity used in the calculation the New Pupil Places Allocation in 2005–06. This level of funding will be provided for 25 years. This approach will be used for subsequent years.

New Pupil Places – Capital Transition Pressures

Funding for new pupil places is also provided for boards to address capital transitional issues for school boards that have enrolment pressures in areas that do not have permanent accommodation.

Some boards have pupils in parts of their jurisdictions but no nearby schools. This results in parents having to choose between busing their children many kilometres to a distant school or sending their children to a nearby school of a different board. For boards in these circumstances, funding for new pupil places is increasing. These pupil places are funded in the same manner as other allocations for new pupil places. This funding will be provided to the boards over a period of 25 years.

New Pupil Places – Use of Pupil Accommodation Reserve Fund for School Sites

Boards receiving funding to address persistent enrolment pressures at specific schools, in recognition of facilities deemed prohibitive to repair, and to address capital transitional pressures may use some of the funds in the Pupil Accommodation Reserve to purchase sites. In addition, a board that requires a school site needed to address accommodation pressures may use some of its Pupil Accommodation Reserves to fund the portion or the entire cost of acquiring the site if this cost is **not** a growth-related net education land cost, within the meaning of Division E of Part IX of the *Education Act* regarding education development charges.

Sites needed for pupil accommodation arising from new residential development may be acquired with the proceeds from the sale of surplus properties, savings from a board's operating budget, as part of long-term lease or partnership arrangements with municipalities or the private sector, or by imposing education development charges in accordance with Division E of Part IX of the *Education Act* and Ontario Regulation 20/98 as amended.

Outstanding Capital Commitments

In January 1997, the Minister of Education and Training announced a \$650 million capital program for the years 1997–98 and 1998–99. In 1999–2000, the outstanding capital commitments from this program were converted to pupil places so that the amount owed to boards could be paid in the same manner as the New Pupil Places Allocation. The Pupil Accommodation Grant provides boards with funding to meet the cost of financing the outstanding grant amount over a 25-year period.

Debt Charges

In 1998, the Ministry committed to provide funding in 1998–99, 1999–2000, and 2000–01 to cover the servicing costs of loans related to capital projects approved prior to May 15, 1998. This funding continues.

On June 2, 2003, permanent financing for \$891 million of the capital-related debt that had not been permanently financed was arranged by the Ontario Financing Authority through the *55 School Board Trust*. Annual payments to service this debenture is being provided to a trust through blocked accounts held by each of the fifty-five boards.

Inter–Board Transfer of Schools

The Grants for Student Needs – Legislative Grants for the 2005-2006 School Board Fiscal Year regulation includes provisions relating to schools transferred between boards, to make more effective use of existing school facilities. Provided that the prior approval of the Ministry has been obtained, the capacity figure for a transferred school would be the lesser of ADE and the rated capacity of the facility. Transfers must meet the following criteria:

- the transfer is consistent with the boards' long-term accommodation plans;
- the transfer benefits students from both boards (for example, through improved facilities or reduced transportation needs);
- the transfer results in more effective use of existing public assets; and
- the transfer reduces the need for the boards to construct new school facilities.

This “floating” capacity, which will apply only for purposes of calculating the allocation for new pupil places, will remain in effect until such time as enrolment levels in the school reach the rated capacity level for the facility. After that time, the rated capacity for the facility will be used in the determination of the board’s grants.

School Authorities Funding

The costs per pupil are generally higher for these very small school boards, usually located in remote areas of Ontario (called “isolate boards”) or in some children’s hospitals. The School Authorities Allocation ensures that funding is available for these small boards. This allocation is authorized through education funding regulations, but funding levels for these small boards are not determined by the Foundation Grant and the special purpose grants of the regulation. Instead, funding levels are approved by the Ministry.

The funding for school authorities is based on the funding guideline that has been modified to address the unique costs of operating very small schools in remote areas and in institutions. School authorities’ allocations are based on education funding formulas, to the extent possible, with provisions for special approval by the Ministry of Education.

