

**PROGRESS IN EDUCATION BENEFITING STUDENTS
HIGHLIGHTS OF 2006-07 CHANGES TO GRANTS FOR STUDENT NEEDS**

1. ACHIEVING RESULTS

The McGuinty government is making its third stage of extraordinary investments in the Ontario education system. Funding in 2006/07 will rise by \$600 million to \$17.5 billion.

We are already seeing results as a result of our continued investments to support key government priorities:

- reducing primary class sizes
- improving student achievement in reading, writing and math
- increasing graduation rates, and
- improving the condition of our schools.

2. EDUCATION INVESTMENT TO SUPPORT HIGHER STUDENT ACHIEVEMENT

- \$95 million for 1,200 more primary teachers so our youngest students get more individual attention
- \$71 million for 980 new specialist teachers at the elementary level in areas such as music, phys-ed and the arts
- \$19 million for 300 more Student Success teachers to support high school students
- \$10 million in additional support for French-language boards.

3. REFORMS FOR TRANSPARENCY AND EFFECTIVENESS

- A School Foundation Grant that ensures even small schools are properly resourced for in-school administration and leadership
- Increasing teacher salary benchmarks to reflect existing costs for teacher salaries
- Moving towards transparent financial reporting that allows parents and the public to hold school boards and the government more accountable for education funding
- Plans are underway for reform of Special Education and Transportation funding.

4. ONGOING STABILITY AND RESPECT

- Continued support for the labour framework for all teaching and non-teaching staff
- Increased funding to help boards keep up with transportation and utilities costs

5. GOOD PLACES TO LEARN

- A further \$500 million for school renovations and repairs
- Additional funding to support smaller primary classes, growth and replacement schools, and Best Start programs in new schools.

INTRODUCTION

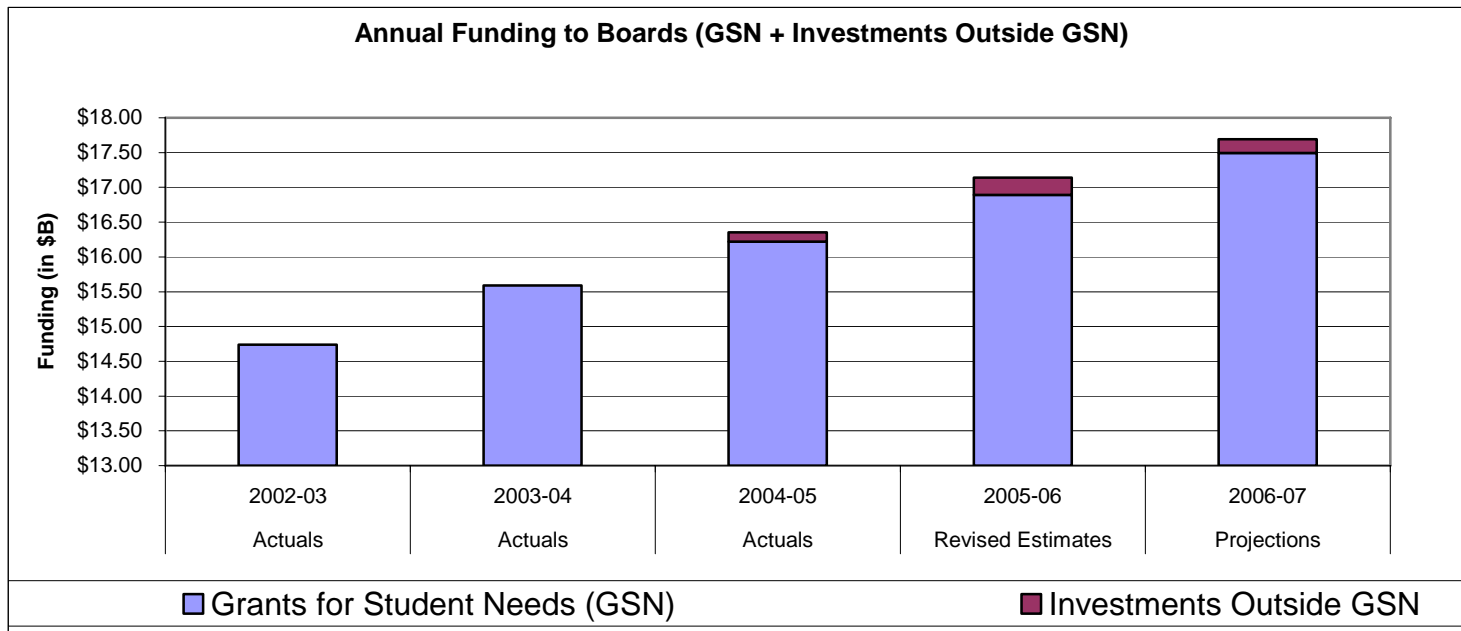
Once each year, the provincial government makes a statement of its grants and other support to the 72 school boards for the following school year through the Grants for Student Needs (GSN). This occasion is of great significance to Ontario's 1.9 million students because these grants are by far the most significant source of funds boards have to pay for the staff and resources in publicly funded schools.

