

A New Era of Progress For All Ontario Students

HIGHLIGHTS OF 2005-06 CHANGES

1. TAKING RESPONSIBILITY FOR RESULTS

The McGuinty government is making the second stage of extraordinary investments in strategic areas to deliver stability and progress for Ontario's students. There will be \$820 million in new allocations, including \$50 million in internal reinvestment generated by reforms that lowered the costs of existing grants. Most, \$770 million, is new spending, bringing annual expenditure to \$17.2 billion.

2. STABILITY AND RESPECT

- Support for new provincial framework for four-year staff contracts
- Continued multi-year base funding to cover increases in costs
- Student Needs Grants receive improvements - effective bussing, fairer enrolment decline impact; cleaner, safer schools; "good places to learn;" and new schools for growth
- Extraordinary support to help boards adjust to declining enrolment

3. NEW PROGRESS IN STUDENT SUCCESS

- Largest ever investment in better instruction - Elementary: more than double the investment in smaller class sizes across primary grades, specialist teachers to provide enriched music, arts, physical education, literacy and numeracy; Secondary: dedicated resource teachers in every school, select smaller class sizes
- Extensive teacher training and development and better learning materials
- Other grants improved - clear outcomes for students with special needs, reduced assimilation for francophone students, lowered barriers to language of instruction, closing learning gap, and keeping good schools open

4. REFORMS FOR TRANSPARENCY AND EFFECTIVENESS

- New comprehensive funding and policy reform approach for key areas
- Significant internal investments from savings at the provincial, school board and school level that will be kept in education

5. EDUCATION INVESTMENT

Sixty percent of funding is going to support new programs or new enhancements to existing programs distinct from expenditure to maintain the existing system. This means that 100 per cent of the value of funding improvements that Dr. Rozanski called for in 2002 will now be in the school system.

INTRODUCTION

Once each year, the provincial government makes a statement of its grants and other support to the 72 school boards for the following school year through its “funding formula.” This occasion is of great significance to Ontario’s 1.9 million students because these grants are virtually the only source of funds boards have to pay for the staff and resources in publicly funded schools.

This plain-language version is being made available to ensure that the widest possible understanding of these significant decisions is available to parents, students, education staff and the public at large alike. Further details are available in ministry technical documents.

1. TAKING RESPONSIBILITY FOR RESULTS - A FOUNDATION FOR PROGRESS

The McGuinty government is putting forward the second full year of an extraordinary four-year investment in publicly funded K to 12 education, amounting to \$8.3 billion in new funding and financing for \$6.8 billion in new school capital projects.

Ontario's Education Investment

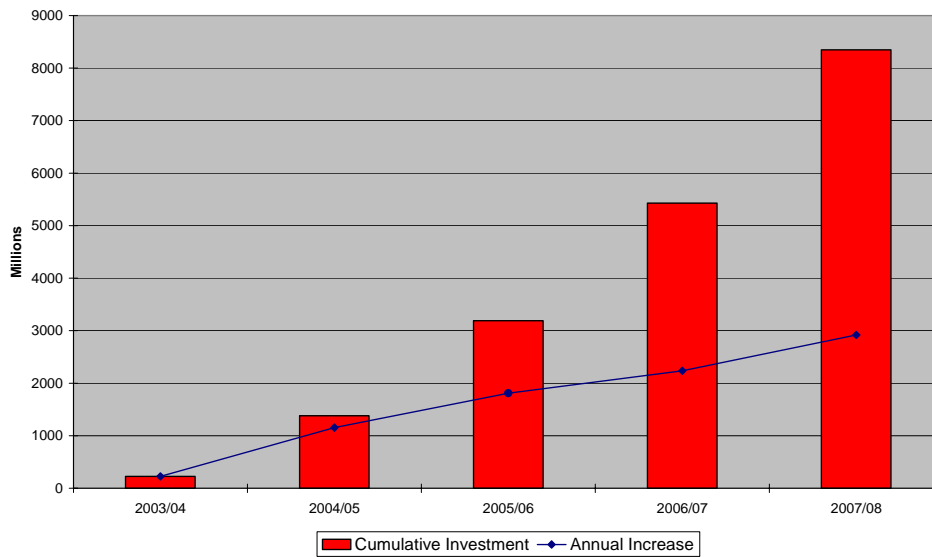


Table 1: Excellence for All - Investments for K-12 Student Success Funding* (\$millions)