Enrolment

Under the school year reporting that covers the period from September to August, the calculation of average daily enrolment (ADE) is based on the existing two count dates within the school year – October 31 and March 31. The full-time equivalent of students enrolled in a board's schools are weighted at 0.5 for each of the count dates.

Junior Kindergarten (JK) and Senior Kindergarten (SK) pupils are counted as half-time students in the determination of ADE for 2005–06, with the exception of combined Kindergarten programs. The ADE regulation allows combined JK and SK programs, where JK students can be counted as enrolled for 600 minutes per week and SK students as enrolled for 900 minutes per week.

ADE for continuing education programs and summer school is calculated using the same parameters as in 2004–05. The regulation indicates that students who have been enrolled in private schools in the previous school year are eligible to be enrolled in summer school programs of a publicly funded board as permitted by the regulation. This clarification applies for summer programs in 2004 (part of the 2004–05 school year), and in 2005–06 and future years.

Fees

Boards are required to continue charging tuition fees in respect of nonresident visa students, Aboriginal students, and students from out of province.

Boards are able to determine the fees that they will charge in respect of visa students for regular day school programs, continuing education, and summer school programs.

The provisions for fees in respect of pupils whose parents or guardians reside on tax exempt land has been maintained at \$40 per month per family.

The funding regulations were amended for both the 2003–04 and 2004–05 school years to provide revenue to school boards for the payment of fees when a board and First Nation band council or education authority have negotiated a so-called “reverse” tuition agreement, under which elementary pupils of the board attend an elementary school operated by a First Nations band council or education authority. This provision is now ongoing.

The *Education Act* has been amended to allow school boards to waive fees for children whose parents have applied for permanent residence in Canada and for children whose parents are studying at a publicly funded Ontario university or college.

Reporting and Accountability

With the release of the grant regulation, the Ministry has established the following dates for submission of financial reports in 2005–06.

July 15, 2005	Board Estimates for 2005–06
November 30, 2005	Board Financial Statements for 2004–05
December 16, 2005	Board Revised Estimates for 2005–06

Education funding is an important component of the Government’s overall commitment to accountability. The Ministry continues to promote accountability by ensuring that grant claims by school boards are in accordance with the grant regulations and that school boards are in compliance with provincial standards and legislation on class size, instructional time, funding envelopes, and deficit management.

In support of these objectives, the Ministry has undertaken a comprehensive audit plan focusing on four main areas: enrolment, class size, English as a second language, and teacher qualifications and experience. Over 60 schools and approximately 25 boards are visited each year on a sample basis.

Some of the measures that the Ministry has taken to ensure compliance include:

- withholding grants when a board is not in compliance on class size;
- requiring boards to prepare and submit deficit management plans where necessary; and
- directing boards to take measures to become compliant.

For more information on financial accountability for school boards, please refer to the Ministry’s website at <www.edu.gov.on.ca>.

Enveloping and Flexibility

Education funding is not intended to specify every expenditure that boards make. It is up to boards, as it has always been, to determine their detailed budget commitments within the terms of the *Education Act* and other relevant regulations and memoranda.

School boards continue to be responsible for setting their budgets. Education funding recognizes that school boards need flexibility to decide how best to allocate resources within those budgets. At the same time, there are restrictions on how school boards may use certain components of their allocation. Limitations, as detailed below, are applied to:

- the transfer between classroom and nonclassroom funding,
- special education,
- new pupil places and school renewal,
- school board administration and governance,
- funding for rural schools and distant schools,
- funding for primary class size reduction, and
- funding for at-risk students.

In 2005–06, school boards again have flexibility to use some revenue to address their local priorities. The enveloping requirements allow boards to use an amount of funding equivalent to the Local Priorities Amount and the Declining Enrolment Adjustment.

School boards continue to be accountable for how they use all the revenue that they receive from education funding grants, including the revenue that they can use flexibly. They will continue to report, as in past years, how they have used all their funding, and the extent to which this funding has been used for special education, classroom expenditures, new pupil places and school renewal, administration and governance, and distant schools.

Flexibility in 2005–06

The method of determining a board's total classroom expenditure allocation will be maintained in 2005–06.

