

Ontario's Shrinking Commitment to Funding Educational Assistants

**An analysis of Ontario's school funding formula relating
to Educational Assistants.**

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EXECUTIVE SUMMARY

Funding for Education Assistants in Ontario – a manufactured crisis

The funding pressures that are leading school boards across Ontario to lay off badly-needed teaching assistants and to short-change students at risk by providing less support than is required are a direct result of the government's failure to live up to its funding responsibilities in the provincial funding formula.

Furthermore, the August 2007 funding increase that was touted by the government as fixing the funding problem by making education assistants' salary benchmarks more realistic instead has served only to highlight the inadequacy of the government's approach to EA funding.

According to the government's official explanation of the August increases in funding, the salary benchmark for EAs was being increased by 22% to bring it more into line with what boards were actually paying. The increased funding provided to support that adjustment, however, falls far short of the mark.

The announcement claimed that \$1 million of the \$20 million for benchmark adjustment was to cover the cost of adjusting the benchmark in the Foundation Grant. However, whereas the Foundation Grant is based on funding approximately 255 EAs province-wide, the \$1 million increase announced would cover the benchmark increase for only 148 EAs.

That discrepancy, however, is mild compared with the discrepancy for EAs funded from other parts of the formula. The announcement claims that the remaining \$19 million will cover the cost of adjusting the benchmark for EAs funded from the Special Education Grant. The \$19 million funding increase would cover benchmark adjustment for approximately 2,800 EAs. But the Ministry's own Education Finance Information System (EFIS) for school board financial accountability assumes implicitly that school boards will employ roughly 25,300 EAs. So the August 2007 funding increase actually provides funding for benchmark adjustment for one in nine of the EA positions implicit in the base funding formula.

In addition, there is no funding increase at all for the impact of benchmark adjustment for EAs funded from grants other than the Foundation Grant and the Special Education Grant. That's a further 2,300 EA positions implicit in base the funding formula for which there is no increase in funding to reflect the benchmark change.

Based on the position counts implicit in the funding formula, it would have cost \$189 million to make the benchmark adjustment announced in August 2007. Instead, the funding increase amounted to \$20 million.

In other words, while they claim to have increased the benchmarks by 22%, EA funding actually increased by only 2.4%.

So what should have been good news for EA funding across the province was actually a non-event.

These data also highlight the parallel universe in which the funding formula operates. The funding formula suggests that there should be nearly 28,000 EA positions in school boards. In 2006-7, there were actually barely more than 21,000. Nearly 24% of the EAs contemplated by the funding model aren't present in the system. Why? Because the salary benchmark was short by 22% and boards made up the difference by employing fewer EAs.

And who pays the price for the shortfall? Students with special needs who can't get the special assistance they need; and students at risk who can't get the special attention in classrooms from which they would benefit.

Accounting for the \$20 million increase announced in August, the formula is approximately \$170 million short of what would be needed to employ the EA positions implied by the EFIS reporting system. Even if the benchmark were only adjusted to cover the full cost of the \$21,000 EAs actually employed in the school system, funding after accounting for the \$20 million is nearly \$125 million short.

THE REPORT

Funding for education support staff – education assistants

Much of the attention in the debate over the funding formula for elementary and secondary education in Ontario has focused on issues related to classroom teaching: the adequacy of the formula's benchmark salaries for teachers; the relationship between benchmark body counts and schools' requirements for principals and vice-principals; allocations for preparation time; and class sizes in primary grades. Given both the quantitative significance of teachers and their compensation in overall funding and the obvious pre-eminence of the teacher-student relationship in education, that emphasis is appropriate.

Education support staff and their funding tend to be overlooked in these debates. As the funding formula matures, and as the obvious issues related to teacher salary benchmarks and class sizes are addressed in incremental changes to the formula, however, both the shortcomings of the funding formula as it relates to support staff and the impact of those shortcomings on school operations are becoming more obvious.