Starting in September, Ontario's students and schools will benefit from the third full year of an extraordinary four-year boost to publicly funded education in Ontario. GSN funding to school boards is increasing from \$14.7 billion in 2002/03 to \$17.5 billion in 2006/07. This is an increase of 19 per cent. When declining enrolment is taken into account, funding per pupil is up 21 per cent. Improved reading and writing skills, supportive and creative learning environments, and school renewal show that our investment is paying off. We know that these results will continue to improve thanks to the successful partnership we have built with parents, teachers, principals, school boards, and everyone who supports our students.

This plain-language version of the GSN 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. Further details are available in ministry technical documents and on the ministry website at www.edu.gov.on.ca.

1. ACHIEVING RESULTS

In 2006/07, boards will have an additional \$600 million to support and improve student achievement. As announced in the 2006 Ontario Budget, there will also be \$200 million outside the GSN that will target improved literacy and math levels, French-language programs and professional development for teachers and principals.



In our elementary schools, the significant new investments focus on teachers and support for higher student achievement in reading, writing and math. Struggling schools will receive targeted attention from teams of experts in literacy and numeracy.

In our secondary schools, we are investing in new teachers, classes and programs to keep students in school. We are giving them more choices to keep them engaged and encourage young people to come back to school and graduate. We are also investing additional funding to achieve the same results in our French-language schools, and to help reduce assimilation.

The McGuinty government is also reforming the education funding model to increase support for our schools and to improve the accuracy and transparency of funding. These changes mean that Ontarians will be able to see exactly how the government’s investment directly benefits students.

The funding increase and the commitment to sustainable funding is just one part of the government’s plan to renew education that is already producing better results for our students. The government and our partners in education have worked hard to create a consensus about our goals for student achievement and how we’ll reach those goals together. As a result, students will be starting school in September with an even stronger foundation of support.

2. EDUCATION INVESTMENT TO SUPPORT HIGHER STUDENT ACHIEVEMENT

We have committed to reducing primary class sizes (with some limited flexibility) to a maximum of 20 students by 2007/08, and to making schools safe and healthy places for students and teachers. We have also committed to improving reading, writing and math achievement so that 75 per cent of 12-year-old students are achieving at or above the provincial standard by 2008 and to increasing the high school graduation rate to 85 per cent by 2010.

Major achievements were reached in the 2005-06 school year that support student performance and reflect the significant impact of the McGuinty government's education investments. These achievements demonstrate that our targeted investments and strategies are working, producing positive outcomes for our students.