In 2005–06, education funding will identify an amount for each board, called a flexibility fund, that boards can use without restriction. This flexibility fund allows each board to choose which priorities it will address with this funding.

A board's flexibility fund includes the greater of:

- the total amount of the board's Local Priorities Amount, and the entire amount of a board's Declining Enrolment Adjustment,

OR

- the board's total flexibility fund from 2004–05.

Funds may not be moved from the classroom to the nonclassroom category.

School boards are expected to place a priority on students and teachers in the classroom, and to find efficiencies in nonclassroom areas. To support this objective, funds may be moved from nonclassroom expenditure categories into classroom expenditure categories, but may not be moved from classroom spending to nonclassroom spending.

To ensure compliance with this rule, the Ministry requires that school boards use a Uniform Code of Accounts that categorizes expenditures as classroom and nonclassroom expenditures. The Uniform Code of Accounts has been revised to implement the reclassification of preparation time in 2005–06.

Expenditure categories for operating funding are divided as shown in this table:

Classroom expenditures	Nonclassroom expenditures
Classroom teachers	Principals and vice-principals
Supply teachers	Classroom consultants
Specialist teachers/preparation time	Continuing education and other programs
Student Success teachers/preparation time	Transportation
Education assistants	Board administration and governance
Textbooks and classroom supplies	School operations
Classroom computers	
Professionals and para-professionals	
Library and guidance	
Staff development	
Department heads	

There is no provincial requirement for boards to align their spending to the individual components *within* the classroom and nonclassroom categories except as noted in the limitations described below concerning administration and governance expenditures. It is the responsibility of the board to make the most effective allocation of funds among the classroom and nonclassroom categories, according to local needs.

School boards account for all their operating expenditures under these categories in order to report to the Ministry concerning the total amount of their spending in the classroom.

Determining the classroom allocation

The enveloping provisions of education funding allocate a specific amount of funding to the classroom for each board. Boards must show that they have spent an amount in classroom categories that is equal to, or greater than, this total allocation. Where a board does not spend its total 2005–06 classroom allocation in the classroom, the board must place funding to cover the shortfall in a reserve fund for classroom expenditures.

Education funding creates each board's total allocation for classroom expenditures by attributing part of the Foundation Grant and part of several special purpose grants to classroom spending. Table 19 of the Grants for Student Needs – Legislative Grants for the 2005–2006 School Board Fiscal Year regulation sets out a percentage of each allocation that is attributed to classroom spending.

For example, 86 percent of a board's Foundation Grant for elementary students, 78 percent of its Remote and Rural Allocation for the elementary panel, and 82 percent of its Learning Opportunities Grant for the elementary panel are attributed to the classroom expenditure allocation. Most special purpose grants have a specified percentage of funding attributed to the classroom for the elementary and secondary panels. The Continuing Education and Other Programs Grant, the Transportation Grant, and the Board Administration and Governance Grant are attributed entirely to nonclassroom expenditures.

Each board's total classroom expenditure allocation is the total of the amounts determined by multiplying its Foundation Grant and each special purpose grant by the percentages set out by the regulation. Because each board has a different proportional share of the special purpose grants, each board's total classroom expenditure allocation, as a proportion of its total operating funding, is slightly different.

Compliance in 2005–06

As in past years, school boards will continue to account for all their operating expenditures under the classroom and nonclassroom expenditure categories, in order to report to the Ministry concerning the total amount of their spending in the classroom.

As in past years, education funding allocates a specific amount of classroom funding for each board. In 2005–06, this formula-derived classroom allocation excludes the total amount of the flexibility fund (as defined above). Boards must show that they have spent an amount in classroom categories that is equal to (or greater than) the sum of the classroom allocation plus the amount (if any) of the flexibility fund that they have spent in the classroom. When a board does not spend its total 2005–06 classroom expenditure allocation in the classroom, the board must place funding to cover the shortfall in a reserve fund for classroom expenditures.

The special education envelope establishes the minimum that each board must spend on special education.