YEAR	2003-04	2004-05	2005-06	2006-07	2007-08
Increase	227	1,057	1,832	2,218	2,938
Cumulative		1,284	3,116	5,334	8,272

(*not including internal re-investment)

Table 2: Value of New School Capital Projects 2003-04- 2007-08 (\$millions)

Major Repairs and Replacements	3,949
New Program Space	1,100
New Schools for Growth	1,828
Total	6,877

Table 3: 2005-06 Funding at a Glance (\$millions)

Salary increase (2%)	260
Cost increase (2%)	47
Education Investment	463
Total Increase	770
Total Funding	17,158
Total Funding per student	8,778
Per cent change	4.7%

Some grants will work differently this year as the result of work being done on effectiveness.

About 15 per cent of 2005-06 funds will be available based on actual experience throughout the year and will be disbursed accordingly. This affects the area of high needs special education, average teacher salaries and capital required for new programs.

The McGuinty government's commitment to Ontario students JK to Grade 12 is to help each one realize their intellectual, emotional and physical potential.

The government's level of determination to deliver an Ontario "education advantage" is reflected not only in the level of resources provided, despite constraints in government finances, but also in the high ambition we hold out for the publicly funded system.

We have worked in our first year to create acceptance for a unified agenda that will unlock the tremendous potential within Ontario education, an agenda that we believe is now broadly shared within publicly funded education and supported by the public at large.

In parallel, the government has also begun to implement **goals and strategies for student progress** and taken responsibility for helping to ensure improved results. One year later, the government's investments and the new spirit of cooperation in our publicly funded system is beginning to translate into better results for students.

High levels of literacy, numeracy and comprehension for all students by age 12

Rapid implementation of lower class sizes is ensuring more individualized attention to many primary students. A new-style provincial Literacy-Numeracy Secretariat has been providing professional development, targeted funding and expert collaboration with boards on local strategies to ensure each child learns effectively and the gap is lessened between higher and lower achieving students.

Our goal is to have 75 per cent of students achieving at the provincial standard or level 3 by 2008. More than 55 per cent reached that level in 2003-04, representing the first increase in three years.

Progress for Elementary Students

- 1,100 primary teachers were hired last year, reducing class sizes for JK to Grade 3 students in more than 1,300 or 40 per cent of primary schools.
- First significant increase in grades 3 and 6 provincewide test scores after years of being effectively stalled: 2003-04 results jumped by 7 per cent overall compared to last year.

“Having fewer students in my classroom this year is making a huge difference to me and to my students. I’ve got more time to give students the individual attention they need at this critical point in their education.”

– Marie Braz, Grade 3 teacher, Indian Road Crescent Junior Public School

Increasing Student Success and Learning to 18

The latest indicators are that 30 per cent of students from the 2003-04 year did not graduate from high school, up from 22 per cent under the old curriculum. We have been working hard to support struggling students through extra programs, curriculum changes and new supports. Fulfilling our obligation to help those students who are falling through the cracks is a key priority for our government.

Progress for Secondary Students

- Steady improvement overall – 82% of English-language students passed the Grade 10 literacy test this year, compared to 77% a year ago.
- Biggest gain made by students in the Applied program – 27% more passed, compared to last year.

Healthy Schools, Safe Schools

Community use of schools, mandatory healthy food guidelines, Sabrina's Law (which requires every school board to establish and maintain an anaphylaxis policy) and CPR training have helped to jump-start practical programs and consciousness about healthy schools. A Safe Schools Action Team has launched a program to increase resources and alertness across all schools, while reviewing existing policies.