Achievements to date include:

- **Smaller primary class sizes:** In 2005/06, 48 per cent of all JK to Grade 3 classes had 20 or fewer students. In 2005/06, this government provided \$180 million in additional funding for school boards to hire almost 2,400 elementary teachers as part of the primary class size reduction initiative.
- **Improved reading, writing and math achievement:** In 2004/05, an average of 62 per cent of Ontario students met or exceeded the provincial standard in reading, writing and math, up from the average of 54 per cent who achieved that level in 2002-03.

- In 2005/06, this government provided additional funding for elementary specialist and Student Success teachers:
 - \$39 million in additional funding for school boards to hire almost 600 elementary specialist teachers, and
 - \$89 million in additional funding to school boards to hire almost 1,300 additional secondary teachers, 800 of whom are dedicated to the Student Success initiative.

- **Rising graduation rates:** In 2004/05, the high school graduation rate rose from 68 per cent to 71 per cent.

2006/07 Investments Through GSN to Support Ongoing Student Achievement	
<p><i>Primary Class Size</i></p> <p>Support for 1,200 new teachers</p>	\$95 million
<p><i>Literacy and Numeracy</i></p> <p>980 elementary specialist teachers in literacy and numeracy, music, phys-ed and the arts</p>	\$71 million
<p><i>Student Success</i></p> <p>Continued investments in the Student Success Strategy to improve the graduation rate and create new opportunities for all high school students. The comprehensive plan to transform high schools includes:</p> <ul style="list-style-type: none"> • 300 new secondary Student Success teachers to support struggling students, ensure smaller class sizes in key courses and more resource teachers, such as librarians and guidance counsellors that benefit all high school students 	\$19 million
<p><i>School Foundation Grant</i></p> <p>Additional support for principals, vice-principals, secretaries and supplies on a per-school basis</p>	\$35 million
<p><i>French-language Boards</i></p> <p>Additional commitment to a multi-year funding strategy for French-language boards, including the Aménagement</p>	\$10 million

3. REFORMS FOR TRANSPARENCY AND EFFECTIVENESS

We know from our consultations with school boards and other partners in education that the previous government's funding formula impedes our ability to direct our investment to where it is most needed and makes it difficult to clearly evaluate the true costs of education. For boards, school leaders, trustees, parents and the government, aspects of the funding formula have been an obstacle to delivering the improved results for students that we all agree are needed.

In 2006/07, we are allocating significant funding on a per-school basis and we are changing the teacher salary grant so it accurately reflects the salaries boards pay. To complement these changes to the funding model, we will be implementing a financial reporting system that will enable our education partners to make sure funding is being used to deliver our education priorities to improve student achievements.

School-based Funding

Prior to 2006-07, the funding formula delivered the bulk of funding on a per-pupil basis. School boards and parents have been telling us that this does not reflect reality, where many costs are incurred on a school basis.

Ensuring our schools are adequately funded is necessary to support this government's policy of keeping good schools open, whether they are small or large. We have made significant investments in rural schools and schools facing declining enrolment. However, it would be more effective to support their school-based costs directly through a school-based foundation grant.

The new School Foundation Grant will do just that, providing funding for principals, vice-principals, secretaries and supplies on a per-school basis. Vice-principals and more secretaries are added based on a school's population.

More than 96 per cent of the funding for the School Foundation Grant comes from existing funding already allocated towards the same costs, but through other grants in ways that were confusing to understand. The government is adding a new investment of \$35 million into the funding model to cover the rest of the cost of this new grant.

In the coming year, we plan to work with boards to determine whether other funding should be allocated through this grant. We expect the benefits of this change in the funding formula to become more apparent in the years ahead.

Teacher Salaries

The previous government made repeated decisions to hold the funding benchmark for teacher salaries steady, while actual teacher salaries continued to climb. Even when the benchmark was

increased based on recommendations of the Rozanski Report on Equality in Education, salaries increased even quicker, so that the gap between the salary benchmark and actual salaries increased to almost 8.3 per cent.

In our first education budget in 2004/05, we invested additional funding into the system to pay for the full increase in salaries mandated by the labour framework agreement. This extra funding stopped the gap from increasing further.