The Special Education Grant is enveloped and protected. The Ministry specifies types of spending for which the grant may be used and the list of allowed costs. Boards are free to spend more on special education programs and supports. Boards must spend the entire amount of the special education expenditure envelope, as determined by the enveloping provisions of the regulation, for the additional costs of special education programs and supports, that is, the costs above the regular costs of pupils' education supported by the Foundation Grant and the other special purpose grants.

A board's allocation will be reduced by any amount in its special education reserve at August 31, 2005, that is greater than 2 percent of its allocation for ISA Levels 2 and 3 at the end of Cycle 5 in 2003–04.

Special education expenditures that were approved or authorized by the school board before May 30, 2005, can be included in expenditures for the purposes of calculation of compliance with the special education envelope. Expenditures approved or authorized after that date cannot be included as allowable expenditure for the purposes of enveloping.

The allocations for new pupil places and for school renewal establish the minimum that each board must spend on these components.

This restriction is intended to ensure that boards dedicate the resources provided for major repairs and new pupil places for the creation and renewal of safe and functional schools where students can learn.

Boards have significant flexibility on how this is done – whether through major renovation, replacement, leasing, additions, or other partnership agreements. Unspent funds in any particular year from these two allocations must be placed in a reserve. This reserve may be used in future as funding is needed to ensure the physical integrity and safety of school buildings.

The provision for flexibility in 2005–06 does not affect the enveloping provisions for new pupil places and school renewal. Boards must continue to use this funding for these purposes, or place unspent funds in a reserve.

The grant for school board administration and governance establishes the maximum that each board may spend on these functions.

Boards are free to move funds within the four components of the allocation for board administration and governance as long as they comply with the levels established on trustee compensation under the *Education Act*.

As a result of their flexibility in 2005–06, boards may allocate part or all of the amount of their flexibility fund to expenditures on administration or governance.

The funding for distant schools and rural schools must be used for the purposes intended.

School boards that receive funding through the Rural Education Strategy and the Good Schools Open initiative are required to spend the money on supports for the rural schools and distant schools that generate the funding. These supports include additional teachers, increased adult presence (principals, vice-principals, secretaries, other teachers with administrative duties), learning resources, and the operational costs of distant schools and rural schools.

Specifically, the Distant Schools and Rural Schools Allocation and the increased top-up funding for school operations must be spent for the purposes for which it was intended. Any underspending in a board's allocation must be placed in the board's distant schools and rural schools reserve fund.

The funding provided through the Primary Class Size Reduction Amount may only be used for the purposes intended.

School boards may use the amount of their 2004–05 allocation to hire additional teachers, to meet the costs of learning materials and classroom supplies, and to purchase or lease temporary accommodation. The additional funding provided in 2005–06 to reduce primary class size may only be used for additional teachers.

Boards must report on their use of the funding provided through the Student Success, Grades 7 to 12 Component of the Learning Opportunities Grant

Boards are required to submit annual action plans for the use of their allocations and to submit reports on their expenditures, activities, and results to the Ministry of Education within the school year.

Provincial Transfers for 2005–06

The provincial share of education funding for 2005–06 is calculated by deducting each board's revenue from property taxes for 2005–06 from the total funding allocation determined by the education funding formulas. Tax revenue is based on 38 percent of 2005 property taxes and 62 percent of 2006 property taxes, plus 2005 supplementary taxes less 2005 tax write-offs.

Where there is a strike, lockout, or withdrawal of services during the 2005–06 school year, the grants will be adjusted by the net savings resulting from the strike or withdrawal of services.

For boards that include territory without municipal organization, the Ministry will permit these boards to deduct actual costs for trustee elections from property tax revenue. Boards will have the flexibility to enter partnerships with other boards or adjacent municipalities to run elections efficiently.

For 2005–06, costs for tax collections by boards that include territories without municipal organization will be provided as follows: a base amount of \$50,000 plus 2 percent of taxes levied in unorganized areas. The above will only be applicable to the tax collecting board in each unorganized area.

Provincial Funding and Property Taxes

Education funding determines each board's overall funding allocation. Property tax revenues provide a part of the allocation and the Province provides additional funding up to the level set by education funding.

