

SUBMISSION TO

THE LEGISLATURE S STANDING COMMITTEE

ON

FINANCE AND ECONOMIC AFFAIRS

by

DON ROWDON, PRESIDENT

OSSTF DISTRICT 11 THAMES VALLEY
Ontario Secondary School Teachers Federation

JANUARY 28, 2004

LONDON, ONTARIO

INTRODUCTION

The Teachers and Educational Workers in Thames Valley were very pleased and encouraged during the election campaign when Education was the first plank in the Liberal election platform. The Excellence for All plan promised to make the necessary investment to achieve the ambitious goals and to fund schools for success and the Throne Speech identified Public Education as the new government's first and most important priority.

More than two million Ontarians voted for this government's vision for our province. We urge the government not to allow the inherited deficit to push them off course even if it means running a deficit and/or modest tax increases.

In the report of the Education Equality Task Force, Dr. Rozanski made thirty-three recommendations aimed at improving equity, fairness, certainty, and stability in the funding of education in Ontario. He recommended implementing them over a three year period beginning in 2002-2003. The report emphasized that these recommendations once implemented will advance the goal of continuous improvement in student learning and achievement.

We therefore challenge the government to continue with the implementation of the Rozanski Report and recommend making the following priorities for the first budget.

PRIORITY 1 SUPPORT FOR THE FOUNDATION OF THE FUNDING FORMULA: UPDATE BENCHMARKS.

Commit to ongoing updated funding formula benchmarks as the first step in each new release of the Legislative Grants.

The development of the Funding Formula included a 1997 study of the costs of services and goods provided by school boards. These actual costs were said to be used to determine benchmark values which became an integral part of the formulas that generate funding in the various funding formula grants. Benchmark costs affect the amount of funding that boards receive to cover the costs in areas of salary and benefits for administrators, teachers, and support staff; learning resources such as textbooks, classroom supplies, computers and related costs; school operations, including heating, lighting, maintenance, cleaning and insurance; and construction, including major repairs, renovations, additions and new buildings.

In the fall of 2002, the Rozanski Task Force heard in submission after submission that the key factor in the underfunding of school boards was that the benchmark costs were inadequate from the onset and had not been updated since 1998. There were some increases to the benchmarks since 1998 but nothing that would reflect the actual cost increases. A major criticism due to the general underfunding of the funding formula is the necessity to shift significant revenue from one grant to another. Employers appreciated a certain level of flexibility to run priority programs but legislated requirements in some areas of the formula forced funding shifts that had a tremendous impact on less guarded but no less important areas. Rozanski, in his report, made it clear that despite other shortcomings in the way grants to school boards are generated, a formula-based approach was an efficient way to calculate funding that was designed to be equitable to all school boards in the province. It was also made clear that the key to the integrity of a formula based funding generator was the continued maintenance of the benchmark values embedded in the calculation. Therefore it was no surprise that Rozanski's number one recommendation was to update the benchmark costs in the funding formula to reflect the actual costs in 2003.

The degree of the underfunding was highlighted in the significant projected funding needed to update the benchmarks. The \$1.1 billion shortfall in funding was so significant that Rozanski proposed the government be allowed to allocate this catch-up funding over a three year period. The former Tory government made good on the first year of the catch-up funding in the 2003-2004 budget. The 2004-2005 budget must include the second installment.

On top of the catch-up provisions in Rozanski's recommendation #1, the funding formula must be kept current if it is to address ongoing costs of operating a school board. Rozanski's report in recommendation # 3 stresses the need to provide annual funding increases to keep benchmarks current. Without this keep-up feature of the formula, funding will always lag behind the actual cost of providing the services required.

In education funding, updating the benchmark salaries and supply costs would have the widest ranging impact on providing the employers with the means necessary to be able to negotiate fair collective agreements with their employees and consequently peace and stability in public education. The price tag for these priorities alone is over \$700 million but these have to be the first consideration for government funding before other projects are contemplated.

PRIORITY 2 PAY EQUITY.

Dedicated pay equity funding along with a time definite requirement for employers to establish a pay equity plan.

The Pay Equity Act is intended to correct the historical undervaluing and lower pay for work performed by women and men in female job classes. It specifically addresses gender imbalances and provides for compensation parity between women and men working at jobs that are different but are of equal or comparable value.

The implementation of the Pay Equity Act in Ontario for the public service sector occurred in 1990. Until 1998, the Act limited the employer's obligation to a bargaining unit for retroactive pay equity adjustments to an annual maximum of one (1) percent payout of their total payroll. Throughout the early 1990s, few Boards of Education claimed the one (1) percent cap. Today, payment in full is mandated upon signing of the Plan. That being said, funding the Plan has been the problem. The Pay Equity Commission, the custodian of the Act, has no responsibility for funding and the funding Ministries have no responsibility for compliance. In the 1990s (1992-1993, 1994-1995, 1996) the Boards of Education did receive funding from the Ministry of Community and Social Services or the Ministry of Health to comply with the legislation. When and how it was allocated and subsequently spent is anybody's guess. The funds identified for pay equity were not subject to the same scrutiny and accountability as now practised in Ministry of Education and Training envelop economics. With the passage of Bill 136 and the merger of municipalities, school boards and health care facilities, amalgamation was considered a sale of business. The pay equity liability of the legacy Boards of Education was assumed by the newly established District School Boards. All Boards were to have negotiated Pay Equity Plans with all employee groups and the subsequent payouts were to have been completed by the end of 1997. All Boards had to renegotiate their Pay Equity Plans as of January 1998, and this time without a phasing in or cap limitation. Currently, there are several Boards that have an unexpected, unfunded pay equity debt that dates from 1990.