The recent evolution of the funding formula has put additional pressure on funding for support staff in the system for two reasons. First, the formula reforms introduced by the McGuinty Government have had the effect of reducing school boards' flexibility in dealing with funding shortfalls in other areas. The two major changes implemented by the McGuinty Government— updating teacher salary benchmarks and introducing the School Foundation Grant — were introduced on an overall cost-neutral basis, with the increased costs offset in other grants, most notably the reduction in the demographic portion of the Learning Opportunities Grant and the elimination of the Local Priorities Amount in the Foundation Grant. The two major grants reduced or eliminated in the revision provided most of the limited amount of funding flexibility available to individual boards.

Second, operational changes introduced in recent years have exposed previously-hidden gaps in support staff funding. For example, the funding formula makes no specific allocation for student supervision outside the classroom.

This study is drawn from the results of a forthcoming broader study of funding for support staff under Ontario's education funding formula, and focuses specifically on the issues related to the funding of Education Assistants, or Teaching Assistants — staff generally without formal teaching qualifications who assist teachers in the delivery of both regular and special education programs.

Funding formula background

The 2007—08 school year is the 10th anniversary year for the current uniform elementary and secondary education funding model.

The funding model purports to establish an equitable basis for elementary and secondary education funding across the province.

Throughout its history, the formula has generated considerable controversy. Prior to its introduction, four expert panels were established to advise the Government of Ontario on key aspects of the design of a new funding system. In addition, as part of the same exercise, former Toronto Mayor and Federal Cabinet Minister David Crombie conducted a “Who Does What” review of the relationship between the provincial government and local government.

The recommendations of these panels were largely ignored by the Government in the construction of the original funding formula. Special education was funded at a level substantially below the amount identified by an expert panel as the actual amount of special education spending undertaken by boards in the 1997 base year. School operations and maintenance were funded at a level substantially below boards’ actual spending in 1997 and warnings issued in a minority report of the expert panel on pupil accommodation that uniform funding could not adequately reflect differences in costs among boards were ignored. Funding for compensatory education for students at risk for demographic reasons (called the Learning Opportunities Grant) was funded at \$185 million province-wide – less than half the \$400 million recommended by the expert panel that studied the issue.

The Crombie recommendation to allow boards access to their local tax bases for additional funding at 5% of their total allocations was also ignored. Moreover, the entire local government finance reform and education funding reform exercises was submerged in the Harris Government’s overall spending reduction plan. Excluding temporary transitional funding, the new funding formula instituted a province-wide cut of approximately \$500 million.

This cut in funding rationalized in the new system by setting key funding benchmarks at levels below boards’ actual costs in the base 1997 school year.

Since its inception, the formula has been almost continuously under revision in response to political pressures. In the early years of the formula’s operation, major changes were made to the global allocation for special education and to the formula used to calculate school space requirements.

When school boards continued to experience general funding pressures, rather than acknowledge the underlying problems with the formula, the government introduced what it called a “local priorities amount” to ease the pressure. And to

address key issues with the Conservative government's rural political base, special grants were introduced for small rural school boards.

Because funding benchmarks had generally not been increased to match increases in costs, over the first few years of the formula's operation, the effective amount of the cut in overall funding represented by the funding formula increased steadily. The selection of Ernie Eves as the successor to Mike Harris as the leader of the Conservative Party and Premier provided the political opportunity for a reassessment as former Guelph University president Mordechai Rozanski was appointed to review the funding formula. Rozanski's mandate, however, was limited to an evaluation of the impact of cost increases since the introduction of the formula on funding adequacy.

Rozanski recommended funding increases amounting to over \$2 billion, the implementation of which had started when the Eves Government was defeated in 2003 by the McGuinty Liberals.

Rozanski also addressed specifically the need to reassess the funding and method of allocating the Learning Opportunities, a major source of funding for education assistants.

Education had been a focal point of the Liberals' 2003 election campaign. However, the focus of their campaign had been on identifiable improvements in the system, most notably reduction in class sizes for students in primary grades and capital investment to address maintenance backlogs, rather than on actions to redress problems with the basic funding formula.