The Government now sets a uniform tax rate, based on a current-value assessment system, for all residential properties. The Government also sets property tax rates for business properties.

Appendix A – Abbreviations

ADE	Average Daily Enrolment
ALF	Actualisation linguistique en français
CSD	Census Sub-Division
DEA	Declining Enrolment Adjustment
EETF	Education Equality Task Force
ESD	English Skills Development
ESL	English as a Second Language
FFL	French as a First Language
FSL	French as a Second Language
FTE	Full-Time Equivalent
GAF	Geographic Area Factor
GIS	Geographic Information System
GPL	Good Places to Learn
GSN	Grants for Student Needs – Legislative Grants for the 2005-2006 School Board Fiscal Year
GSO	Good Schools Open
ISA	Intensive Support Amount
JK	Junior Kindergarten
LICO	Low Income Cut Off
LOG	Learning Opportunities Grant
NL	Native Language
OTG	On-the-Ground
PCS	Primary Class Size (Reduction Amount)
PDF	Perfectionnement du français
PLAR	Prior Learning Assessment and Recognition
ReCAPP	Renewal Capital Asset Planning Process
RES	Rural Education Strategy
SEPPA	Special Education Per-Pupil Amount
SIP	Special Incidence Portion
SK	Senior Kindergarten

Appendix B – Distant Schools Component

Education funding provides financial assistance through the Distant Schools Component (formerly the Distant Schools Allocation) to offset the higher per-pupil cost of programs in small rural and northern schools. Funding for schools recognized for the Distant School Component remains stable at the 2003–04 funding levels.

Distant Schools Component funding has been adjusted to reflect closed and newly opened schools using the same formulas as outlined below for new schools added.

Definition of “distant schools”

The funding approach for the Rural Education Strategy identified eligible elementary and secondary schools for each board, based on the criterion of distance from other schools in the same panel of the board.

To be eligible, a school had to be identified as an elementary or secondary school in the Ministry’s School Facilities Inventory Database where pupils were enrolled in a day school program in 2003–04.

For *English-language schools*:

A “distant elementary school” is an elementary school that is located at least eight kilometres by road from every other elementary school of the board.

A “distant secondary school” is a secondary school that is located at least 32 kilometres by road from every other secondary school of the board **or** a secondary school that is the only secondary school operated by the board.

For *French-language schools*:

A “distant elementary school” is an elementary school that is located at least eight kilometres by road from every other elementary school of the board within the jurisdictional boundary of a coterminous English-language board **or** is the only elementary school operated by the board within the jurisdictional boundary of a coterminous English-language board

A “distant secondary school” is a secondary school that is located at least 32 kilometres by road from every other secondary school of the board within the jurisdictional boundary of a coterminous English-language board **or** is the only secondary school operated by the board within the jurisdictional boundary of a coterminous English-language board.

Distance is measured to the nearest 0.1 kilometre.

Distance Factor

The closer schools are, the more flexibility school boards have to use resources and staff effectively and efficiently through sharing or consolidation. As distance increases, this flexibility decreases. The calculations of some components of both the Distant Schools Allocation and the Distant School Top-up Amounts therefore include a Distance Factor. This Distance Factor adjusts funding so that schools that are at a relatively greater distance from other schools generate a higher level of resources.

Distance Factor – Eligible elementary schools

Where the distance to the nearest elementary school of the board is 32 kilometres or more, the Distance Factor is 1.0. If there is only one French-language elementary school within a particular coterminous boundary, the Distance Factor for that school is deemed to be 1.0.

Where the distance to the nearest elementary school of the board is at least 8 kilometres but less than 32 kilometres, the Distance Factor is a sliding scale between 0.2 and 1.0, calculated to four decimal places using the formula:

$$\frac{\left(\frac{32}{A}\right) \times \left(\frac{(A - 8)}{24}\right) + 0.25}{1.25}$$

Where A is the distance in kilometres by road to the nearest elementary school of the board.