2. STABILITY AND RESPECT

The first steps taken by the McGuinty government were to develop an underlying **climate of stability and respect** in the system to replace the conflict and blame-shifting that had characterized recent years.

- Funding to repair flaws in the funding formula that create barriers for students
- Regular meetings of the provincial *Education Partnership Table* to engage all stakeholders in education on key policies
- A *Provincial Dialogue* with teachers’ federations and school boards that has successfully identified links between policies for stability and progress
- New policies have been put in place, or are in process, to expressly ensure respect for students, boards, teachers, education support workers, parents and principals.

Until last year, the most common outlook for Ontario schools was uncertainty. By contrast, the recent budget confirmed an overall four-year government investment in publicly funded schools of \$8.3 billion by 2007-08, with an annual increase in that year of \$2.9 billion.

This year confirms the McGuinty government practise to help school boards “keep up” with existing costs of serving students, as well as to catch up with under-funding in the past.

As related in the Education Investment section, several grants are being enhanced as part of the continuing catch up to adequacy. A few are being subjected to complete policy and funding reform and interim resources are provided to assist boards while that is being completed.

<p style="text-align: center;">Respect for Teachers, Education Workers and Other Staff (2%)</p> <p><i>Foundation and Special Purpose Grants</i></p> <p>As announced last year, we are supporting fair increases for teachers, education workers and other staff, including principals, directors and superintendents, to permit them to keep up and not lose ground in their compensation. The guidelines are for 2% in 05-06.</p> <p>Improvements were made in-year to better reflect real salary costs to boards at an annual cost of \$17 million. Similar funding for salary increases will be 2.5% in 2006-07 and 3% in 2007-08.</p>	<p>\$260 million increase</p>
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Keep Up With Costs (2%)	\$47M increase
<p><i>Foundation and Special Purpose Grants</i></p> <p>The ability of boards to meet their existing costs is recognized in increases to base funding.</p> <p>This includes transportation, excluding a special cost-factor recognition (\$14M), textbooks (\$5M), computers (\$3M), supplies (\$9M), utilities and maintenance (\$13M), administration (\$3M).</p>	

3. NEW PROGRESS IN STUDENT SUCCESS

Approximately \$200 million of this year’s education budget is earmarked for specific new initiatives for elementary schools, with nearly 1,900 new teachers.

More than 381,000 children, or 70 per cent of primary students, will have direct benefit from smaller class sizes in JK to Grade 3 this September. All elementary students will benefit from improved teacher training and special projects to improve students’ reading, writing and math skills.

Elementary students will have access to more and better-prepared instruction in music, art, phys-ed and literacy and numeracy, as the result of the initial 600 specialist teacher positions being funded this year.

The Secondary Student Success – Learning to 18 program to reduce Ontario’s unacceptably high dropout rate will continue creating new opportunities for all high school students through a \$158-million investment. This concentrated program to transform high schools will help dramatically increase the graduation rate and give all high school students the ability to succeed in their destination of choice – whether that means a work placement with training, apprenticeship, college or university. The program will also be supported by 1,300 new high school teachers, with at least 800 dedicated to struggling students, including at least one Student Success teacher in each school, lowered class sizes in specific courses and more resource teachers, such as guidance and teacher-librarians to benefit all students.

Every struggling secondary student should have access to special resources at their school in 2005-06.

4. REFORMS FOR TRANSPARENCY AND EFFECTIVENESS

Over the last year, the government has worked closely with our education partners to improve and strengthen Ontario's schools and the way funding is delivered. In order to more closely meet the diverse needs of the province, minimize the potential disruption for students and give consideration for the burden on boards, we are extending the timeframe for reforms of some key grants. Further funding is provided for each student need this year, but the common factor is that a more fundamental level of policy and funding reform is still required.

One success of the past year has been developing new ways for the sector to work together and, relying on this, several grants will be reviewed in partnership over the coming months.

Student Transportation – The government is recognizing special cost factors and new safety practises this year, but will now explore consortia between boards as a requirement. It will also look at the nature of bus contracts and other measures for efficiency, while still meeting the transportation needs of students in different settings across Ontario.