Where the basics of the formula were changed, the impact was generally funding-neutral. Thus, when the government adjusted the benchmark salaries for teachers to more realistic levels, it offset the increased funding driven by those higher benchmarks by reducing funding for students at risk through the Learning Opportunities Grant and by eliminating the Local Priorities Amount of \$200 per student. Similarly, when it introduced the School Foundation Grant in response to the criticism that strict per-student funding was not appropriate for costs that were school specific, it offset most of the increase in funding by reducing or eliminating other grants.

As a result, when the 2007-8 grants were introduced, total funding was still substantially short of what would be required to meet expectations of the system. For example, the Canadian Centre for Policy Alternatives' annual review of education funding identified a funding shortfall of \$1.2 billion for school operations, adult education, learning opportunities and local priorities alone, summarized as follows:

Operations and maintenance	\$454 million
Adult credit courses	\$127 million
Learning opportunities	\$232 million
Local priorities	\$387 million

The August 2007 funding increases

In August, 2007 as part of its pre-election preparations, the government announced additional funding increases amounting to \$182 million for 2007-8 and \$127 million for 2008-9. As the increases announced for 2008-9 are not particularly meaningful without knowing the overall funding total, this analysis focuses on the 2007-8 increase of \$182 million.

Based on the allocations published at the time of the announcement in the Ministry of Education and Training's "B-Memo" to school board administrators, the increase amounts to \$93.80 per student across the system.

In general, the increases tend to favour rural and remote boards and French language boards. Increases for French language boards average \$129.15 per student. Increases for Northern boards average \$129.90 per student. Increases in the GTA and for boards serving major urban areas average roughly \$85 per student.

The detailed board-by-board increases are presented in Appendix I.

Among the identified targets for the increased funding was an amount of \$20 million which the government claimed would fund a 22% increase in the salary benchmark for education assistants, thereby bringing the benchmark into line with school boards actual salary and benefit costs for these positions.

Education Assistants' funding

Funding for education assistants is derived from two broad sources: the School Foundation Grant and the Foundation Grant, which are based on enrolment and school size and enrolment, respectively; and other grant categories, which generate funding based on other factors.

For financial reporting purposes, the Ministry of Education and Training establishes standardized allocations of the non-Foundation grants to expenditure categories. These allocations, combined with the specific allocations for these purposes provided for in the Foundation grants, generate the Ministry's measure of the funding generated by the formula for each expenditure category.

The Ministry's reporting system also generates data on actual expenditures for these categories of employees, making it possible to compare funding allocation and actual expenditures for each category.

The analysis is based on information reported in the “Data D” section of the annual Education Finance Information System (EFIS) reports submitted by boards to the Ministry. It covers the school years 2003-4 through 2006-7.

The Foundation Grant provides for a trivial amount of funding for education assistants: 0.2 EAs for every 1,000 elementary students, or a total of 255.7 EAs across the province based on 2006-7 enrolment projections. To put that number into perspective, there are more than 4,000 elementary schools in the province.

Most EA funding is derived from other grants, most notably the grants for special education and learning opportunities. Although funding allocations under these grants are not based on a build-up from staffing numbers, the Education Finance Information System (EFIS) under which boards report financially to the province uses notional allocations of these grants to various expenditure categories for reporting purposes. While boards are not required to match these notional allocations, they reflect the Ministry of Education and Training’s standardized expectations and are used by the Ministry to determine how the various grants must be adjusted to give effect to general salary increases and inflation adjustments.

Based on the most recent data available for 2006-7, the notional allocation for education assistants across the province comes to a total of 25,278.5 positions in special education and 2,279.4 positions in other grants. Along with the 255.7 positions funded under the Foundation Grant, that comes to a total of 27,813.6 positions funded under all grants.

