



Background

December 10, 2004 marks the second anniversary of the release of Dr Mordechai Rozanski's critical review of Ontario's education funding system – *The Education Equality Task Force*. The report made 33 recommendations to revamp the funding formula and clearly demonstrated that the education system had been seriously underfunded for years.

In October, 2004 Hugh MacKenzie, a researcher for the Canadian Centre for Policy Alternatives (CCPA), published *Are We There Yet? A Progress Report on Educational Renewal in Ontario*. The paper reviews and critiques the current situation of education funding under the Liberal government. What follows are the highlights of his report.

Credit where credit is due

Education funding in the Liberal government's first budget for 2004-05 is \$500 million higher than budgeted by Ernie Eves and \$700 million higher for 2005-06. According to MacKenzie, "this represents real improvement."

The Liberals have extended ESL funding for each student, from three to four years, although Rozanski recommended five years. The demographic component of the Local Opportunities Grant (LOG) has been enriched since the election by \$316 million, although \$473 million was recommended by the government's *Expert Panel*.

The report states, "the government should be credited for the substantial amounts it has allocated to education since taking office, under difficult financial circumstances."

Mackenzie concludes that, "While the gap between funding and needs has been reduced in recent years, it is still substantial. In addition, the after-effects from prior years' underfunding continue to hobble the system."

An education system hobbled by the past



One noticeable disaster of the Harris/Eves period is the backlog of deferred maintenance in schools at \$8.1 billion!

The Liberal government, however, has announced only \$200 million annually to support financing of \$2.1 billion or only one quarter of the backlog.

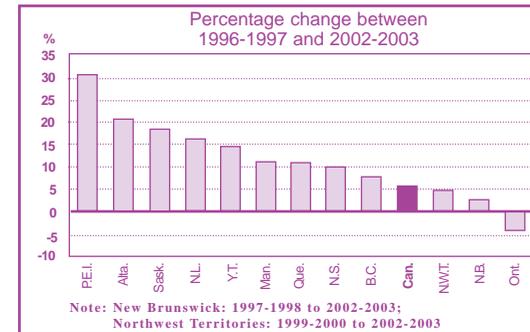
Government funding for 2004-05 fails to address the fundamental defects of the Tory funding formula. Rozanski calculated that **as of the 2001-02 school year, salaries and benefits formula funding was a staggering \$639 million behind school boards' actual costs.**

That issue has never been addressed and continues to drag the system down in both the needed repairs and compensation areas.

Failure to fix the underfunding of the Conservative era before launching new initiatives, has forced the Liberals to engage in exactly the type of micromanaging of which they were so highly critical of while in opposition.

Using constant 1992 dollars, Ontario was the only province or territory in Canada to experience negative growth in elementary and secondary per pupil expenditure between 1996-97 and 2002-03. Ontario dropped from \$6804 to \$6501 in this period.

Source Statistics Canada



The funding gap

Rozanski determined that Ontario's school system was underfunded by almost \$2 billion (\$1.8). According to MacKenzie, over \$1 billion is still required. His figures include the salary adjustments made in 2002-03 and the two per cent allocated so far for 2004-05.

Areas still underfunded include:

Foundation teacher salaries	\$396.1M
Foundation non-teacher salaries	100.6
Foundation benefits	196.8
Foundation non-salary	89.0
Administration	27.5
ESL Year 5 (LOG Distribution)	47.0
Pupil Accommodation Grant	26.9
Learning Opportunities Grant	91.7
Continuing education	145.1
Operating total	1,320.8
New pupil places	69.3
School renewal	52.5
Capital total	121.8

Total required \$1.443B

The ideological assumptions behind the funding formula

MacKenzie's conclusions pull no punches. The renewal of public education in Ontario requires more than additional funding. It requires a re-examination of the basic premises on which the Tory government's approach to funding was based.

The funding formula, reflects a well defined ideological perspective. It begins with a narrow definition of schooling and the classroom. It does not include community use of schools or daycare, and marginalizes adult education.

The formula is designed to give everyone the same as opposed to giving everyone what they need. OSSTF's *From Applied to Applause* research report clearly indicates that Applied courses, especially those in larger centres need more funding. This would not fit with the Tory philosophy.

MacKenzie points out that the formula was deliberately crafted to reflect the Harris government's hostility to teachers by reducing teacher compensation. Even today, the funding formula does not provide sufficient funds to employ those teachers that legislation requires boards to employ to meet class size averages.

Benchmarks for school operations and maintenance were set far below the actual costs to drive boards to contract out services and drive unionized support staff out of the public education system.

The formula punished large urban boards for what the Harris government deemed to be

excessive spending and defiance of earlier attempts to cut funding (it was not an accident that Ottawa, Hamilton and Toronto boards were the first to defy the government and end up under trusteeship). The funding formula was used to reduce education spending to the lowest common denominator.

The funding formula fails to address the costs of commercial and technical programs. These programs remain starved of necessary funding. MacKenzie indicates that the Tory government insistence that 'special education money be spent on special education' is a smokescreen for the

fact that the funding formula provided for less special education programming than the boards were actually delivering before the formula was introduced.



If the Liberal government believes that it can cherry pick Rozanski's recommendations, they are wrong. OSSTF urges the government to review the funding formula itself. OSSTF urges the government to restore the necessary funding as determined by Rozanski to ensure the continued success of public education in Ontario.

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EDUCATION WATCH

Rozanski funding and Liberal government education finance

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