Special Education – A sector working table, chaired by Ministry of Education Parliamentary Assistant Kathleen Wynne, MPP and Dr. Sheila Bennett of Brock University, is developing outcome-based approaches that would revamp funding and practices.

Struggling Students – Learning Opportunities Grant and English as a Second Language. These programs received first priority in grants from the new government. New policies are needed to ensure the effectiveness of these grants, which are intended to ameliorate extra education challenges arising from financial, marital or immigration status on the one hand, and unfamiliarity with French or English on the other.

Rural School Vitality – The McGuinty government is committed to fully develop a distinct rural funding formula by reforming how the existing \$800 million in grants that are not tied to students function to support good education. We are allocating operating and project funding to go with the facilities reforms announced earlier this year.

Declining Enrolment – While the overall student population is stable, demographic trends within the province create challenges for many boards, and difficulty for several boards in particular. In 2005-06 the government will provide one-time funding to support boards facing these circumstances while a fuller policy review is underway.

Efficiency and Effectiveness

Through its Efficiency and Effectiveness Initiative, the Ministry intends to ensure that the strengths of the public system are brought to the fore in pooling costs and spreading innovation more readily.

To date, significant savings have been found in the capital funding program. The Education Quality and Accountability Office has been externally reviewed and its new practises mean savings of over \$10 million annually. The Ontario Teacher Qualifying Test has been suspended in favour of a new teacher-induction program to gain better value for the \$4 million cost.

5. EDUCATION INVESTMENT

The investments below represent funding that is beyond basic cost increases. They are intended to support the foundation for progress Ontario's students have begun to enjoy and they provide the stability needed to further build on the results to date.

<p style="text-align: center;">Better Instruction</p> <p><i>Foundation Grant</i> The Foundation Grant will increase by \$403M in 05-06 due to increased investments for salary and non-salary improvements.</p> <p style="text-align: center;">Class Size Reduction, Enriched Education – Phys-Ed/health, Arts, Music and Literacy and Numeracy, High School Student Success</p> <p><i>Primary Class Size Cap</i> - 1,275 additional teachers as a second step towards a primary class size cap of 20 in 2007-08. This builds on over 1,100 additional primary teachers hired and reductions in class size that benefited students in approximately 1,300 elementary schools. Seventy per cent of primary students are expected to directly benefit this year.</p> <p><i>Specialist Teachers</i> - The government is making a substantial new commitment to funding for more specialist elementary teachers. This investment will provide approximately 600 new specialist teachers in music, phys-ed, the arts and literacy and numeracy next school year. One key benefit will be support for increased physical activity for students. <i>Funding is contingent on successful labour agreements with elementary teachers.</i></p> <p><i>High School Student Success</i> - 1,300 additional high school teachers to support improved learning conditions in high school. Of these teachers, approximately 800 will be dedicated to the student success program, with at least one in each school to deliver new programs. Student success teachers will be leaders within the school, ensuring improved outcomes for individual students, increasing graduation rates and reducing dropout rates. They will work closely with other staff, guidance counsellors, school administrators and outside agencies and community groups to build awareness of school efforts to increase student success. Most importantly, students will get help to overcome their individual academic challenges. <i>Funding is contingent on successful labour agreements with secondary teachers.</i></p>	<p style="text-align: center;">\$403M increase (5%)</p> <p style="text-align: center;">\$219M increase for new teachers:</p> <p style="text-align: center;">\$91M (101%)</p> <p style="text-align: center;">\$39M (new)</p> <p style="text-align: center;">\$89M (new)</p> <p style="text-align: center;">Dedicated funding for teacher training outside the Grants for Student Needs will also be announced later</p>
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<p style="text-align: center;">Better Learning Materials</p> <p>Funds for additional classroom textbooks are being allocated for both elementary and secondary panels from direct grants outside the Grants for Student Needs. Literacy and numeracy resources were funded as part of projects last year, and funds were also provided separately for school libraries.</p>	<p style="text-align: center;">\$44M increase</p> <p style="text-align: center;">(outside Grants for Student Needs)</p>
<p style="text-align: center;">Francophone Student Excellence</p> <p><i>Language Grant – ALF</i></p> <p>The government recognizes that francophone students face special challenges. It recognizes the need to reduce assimilation, particularly during students’ transition from elementary to secondary school. Our investment of \$20M will expand and refine Aménagement linguistique en français (ALF) to reduce assimilation. This investment is on top of our investment of \$30M last year for ALF enhancements and other grant announcements that also reflect, in part, the recommendations of the special French-Language Strategy Task Force Report.</p>	<p style="text-align: center;">\$20M increase</p> <p style="text-align: center;">(44%)</p>
<p style="text-align: center;">Good Schools Open – Fair Funding for Rural Schools</p> <p><i>Geographic Circumstances Grant and School Operations and Renewal Grant</i></p> <p>This investment recognizes the important role rural schools play in strengthening communities and will help these schools provide high quality, community-based education. This new funding, which will expand on the \$31M investment in 2004-05, will cover staffing costs for principals, secretaries and school operations and support the higher costs that rural schools face for supplies, equipment and services, such as Internet connectivity. The ministry will be taking steps to implement a provincial approach to e-learning as developed through extensive consultation over the last year. An initial step will be the development of a provincial system in which all boards will be able to access common courses and materials.</p> <p><i>This grant has been identified for fundamental reform.</i></p>	<p style="text-align: center;">\$20M increase</p> <p style="text-align: center;">(64%)</p> <p style="text-align: center;">(Further funds to be announced outside Grants for Student Needs)</p>
<p style="text-align: center;">Support for Struggling Students</p> <p><i>English As A Second Language/PDF/Learning Opportunities Grant</i></p> <p>Last year, the English as a Second Language and Learning Opportunities Grants received substantial increases. A further increase in resources for each will be made this year, but outside of the Grants for Student Needs to encourage better targeting of initiatives.</p> <p><i>Both grants have been identified for fundamental reform.</i></p>	<p style="text-align: center;">To be announced as dedicated funding outside GSN</p>