According to the same EFIS reports, however, boards’ actually employ only 21,091 EAs province-wide. The gap between the position count implicit in the funding allocation and the boards’ actual employment of EAs corresponds almost exactly to the 22% under funding of the EA benchmark which the August 2007 announcement purports to address. In other words, in general boards have responded to the unrealistically low benchmark for EAs by employing fewer EAs than the numbers implicitly contemplated in the funding formula and therefore providing less classroom support.

Even with this reduced level of employment, however, boards are still spending more on EAs than the amount implied by the Ministry’s notional allocation, as Table 3 indicates.

Table 3 -- Educational Assistants funding vs. actual -- \$ million

	Boards with funding shortfalls	All Boards	Count of boards with shortfalls
2003-4	-5.7	50.9	12
2004-5	-4.9	40.9	18
2005-6	-12.9	23.3	26
2006-7	-25.6	-16.9	47

The funding shortfall has been growing. In 2003-4, 12 of 72 boards reported a funding shortfall of \$5.7 million for education assistants, while boards as a whole reported funding of more than \$50 million in excess of actual expenditures.

By 2006-7, 47 of 72 boards reported funding shortfalls amounting to a total of \$25.6 million and, over all 72 boards, funding was \$16.9 million less than actual expenditures.

Why the discrepancy? Because the funding per EA provided under the funding formula is substantially below the actual amounts paid by boards to these support staff personnel.

In its August 2007 funding increase announcement, the Government acknowledged the inadequacy of the funding formula benchmark for EAs. It announced that it had increased the salary benchmark by 22%, or (including the allowance for benefits) \$6,974 per EA.

While the government's recognition of yet another area in which its benchmarks are unrealistic is heartening, the math in its August announcement doesn't come close to squaring with the reality on the ground. According to the government's "B-memo" on the increases, the cost of adjusting the benchmarks is \$20 million -- \$1 million for the EAs covered by the Foundation Grant and \$19 million for EAs covered by the Special Education Grant.¹

Given the amount of the benchmark increase, the \$1 million allocated to the Foundation Grant would be enough to fund the benchmark increase for only 147.2 EAs, not the 255.7 EAs actually funded by the formula and far short of the 1,553.3 EAs that boards actually report employing in regular classrooms. The \$19 million allocated to special education, increasing the salary benchmark by 22%. Given the benchmark increase, this increase would fund the higher benchmark for 2,796.5 EAs, not the 25,278.5 EAs contemplated by the EFIS allocation rules or the 19,359.2 EAs boards actually report employing in special education.

And it provides no additional funding at all to reflect the impact of the increase on the implied allocations for EAs under grants other than the Foundation Grant and the Special Education Grant. That results in no funding for benchmark adjustments for the 2,279.4 EAs implicitly funded from other grants.

Based on the Ministry's own notional grant allocations to Education Assistants, the announced 22% benchmark increase would have required increased funding

¹ B-memos are memoranda from the Ministry of Education to senior school board officials explaining funding formula changes and other matters. The August 2007 changes were detailed in B-memo 2007: B9, from Nancy Naylor, Assistant Deputy Minister of Education date August 14, 2007 and entitled "Enhanced education funding for 2007-08 and 2008-09."

of \$183.5 million, not \$20 million. Even if the increased benchmark amount were applied only to the lower EA count of those actually employed by school boards, the benchmark adjustment would have required increased funding of \$143.2 million.²

The Ministry has clearly and explicitly acknowledged the fact that the benchmark salary allocation for Education Assistants under the funding formula is 22% below boards' actual costs in employing EAs. Yet the additional funding provided to give effect to that benchmark increase falls far short of the actual cost of adjusting that benchmark. Small wonder, then, that the funding increase announced in August has had virtually no impact on the EA layoffs sweeping boards across the province – layoffs which will undermine substantially boards' special education programming.