The following table provides examples of the Distance Factors for distant elementary schools:

Distance to nearest elementary school of the board	Distance Factor (to four decimal places)
8.3 km	0.2386
10.2 km	0.4301
15.8 km	0.7266
23.7 km	0.9066
29.6 km	0.9784

Distance Factor – Eligible secondary schools

Where the distance to the nearest secondary school of the board is 80 kilometres or more, or where the board operates only one secondary school, the Distance Factor is 1.0. If there is only one French-language secondary school within a particular

coterminous boundary, the Distance Factor for that school is deemed to be 1.0. Where the distance to the nearest secondary school of the board is at least 32 kilometres but less than 80 kilometres, the Distance Factor is a sliding scale between 0.2 and 1.0, calculated to four decimal places using the formula:

$$\frac{\left(\frac{80}{A}\right) \times \left(\frac{(A - 32)}{48}\right) + 0.25}{1.25}$$

Where *A* is the distance in kilometres by road to the nearest secondary school of the board.

The following table provides examples of the Distance Factors for distant secondary schools:

Distance to nearest secondary school of the board	Distance Factor (to four decimal places)
33.5 km	0.2597
45.8 km	0.6017
56.6 km	0.7795
67.4 km	0.9003
78.9 km	0.9926

Determining the “nearest school”

In some circumstances, school boards have the option of designating a school other than the closest school as the “nearest school”. This includes circumstances where schools are not organized in a typical manner – for example, where there are two school buildings on one site or where a school runs an alternative program in a different location near the regular school.

To address these situations, some school facilities are excluded from determining the “nearest school” and from all Rural Education Strategy funding calculations. Other school facilities may be combined and treated as a single school for the purposes of Rural Education Strategy funding.

Rules for determining “nearest school”

In calculating their RES allocations, all school boards should:

1. Exclude all schools with zero enrolment in 2003–04.
2. Exclude all Adult Education, Alternative Learning and Special Education schools.

These schools are identified by the school type codes – “AE,” “AL,” or “SE” – that the Ministry preloads on the School October and March Reports. It should be noted that a secondary school that offers a vocational program is not considered as an alternative learning school.

3. Combine schools in the same panel that are on the same site.

Boards may treat schools on the same site as a single school entity if the schools are within the same panel. “Same-site” means one continuous lot or property owned by the board.

4. Combine “discontinuous grade” schools in the same panel.

“Discontinuous grade” schools are schools that offer partial grades within a panel but with no overlapping grades. For example, a JK to Grade 3 school could be combined with a Grade 4 to 6 school and a Grade 7 to 8 school but not a JK to Grade 5 school. Boards may combine schools on the basis of discontinuous grades only when the schools are the closest schools to each other. A maximum of three schools may be combined.

Apply rules in sequence

In deciding what to designate as the “nearest school” in individual cases, boards should follow the above rules in sequence. That is, first determine which schools are excluded from the Rural Education Strategy calculations, whether because of zero enrolment or school type. Second, decide which schools may be combined because they are on the same site. Third, decide which schools may be combined because they offer discontinuous grades within the same panel.

Boards are not required to combine same-site or discontinuous grade schools – although it is anticipated that, when schools meet the conditions described in the rules, it will usually be to a board’s advantage to do so.

Calculating distance and funding when schools are combined

When two or more schools are combined as a single school, the school with the largest Average Daily Enrolment is designated as the “parent school” for the group. All schools within the group are deemed to be at the same location as the “parent school” for the purposes of calculating distance.

The combined schools will be treated as a single school when calculating:

1. The Distant Schools Allocation, including the Investment in Principals Component of the Distant Schools Allocation;
2. Enhanced Top-up Funding amounts for School Operations and School Renewal; and

3. The School Dispersion Amount in the Remote and Rural Allocation of the Geographic Circumstances Grant for 2004–05. This calculation is done by the Ministry and set out in Table 6 of the 2005–06 grant regulations.

