

# Harris-era hangovers: Toronto school trustees' inherited funding shortfall <sup>[1]</sup>

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**Source:** Canadian Centre for Policy Alternatives

**Format:** Report

**Publication Date:** 10 Feb 2015

## AVAILABILITY

Full report (pdf) <sup>[2]</sup>

For several years, the Toronto District School Board (tdsb), the largest school board in the province, has been mired in a series of controversies related to the governance and administration of Toronto's public school system. Those controversies came to a head in December 2014 with the appointment by the Minister of Education of a "reviewer" to investigate the workings of the tdsb and make recommendations for change.

That review was made public by the minister on January 15, 2015. While the recommendations dealt primarily with the internal workings of the board, the one substantive recommendation focused on school space and what it considered to be the tdsb's reluctance to close "underutilized" schools. The Minister followed up that recommendation with a direction to the Board to produce a school closure plan by the 13th of February 2015. The report, and the minister's immediate endorsement of its recommendations, fails to take into account the broader problems at play. This report attempts to do so by examining the legacy of the Mike Harris-era school board funding formula that trustees across Ontario have inherited. It details how Toronto's public school trustees in particular are dealing with a funding formula so flawed, they have little room to maneuver. The tdsb is not only the largest school board in the province, it is also the board that has faced the most extreme funding pressures as a result of the provincial government's takeover of responsibility for education funding under Premier Mike Harris almost two decades ago.

The most obvious symptoms of those pressures are the annual gaps that appear between the funding allocated to the tdsb by the provincial government and the funding it needs to maintain activities and programming from one year to the next. The tdsb's annual provincial funding gap is significant and it's not getting any smaller. In 2012, it was \$109 million; in 2013, there was another \$50 million; and in 2014 a further \$30 million.

That gap keeps growing, but the province has failed to fix the problems caused by its Harris-era funding formula. Instead, it has chosen to ignore the need for renewal, choosing instead to focus on high-profile new initiatives.

This paper identifies two principal flaws with the province's stewardship of elementary and secondary education funding in Ontario: None of the basic problems with the funding formula the Harris government introduced in 1997 has been addressed. The basis of that formula - a 1950s' view of education as "reading, writing and arithmetic" taught by a teacher in a formal classroom setting - is out of touch with modern educational realities. Everything else that most people think of as part of a contemporary education (physical education, field trips, art classes, libraries) was permitted but not funded. And the one-size-fits-all approach to funding benchmarks has resulted in a structure that is largely insensitive to legitimate differences in the drivers of costs among school boards.

- The government is not paying the full cost of the new programs it has mandated. Overall spending on elementary and secondary education may have increased by 20 since the Liberal government came into power in the 2003-04 school year, but serious funding gaps remain. While the current Ontario government has introduced major new programs like smaller class sizes and full-day kindergarten, it is not funding the full cost of its initiatives. School boards have been forced to make cuts elsewhere to make up the shortfall.
- The government is not paying the full cost of the new programs it has mandated. Overall spending on elementary and secondary education may have increased by 20% since the Liberal government came into power in the 2003-04 school year, but serious funding gaps remain. While the current Ontario government has introduced major new programs like smaller class sizes and full-day kindergarten, it is not funding the full cost of its initiatives. School boards have been forced to make cuts elsewhere to make up the shortfall.

This paper addresses the specific issue of the funding of school space highlighted by the ministerial directive, identifying fundamental problems with the way school space needs are determined and funded: Harris-era Hangovers

- Inadequate provision of space for educational "frills" such as art, music and physical education;
- The use of uniform benchmark allocations for special education and other specialized uses, rather than a bottom-up calculation



based on actual requirements;

- Inadequate provision of space for adults participating in credit programs;
- The lack of any funded allocation of space for ancillary education and community use;
- The use of arbitrary uniform per-student space allocations as the basis for funding as opposed to a bottom-up calculation based on actual school facilities in use;
- Funding for space on a flat per square metre basis, ignoring both historical differences in costs and current differences in cost drivers; and
- Constraints on new school construction that prevent school boards from building new schools in growing areas if they have vacant space anywhere else in the school board area, regardless of its location.

This paper also addresses the broad range of other issues with the formula which serve to create and reinforce gaps between what the funding formula provides and what Ontario students need:

- The amount of funding provided by the government to employ the number of early childhood educators required for changes to the early learning program, such as full-day kindergarten, is \$1,669.97 per early learning student. The program actually costs the tdsb significantly more than that: 24% more, or \$2,066.97, per student. At a difference of \$400 per full-day kindergarten student, and with a total of approximately 36,500 full-day kindergarten students in the Toronto system, the tdsb's funding shortfall for the provincial early learning program will be an estimated \$14.6 million in 2014-15.
- The foundation grant used to fund non-classroom services in schools, such as libraries, is provided on an arbitrary, top-down basis instead of being based on what people expect to find in a fully functioning school. For example, in 2014-15, the grant provides 1.31 teacher-librarians per 1,000 elementary students-meaning a school must 8 Canadian Centre for Policy Alternatives have 763 students enrolled to fund one librarian. With the average elementary school size in Ontario consisting of 340 students and consisting of 363 students in Toronto, many schools don't have fully functioning libraries. If the foundation formula actually worked from the bottom up and provided one librarian per elementary school, it would cost the province \$322 million, which is \$179 million more than the formula currently funds. In Toronto, providing one librarian in every elementary school would require an additional \$20 million.
- The grant system that forms the basis of the funding formula means that changes in the mix or distribution of grants can affect school boards disproportionately. Such shifts don't always make sense: In 2004-05, the tdsb received 14.2% of provincial funding for special education; in 2014-15, it is projected to receive 12.3%. That 1.9% share shift compares with an enrolment share loss of only 0.6%. The funding shift will have an adverse impact on the tdsb's finances, with the missing 1.3% of provincial funding in 2014-15 amounting to \$37 million in missing revenue.
- No matter how you slice it, the dollar amount of the learning opportunities grant is not enough to cover actual program needs of at-risk students. This problem stretches back almost twenty years. In 1997 an expert panel recommended \$400 million as a floor amount for the learning opportunities grant, based on actual expenditures on at-risk students - the Harris government chose to provide \$158 million instead. The amount of the grant under successive Liberal governments still falls short. Adjusted for inflation, the 1997 recommended funding level of \$400 million would be \$555 million, but the current grant level is still only \$350 million. The tdsb's portion (about 30%) of that \$205 million difference would be \$60 million.
- Grants intended to fund additional support for children whose first language is neither English nor French are also falling short of actual needs, particularly in areas like Toronto, where immigrant populations are large and diverse. Simply to bring funding to the level recommended by Ontario's auditor general would require at least an additional \$55 million in the tdsb system.
- On top of this, both the learning opportunities grant and the language grants are being diverted away from intended programming for at-risk students to offset funding gaps elsewhere. Harris-era Hangovers.
- Elementary and secondary school enrolment in Ontario has been slowly declining for roughly a decade. From 2002 to 2014, the tdsb experienced an enrolment decline of 13.7%. The tdsb's declining enrolment grant has consistently fallen far short of what would be required to cushion even the most recent year's funding loss from declining enrolment.

The paper concludes that more tinkering around the edges of a fundamentally flawed education funding formula will only create more problems for the tdsb and for all Ontario school boards. To reflect the realities of the 21st century, a complete overhaul of the funding formula is necessary.

**Region:** Ontario <sup>[3]</sup>

**Tags:** funding <sup>[4]</sup>

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