Table 4 -- Summary of EA Analysis

	<i>Foundation</i>	<i>Spec Ed.</i>	<i>Other</i>	<i>Total</i>
August announcement				
Funding allocated	1,000,000	19,000,000		20,000,000
Benchmark enhancement	6,794	6,794		
Implicit count	147.2	2,796.5		2,943.7
Formula				
Allocated funding 2006-7	7,580,717	749,409,031	67,576,702	824,566,450
Implicit count	255.7	25,278.5	2,279.4	27,813.6
Boards' reported counts 2006-7	1,553.3	19,359.2	179.1	21,091.6
Cost of benchmark update				
Cost based on employee counts implicit in allocation	1,737,303	171,745,068	15,486,823	188,969,194
Cost based on actual 2006-7 board employee counts	10,553,307	131,528,728	1,216,827	143,298,861

Why are education assistants being laid off in the first place?

In understanding the impact of funding changes on employment levels, it is important to understand the role that the funding formula plays in determining actual school board activity on the ground.

When the government announces changes in funding for public education in Ontario, it almost invariably announces increases for specific activities or services. The announcements are intended to create the impression that, for example, that the additional \$5 million allocated for school office supplies will actually be spent on school office supplies. This serves the government's

² Notional EA counts under grants other than the foundation grant are derived by dividing the allocations of those grants to EAs in the boards' financial reporting system in 2006-7 by the 2006-7 benchmark salary and benefits for EAs in the 2006-7 foundation grant.

purpose in justifying the expenditure and in giving it something concrete for which it can claim political credit.

It is not, however, consistent with the way the funding formula actually works. The formula does contain some restrictions. Boards are required to show that the funding they receive for special education is spent on special education. There are accountability mechanisms for the funding allocations to reduce primary class size. There is a cap on the amount that can be spent on central administration. And there is at least theoretically a requirement that capital funding not be spent on current items.

Other than these general requirements, however, boards are free to allocate their funding however they determine. And even the restrictions that are in place have become fuzzier around the edges as the Ministry has given more and more boards funding leeway as a way to avoid having to show budget deficits.

What this means is that when the formula fails to provide sufficient funding to pay for the service to which it is linked, that may or may not result in reduced spending on that service. For example, providing boards insufficient money to pay the teachers they employ, as the formula did continuously until 2006-7 did not result in teachers being paid less. It resulted in services for students at risk being cut back.

It also means that when boards' funding flexibility is reduced, for any reason, as it was when the Local Priorities Amount was eliminated, school board management looks for flexibility in other areas. And all too often, the path of least resistance and with least political visibility is to cut back on support staff. Thus the layoffs facing Education Assistants across the province are linked to the decline in funding flexibility in other parts of the formula.

Estimated funding shortfall for education assistants, 2006-7 (\$ million).

	<i>Estimate basis</i>	<i>Funding shortfall (\$ million)</i>
<i>Education Assistants</i>	<i>Benchmark gap, implicit employee counts</i>	189.0