Distant Schools Component – Elementary

The total Distant Schools Component – Elementary for a school board is the sum of five components:

1. Per-Pupil component, determined for each of the board’s distant elementary schools;
2. Fixed-School component, determined for each of the board’s distant elementary schools;
3. Learning Resources component, determined for each of the board’s distant elementary schools;
4. In-School Administration component, determined for each of the board’s distant elementary schools; and
5. Principals Component, determined by the board’s elementary enrolment..

Detailed Calculation of Distant Schools Component – Elementary

Per-Pupil component

The per-pupil amount for a distant elementary school is \$97.50 per pupil, using 2003–04 ADE of the school. This component is not scaled for distance.

Fixed-School component

The fixed-school amount for a distant elementary school is \$3,000. This component is not scaled for distance.

Learning Resources component

Distant School Size (2003–04 ADE)	Calculation (using 2003–04 ADE)*
less than 50	$[\$53,769.98 + (\$6,798.50 \times \text{ADE})] \times \text{Distance Factor}$ minus $(\text{ADE} \times \$2,719)$
50 to less than 100	$\$393,695.12 \times \text{Distance Factor}$ minus $(\text{ADE} \times \$2,719)$
100 to less than 1,000	$[\$131,905.12 + (\$2,617.90 \times \text{ADE})] \times \text{Distance Factor}$ minus $(\text{ADE} \times \$2,719)$
1,000 or greater	$(\$2,749.81 \times \text{ADE}) \times \text{Distance Factor}$ minus $(\text{ADE} \times \$2,719)$

In-School Administration component

Distant School Size (2003–04 ADE)	Calculation (using 2003–04 ADE)**
less than 200	$[\$64,534.95 + (\$158.21 \times \text{ADE})] \times \text{Distance Factor}$ minus $(\text{ADE} \times \$389)$
200 to less than 550	$[\$19,010.20 + (\$126.73 \times \text{ADE})] \times \text{Distance Factor}$ minus $(\text{ADE} \times \$130)$
550 to less than 1,000	$[\$37,969.40 + (\$92.26 \times \text{ADE})] \times \text{Distance Factor}$ minus $(\text{ADE} \times \$130)$
1,000 or greater	0

Principals Component

Funding under this allocation is available for principals where the average ratio of principals to schools at the elementary and secondary level is below a minimum threshold.

The Principals Component has been updated by the relevant benchmarks increases for 2004–05 and 2005–06. The Principals Component is calculated using Average Daily Enrolment for the 2005–06 school year.

Principal allocation at the elementary level

* For the Learning Resources and In-School Administration components (both Elementary and Secondary), if the calculation results in an amount less than 0, the amount is deemed to be zero.

** For the Learning Resources and In-School Administration components (both Elementary and Secondary), if the calculation results in an amount less than 0, the amount is deemed to be zero.

$$\left(0.69 - \frac{\text{Elem. ADE} \times \$269.46}{\$87,524 \times 1.12 \times \text{Number of Elem. schools}} \right) \times \$87,524 \times 1.12 \times \text{Number of Elem. schools}$$

Distant Schools Component – Secondary

The total Distant Schools Component – Secondary for a school board is the sum of five components:

1. Per-Pupil component, determined for each of the board’s eligible secondary schools;
2. Fixed-School component, determined for each of the board’s eligible secondary schools;
3. Learning Resources component, determined for each of the board’s eligible secondary schools;
4. In-School Administration component, determined for each of the board’s eligible secondary schools; and
5. Principals Component, determined by the board’s secondary enrolment.

Detailed Calculation of Distant Schools Component – Secondary

Per-Pupil component

The per-pupil amount for a distant secondary school is \$97.50 per pupil, using 2003–04 ADE of the school. This component is not scaled for distance.

Fixed-school component

The fixed-school amount for a distant secondary school is \$4,000. This component is not scaled for distance.