Despite the flaw in the benchmark, this government has made a point of ensuring our funding plans took the actual cost of teacher salaries into account. Because of increased funding, the salary gap remained but did not grow significantly, and boards have been able to pay for their teachers and new programs.

But the distortion in how funding was distributed made it difficult for the government and for boards to identify accurately how much funding is provided for other programs. As a result, in 2006/07 we are changing the funding formula so that it accurately reflects the cost of salaries by raising the teacher salary benchmark by 8.3 per cent. For the first time since 1998, funding will be an accurate reflection of what teachers are paid.

We are also realigning funding from two grants that we know have been used to pay teacher salaries: the Local Priorities Allocation and the Learning Opportunities Grant. Boards will no longer have to use funds from other grants such as English as a Second Language to pay for shortfalls in funding for teacher salaries.

Transparent Financial Reporting

Improving the transparency of the GSN will allow us for the first time to ask boards to report on how they use their grants and what programs they provide.

This process, when fully implemented later this year, will produce an accurate picture of how education dollars are being spent in schools. That will enable our government and our education partners to make sure funding is being used to deliver our education priorities to improve student achievement. The public reporting of this information will enable parents and taxpayers to evaluate whether they are getting the most for their education dollars.

We believe that this more transparent funding model and its more accurate spending picture will enable us to identify clearly what programs require additional support and what areas may have options for efficiency and savings.

The bigger the investment of public funds we make in education, the bigger the responsibility we have to the people of Ontario. Part of that responsibility includes maintaining the highest standards regarding conflicts of interest, business expenses, and the appropriate use of education funding. We will be working with school boards to establish best practices in all of these areas.

Transportation

In 2006/07, we are initiating student transportation reforms that will build capacity to deliver safe, effective and efficient services. This three-year plan will include a requirement for boards to provide transportation through consortia, and effectiveness and efficiency reviews to confirm advanced use of routing technology and good management practices.

The reviews will also include an assessment of the transportation needs of each consortium based on consistent standards. In addition, a study of benchmark costs for school buses – incorporating standards for safety, service and driver training – will be conducted. While implementing the reforms, this government is providing increased funding to boards to maintain transportation services.

Special Education

Recommendations compiled by the Working Table on Special Education focused less on identification and more on improving student outcomes driven by research-based instructional practices. These recommendations will guide our reform of special education funding and policy over a multi-year process.

In early June, the minister announced a new approach to special education that would provide \$50 million more support for students. The minister also announced reforms that would streamline the way special education programs are delivered, and change the ministry's evaluation methods to improve outcomes for the students who deserve our greatest attention.

Also in 2006/07, we are increasing the overall allocation for special education by almost \$33 million. We are maintaining the Special Education Per Pupil Amount and converting the 2005/06 total High Needs Amount into a per pupil amount adjusted to reflect changes in total board enrolment. Very high needs students will receive increased support through the Special Incidence Portion, which will be funded on a student-specific basis. We will work with boards and other partners to make further improvements in coming years.

4. ONGOING STABILITY AND RESPECT

This government's approach to education renewal is based on developing and maintaining a climate of stability and respect in the education system.

This approach has already produced results:

- We are funding the salary increases in the labour framework agreements
- We are holding regular meetings of the provincial Education Partnership Table to engage our partners in education on key policy discussions
- We have created a Provincial Stability Commission to help build good labour relations
- We met frequently with individual school boards to be sure that our funding takes account of the diverse financial issues and pressures they face

- We are providing predictable funding increases to school boards to help manage ongoing costs.

In the 2006/07 school year, we plan to add to those accomplishments with:

- A new teacher induction program that provides evaluation, training and mentorship
- Two more professional development days, led by the Ministry of Education
- Additional support for principals based on their role as education leaders
- Clarification of the role of trustees and remuneration that reflects the importance of the work they do
- Supports for parents to help them play a bigger role in their schools and at the provincial level
- Empowerment of student trustees
- Empowerment of working teachers to play a bigger role in the Ontario College of Teachers
- A French-Language Task Force to advise on unique francophone education matters – such as promoting French culture, reducing assimilation and helping to retain francophone students.