<p style="text-align: center;"><i>Fairer, Safer Student Transportation</i></p> <p><i>Student Transportation Grant</i></p> <p>The government has been working with its education partners to develop a fair and equitable approach to funding transportation. While several draft models have been explored, none as yet have been approved. The ministry is proposing a task force be set up to determine the most effective way to implement consortium and efficiency measures. Recognizing the pressures boards may be feeling in the interim around rising costs, \$33M would flow for 2005-06 to provide stable funding as a transition to an improved funding approach in 2006-07.</p> <p><i>This grant has been identified for fundamental reform.</i></p>	<p style="text-align: center;">\$33M increase (5%)</p> <p style="text-align: center;">\$14M – 2% cost increases, as noted in the Keep Up With Costs section, \$12M – special factors, \$3.5M – enrolment growth, \$4.5M one-time – safety training</p>
<p style="text-align: center;">Fairer Help For Enrolment Loss</p> <p><i>Declining Enrolment Adjustment Grant</i></p> <p>The Declining Enrolment Adjustment change this year is a one-time extraordinary measure to permit new policy to be developed and to allow boards time to do complete capital plans as indicated in the Good Places to Learn new facilities policy. 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 fund small schools.</p> <p><i>This grant has been identified for fundamental reform.</i></p>	<p style="text-align: center;">\$53M (one-time)</p>
<p style="text-align: center;">Cleaner, Safer Schools</p> <p><i>School Operations Grant</i></p> <p>Safe, well-kept learning environments and playgrounds are essential to the development of all 1.9 million students. Increased funding would support additional custodial staff to clean and maintain school grounds and facilities, as well as to address the additional operation and repair costs of any space added as a result of the new program initiatives, such as class size reduction.</p> <p>This funding is in addition to a range of investments that result in an \$80M increase in the 2005-06 School Operations Grant, including investments in rural schools, salary and non-salary benchmarks and recognition of enrolment change.</p>	<p style="text-align: center;">\$30M increase (2%)</p>