Learning resources component

Distant School Size (2003–04 ADE)	Calculation (using 2003–04 ADE)*
less than 50	$[\$46,044.41 + (\$14,524.07 \times \text{ADE})] \times \text{Distance Factor}$ minus $(\text{ADE} \times \$3,194)$
50 to less than 100	$\$772,248.12 \times \text{Distance Factor}$ minus $(\text{ADE} \times \$3,194)$
100 to less than 1,000	$[\$499,757.12 + (\$2,724.91 \times \text{ADE})] \times \text{Distance Factor}$ minus $(\text{ADE} \times \$3,194)$
1,000 or greater	$(\$3,224.67 \times \text{ADE}) \times \text{Distance Factor}$ minus $(\text{ADE} \times \$3,194)$

In-School Administration component

Distant School Size (2003–04 ADE)	Calculation (using 2003–04 ADE)**
less than 200	$[\$92,445.75 + (\$561.89 \times \text{ADE})] \times \text{Distance Factor}$ minus $(\text{ADE} \times \$448)$
200 to less than 550	$[\$168,821.60 + (\$180.01 \times \text{ADE})] \times \text{Distance Factor}$ minus $(\text{ADE} \times \$448)$
550 to less than 1,000	$[\$47,224.64 + (\$152.01 \times \text{ADE})] \times \text{Distance Factor}$ minus $(\text{ADE} \times \$199)$
1,000 or greater	0

Principals Component

Funding under this allocation is available for principals where the average ratio of principals to schools at the elementary and secondary level is below a minimum threshold.

The Principals Component has been updated by the relevant benchmarks increases for

* For the Learning Resources and In-School Administration components (both Elementary and Secondary), if the calculation results in an amount less than 0, the amount is deemed to be zero.

** For the Learning Resources and In-School Administration components (both Elementary and Secondary), if the calculation results in an amount less than 0, the amount is deemed to be zero.

2004–05 and 2005–06. The Principals Component is calculated using Average Daily Enrolment for the 2005–06 school year.

Principal allocation at the secondary level

$$\left(0.40 - \frac{\text{Sec. ADE} \times \$117.57}{\$95,452 \times 1.12 \times \text{Number of Sec. schools}} \right) \times \$95,452 \times 1.12 \times \text{Number of Sec. schools}$$

Appendix C – Summary*

Excellence for All	Grants affected	Non-Grant Investments
<i>Stability and Respect</i>		
Respect for Teachers, Education Workers and Other Staff 2%	Foundation Grant, Primary Class Size Reduction Amount, Special Education Grant, Language Grant, Geographic Circumstances Grant, Continuing Education and Other Programs Grant, Learning Opportunities Grant, Cost Adjustment and Teacher Qualifications and Experience Grant, School Board Administration and Governance Grant, and the School Operations Allocation of the Pupil Accommodation Grant	
Keep Up with Costs 2%	Foundation Grant, Special Education Grant, Language Grant, Geographic Circumstances Grant, Continuing Education and Other Programs Grant, Learning Opportunities Grant, Student Transportation Grant, and the School Operations Allocation of the Pupil Accommodation Grant	

* Source: *Excellence for All: A New Era of Progress for All Ontario Students*, Ministry of Education, May 2005, available from Ministry of Education website: <http://www.edu.gov.on.ca/eng/funding0506/report0531.pdf>.

Excellence for All	Grants affected	Non-Grant Investments
<i>Education Investment</i>		
Better Instruction	Foundation Grant, Primary Class Size Reduction Amount, Cost Adjustment and Teacher Qualifications and Experience Grant	Teacher Training to be announced outside GSN
Better Learning Materials		Textbooks and School Libraries
Francophone Student Excellence	Language Grant	
Good Schools Open – Fair Funding for Rural Schools	Geographic Circumstances Grant and the School Operations and School Renewal Components of the Pupil Accommodation Grant	Further funds to be announced outside GSN
Support for Struggling Students		English As A Second Language/PDF/Learning Opportunities to be announced outside GSN
Fairer, Safer Student Transportation	Student Transportation Grant	
Fairer Help for Enrolment Loss	Declining Enrolment Adjustment	
Cleaner, Safer Schools	School Operations and School Renewal Allocations of the Pupil Accommodation Grant	
Good Places to Learn Initiative	School Renewal Allocation of the Pupil Accommodation Grant	
New Classrooms to Support Learning	New Pupil Places Allocation of the Pupil Accommodation Grant	

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