Financial Support for Stability and Respect	
<i>Labour Framework</i> All salary benchmarks in the model will be increased by 2.5 per cent	\$338 million
<i>School Operations</i> 2 per cent increase to the non-salary component of the School Operations Grant to address increased utilities costs	\$13 million
Funding outside the GSN One-time funding to help boards manage increased utility costs for 2005/06	\$29 million
<i>Transportation</i> 2 per cent increase to recognize higher fuel, capital and other operating costs	\$14 million
Funding for driver first aid and CPR training	\$1.5 million
Funding for enrolment increases	\$3 million
Funding outside the GSN	

One-time funding to recognise increased fuel costs for 2005/06	\$14 million
<i>Special Education</i>	
A commitment to stable funding during the reform process	\$33 million
Funding outside the GSN	
One-time funding to support Special Education Assessments	\$20 million
One-time funding to develop best practices for Special Education instruction	\$25 million
One-time funding to support autism training	\$5 million
<i>Language</i>	
We are reviewing policy and funding for language instruction, particularly English as a Second Language. During this review, we are maintaining our financial support of language programs.	\$22 million
<i>Trustee Remuneration</i>	
Support for new trustee remuneration scale	\$3.5 million

5. GOOD PLACES TO LEARN

In 2005/06, we required school boards to develop five-year capital plans. The plans identify accommodation needs addressing local community requirements for new schools, and repairs, renovations and replacements of existing schools. In 2006/07, the ministry will continue to work with boards to make capital decisions based on these plans.

Capital funding changes in 2006/07 will address funding for Prohibitive to Repair schools, Local Growth Schools, French-language boards, Primary Class Size, Best Start and Good Places to Learn Stage II initiatives. Our capital funding will be much more sensitive to the diverse situations of boards across the province and will encourage good planning and strong community involvement. We are providing support for boards to manage existing debt financing costs and encouraging boards to transfer surplus schools to other boards. We are also establishing a long-term financing vehicle to help facilitate and reduce the cost of borrowing.

Ontario's school boards will receive funding for essential major repairs, expansions, replacements and renovations through Good Places to Learn. Over four years, the government will allocate \$280 million annually to school boards to address about \$4 billion in repairs,

additions, and new school construction. More than 3,000 projects at schools across the province have been completed or are underway, representing approximately \$800 million in repair and renovation activity.

Investments for Good Places to Learn	
<p><i>Primary Class Size</i></p> <p>Funding to expand schools to accommodate reduced primary class sizes</p>	<p>Up to \$50 million to support \$700 million for new classrooms</p>
<p><i>Good Places to Learn</i></p> <p>\$280 million is available to boards to support \$4 billion in school repairs and renovations over four years</p> <p>Stage II provides additional funding to support repairs and renewal in 2006/07</p> <p>Prohibitive to Repair Schools will be identified with funding to support their renovation or replacement</p>	<p>\$38 million to support \$500 million for capital improvements</p> <p>\$50 million to support \$700 million in capital construction</p>
<p><i>Other Capital Commitments</i></p> <p>Funding for schools in areas of local growth</p> <p>Funding for Best Start accommodation in new schools</p> <p>Capital transition funding to French-language boards to build or acquire schools over the next four years</p>	<p>Up to \$10 million to support \$137 million in capital construction</p> <p>Up to \$2 million to support \$27 million in capital construction</p> <p>Beginning in 2006/07, funding to support up to \$220 million over four years</p>

We know that a strong publicly funded education system is the key to unlocking potential and building an even brighter future for our students.

We've made great progress in the system and will continue to do so by delivering the necessary resources to help all students in Ontario's publicly funded schools reach their full potential.

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

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