<p style="text-align: center;">Good Places To Learn Initiative</p> <p><i>School Renewal Grant</i></p> <p>Students deserve to learn in schools that are clean, safe and in good repair. To help rebuild Ontario's crumbling schools, the government announced the Good Places to Learn initiative – a \$280M annual investment that will translate into \$4 billion worth of repairs, expansions or replacements. Funding allocations to boards will reflect actual costs of borrowing to initiate high-priority renewal projects amounting to \$1 billion in value in phase I and \$1.7 billion in phase II. A new task force, formed from government and boards, will explore the best financing and pricing arrangements. The result will be more repairs and renewal over the next 18 months than in the last 10 years.</p>	<p style="text-align: center;">\$35M increase projected in 2005-06 (11%)</p> <p style="text-align: center;">\$40M in temporary savings before final financing</p> <p style="text-align: center;">Supports \$1-2 billion worth of repairs and renewal</p>
<p style="text-align: center;">New Classrooms to Support Learning</p> <p><i>New Pupil Places Grant</i></p> <p>We have also started to reflect the varying cost faced by boards in such a diverse province by recognizing regional construction and major repair cost differences. We have also improved the benchmarks for construction. The improvements are funded by paying actual project interest rates and by paying only for projects that are underway.</p>	<p style="text-align: center;">\$24M increase (5%)</p> <p style="text-align: center;">Includes \$36M for new program capital including primary class size initiative; incorporates net savings of various changes.</p>

The government's total new investment in education in 2005-06 is \$820 million.

The following table shows changes in each grant between projections at the beginning of the 2004-05 school year and the projections for the 2005-06 school year. This comparison shows that Grants for Student Needs (GSN) are projected to increase by \$658 million in 2005-06.

Part of the higher investment (\$820 million) comes from initiatives that will be funded outside of GSN. In the 2004 Budget, the government committed \$133 million in funding for initiatives. In the 2005 Budget, it committed \$250 million – an increase of \$117 million.

The balance of the new investment of \$820 million comes from base changes in GSN – from savings that were created by changes in enrolment and other factors used in the calculation of grants. The government chose to re-invest these savings. The change between the base funding requirements of GSN and the funding level in 2005-06, plus the new investments outside of GSN, is the government's new investment of \$820 million.

Table 4: Summary of Funding by specific grant

Grant	Category	2004-05 Projections (\$ million) updated Sept. 2004	2005-06 Projections (\$ million)	Difference (\$ million)	% Change
Foundation	Both	8,248	8,651	403	5%
Class Size	Success	90	181	91	101%
Special Education	Success	1,786	1,899	113	6%
Language	Success	530	543	13	2.5%
Geographic	Stability	269	276	7	3%
Learning Opportunities	Success	521	524	3	1%
Continuing Education & Other	Stability	157	158	1	1%
Teacher Qualifications	Success	663	580	(83)	-12.5%
Early Learning	Success	7	0	discontinued in 2005-06	
Student Transportation	Stability	685	720	35	5%
Declining Enrolment	Stability	131	138	7	5%
Administration and Governance	Stability	474	484	10	2%
School Operations	Stability	1,563	1,644	80	5%
Operating Total		15,124	15,798	674	4.5%
School Renewal	Stability	321	334	13	4%
New Pupil Places	Stability	424	448	24	5.7%
Prior Capital		241	215	(26)	-11%
Capital Total		986	997	11	1%
OMERS		0	0	0	0
School Authorities	Both	46	49	3	6.5%
Unallocated		95	65	n/a	n/a
Total (\$ million)		16,250	16,908	658	4%
Enrolment Does not include school authorities		1,950,330	1,954,586	4,256	0.2%
Per student GSN Funding (\$)		\$8,308.00	\$8,625.00	\$317	3.8%
Investments Outside GSN (\$ Million)		133	250	117	88%
Per student funding w non-GSN Investments Added		\$8,400	\$8,778	\$378	4.5%

Your feedback is welcome and solicited. It should be directed to:

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