Appendix I – August 2007 increases, board detail

<i>Board</i>	<i>August 2007 increases</i>	<i>% of funding increase</i>	<i>Per student funding increase</i>
Algoma DSB	1,128,265	0.96%	106.53
Algonquin and Lakeshore Catholic DSB	1,163,834	1.03%	99.37
Avon Maitland DSB	1,598,348	1.04%	92.75
Bluewater DSB	2,277,793	1.31%	120.00
Brant Haldimand Norfolk Catholic DSB	875,672	0.99%	83.92
Bruce-Grey Catholic DSB	598,600	1.73%	170.30
Catholic DSB of Eastern Ontario	1,304,948	1.03%	95.94
CSD catholique Centre-Sud	1,053,815	0.78%	90.95
CSD catholique de l'Est ontarien	1,703,555	1.36%	157.46
CSD catholique des Aurores boréales	83,871	0.64%	129.03
CSD catholique des Grandes Rivières	1,029,019	1.13%	143.48
CSD catholique du Centre-Est de l'Ontario	1,656,736	0.96%	103.55
CSD catholique du Nouvel-Ontario	609,245	0.70%	92.70
CSD catholique Franco-Nord	524,643	1.27%	173.21
CSD des écoles catholiques du Sud-Ouest	994,726	1.31%	147.19
CSD des écoles publiques de l'Est de l'Ontario	1,433,687	1.26%	145.21
CSD du Centre Sud-Ouest	855,547	1.02%	132.95
CSD du Grand Nord de l'Ontario	213,036	0.53%	91.16
CSD du Nord-Est de l'Ontario	519,108	2.20%	360.49
DSB of Niagara	2,950,795	0.90%	76.73
DSB Ontario North East	1,924,808	2.09%	240.21
Dufferin-Peel Catholic DSB	6,993,928	1.02%	83.33
Durham Catholic DSB	2,121,288	1.09%	88.53
Durham DSB	5,374,910	1.01%	81.25
Grand Erie DSB	2,445,382	1.06%	90.73
Greater Essex County DSB	3,145,777	1.06%	85.82
Halton Catholic DSB	2,273,912	1.08%	84.44
Halton DSB	3,976,077	1.05%	83.30
Hamilton-Wentworth Catholic DSB	2,685,725	1.15%	96.95
Hamilton-Wentworth DSB	4,566,369	1.06%	91.43
Hastings and Prince Edward DSB	1,800,701	1.14%	107.99
Huron-Perth Catholic DSB	611,157	1.43%	135.87
Huron-Superior Catholic DSB	409,053	0.73%	78.18
Kawartha Pine Ridge DSB	3,580,802	1.15%	101.61
Keewatin-Patricia DSB	630,461	0.97%	118.29
Kenora Catholic DSB	86,089	0.65%	73.64
Lakehead DSB	977,266	0.95%	95.40
Lambton Kent DSB	2,058,178	1.00%	86.65
Limestone DSB	2,004,673	1.04%	96.20
London District Catholic School Board	2,731,964	1.52%	129.48
Near North DSB	2,154,776	1.85%	193.67
Niagara Catholic DSB	1,867,450	0.99%	80.74
Nipissing-Parry Sound Catholic DSB	370,550	1.04%	118.61
Northeastern Catholic DSB	630,111	2.18%	259.95
Northwest Catholic DSB	257,753	1.92%	218.99
Ottawa Catholic DSB	3,129,321	0.93%	82.09

Board	August 2007 increases	% of funding increase	Per student funding increase
Ottawa-Carleton DSB	5,366,796	0.93%	81.12
Peel DSB	12,657,002	1.13%	89.40
Peterborough V N C Catholic DSB	1,166,729	0.91%	81.56
Rainbow DSB	1,326,249	0.93%	90.16
Rainy River DSB	372,551	1.19%	151.75
Renfrew County Catholic DSB	1,142,145	2.50%	242.80
Renfrew County DSB	1,773,238	1.97%	180.39
Simcoe County DSB	4,304,836	1.02%	84.41
Simcoe Muskoka Catholic DSB	2,128,567	1.18%	101.54
St. Clair Catholic DSB	910,064	1.01%	91.68
Sudbury Catholic DSB	517,079	0.86%	81.17
Superior North Catholic DSB	80,077	0.72%	120.06
Superior-Greenstone DSB	368,393	1.30%	189.31
Thames Valley DSB	8,602,770	1.38%	117.33
Thunder Bay Catholic DSB	645,447	0.88%	82.13
Toronto Catholic DSB	7,195,775	0.92%	82.71
Toronto DSB	20,768,495	0.92%	84.90
Trillium Lakelands DSB	2,498,133	1.47%	139.77
Upper Canada DSB	2,890,387	0.99%	93.93
Upper Grand DSB	2,857,612	1.08%	87.94
Waterloo Catholic DSB	1,832,126	0.99%	82.26
Waterloo Region DSB	4,652,464	1.01%	82.44
Wellington Catholic DSB	641,180	0.95%	78.58
Windsor-Essex Catholic DSB	2,002,015	0.97%	79.52
York Catholic DSB	4,499,909	1.07%	87.63
York Region DSB	8,864,542	1.04%	85.10