The distinction between justice and justification has been made apparent. Case law documents the futility of Boards claiming their inability to pay as a reason to escape their pay equity responsibilities. Even further, in June 2003, the Canadian Union of Public Employees, the Ontario Nurses Association, the Ontario Public Service Employees Union, the Service Employees International Union and the United Steelworkers of America won a landmark pay equity settlement. They successfully demonstrated that the Ontario government knowingly fostered sex discrimination in compensation practices contrary to the Pay Equity Act by failing to provide the necessary pay equity funding in the public service sector. In upholding a previous Charter challenge (1997), Court Justice O Leary also found that the public sector employers would go bankrupt without the necessary financial assistance. Hence, jurisprudence does not acquit Boards, and for that matter the government, of their responsibility to fund pay equity.

There are 44 Bargaining Units within OSSTF attempting to negotiate a plan with a retroactive timeframe of at least six (6) years. As well, sixteen (16) Bargaining Units have not yet started to negotiate a Plan with their respective employers. This unfunded liability puts added strain on the already stretched financial resources of District School Boards.

In Thames Valley, our Continuing Education Instructors, a small unit of mostly women, are not only struggling with low wages as a result of the underfunding of Adult and Continuing Education, but are also into their eighth year of negotiations for a Pay Equity Plan with no end in sight. Boards need dedicated funding and a definitive time deadline to reach pay equity settlements with these most vulnerable employees.

PRIORITY 3 STAFFING FOR SCHOOL SUPPORT

The government must establish base staffing levels for support of all schools regardless of location and size.

Without a legislated requirement for staffing levels in most support staff areas, school boards have been decreasing attendance counsellors, psychologists, speech pathologists, office clerical and plant support positions continuously since the funding formula was launched in 1998. With inadequate funding in all areas of the funding formula, pressure falls on grants that are not protected by legislation.

The constant pressure to balance a school board budget without adequate funding forces employers to shift funding to meet demands in the legislated areas such as teachers with 21:1 average class size or by compliance requirements such as the minimum spending levels in the Special Education Grant. Plant support, office clerical, and professional school support personnel positions are for the most part funded by vulnerable areas of the grant structure. For example, the Pupil Accommodation Grant is the sole source of funding for plant support personnel. The salary benchmarks for staff make up part of the formula to generate the grant but there is no requirement to have any particular staffing level. Building maintenance, utilities insurance and a long list of other requirements to operate the school board's facilities are also funded by the same grant. In addition, millions of dollars are diverted from the Pupil Accommodation Grant each year to other areas of the board's balance sheet.

Office clerical staffing is funded from two areas of the grants. The Foundation Grant provides funding designated for school secretaries and the Administration and Governance Grant supplies funding directed at board office personnel. These batches of funding create an inadequate pool of revenue to pay for all costs related to office management in schools and school boards. Since this funding is not protected, it is commonplace for significant portions to be moved to other underfunded areas of school board expenses. Boards have adopted the practice of testing the bottom to get by with minimum staff by expanding duties of the remaining personnel.

In 2003 a study was done to study methods of improving delivery of education to northern and rural schools. A major conclusion of the study was the need to increase the levels of support staff that help run the schools. The funding and compliance regulations can be based on the study *Strengthening Education in Northern and Rural Ontario*. All schools regardless of location must have the support staff required to maintain safe and effective learning environments.

PRIORITY 4 AVERAGE CREDIT COUNT

The government must remove the 7.5 average credit cap from the Teacher Compensation Grant.

Many district school boards, for a number of reasons, have designed the school day so that students may take more than four courses per semester and possibly more than eight courses per school year. Many school boards have music and other programs that provide credits for work done outside of the traditional instructional class time. In addition, the shortening of the secondary program to four years has caused the average credit totals in school boards to steadily increase.

The Funding Formula provides initial funding for an average of 7.2 credits per student in the Foundation Grant. The Teacher Compensation Grant provides funding for additional credits above the 7.2 average up to a maximum of 7.5 credits per student. Many boards are now reporting an average above the 7.5 maximum that is funded. A number of boards, including Thames Valley, are reporting an average of a least 7.6 credits per student. The main non-funded expense for these extra credits is teacher cost. Even though these boards have credits above the funded level, the board must still comply with the 21:1 or 22:1 class size regulation. Therefore additional staff must be provided.

Thames Valley has an enrolment of 25,000 students. If the average credit count is 7.6 credits per student, the Board would need to fund an additional 18.9 teachers above that provided by the formula. This is an expense of over \$1 million. To address this, the government must remove the 7.5 average credit cap from the Teacher Compensation Grant.

PRIORITY 5 ADULT EDUCATION

The government must fund all credit programs equally regardless of the ages of the pupils.

Learning is a lifelong experience. Access to elementary and secondary public education ought to be a fundamental right for the individual and a non-negotiable priority for the continuance and growth of a society. The previous government viewed adult education as an economical way to deliver programs with no student support services, large class sizes, cheap labour costs and low capital costs. As OSSTF predicted, the enrolment in the previously successful adult education programs has plummeted since the government instituted cost cutting measures. The government must fund all credit programs equally regardless of the age of the pupils.

OTHER PRIORITIES

" FUNDING FOR BENEFIT PLANS

The Rozanski report indicated that funding for fringe benefits trailed actual cost increases by a wider margin than salaries. The report suggests an immediate increase in funding of 9% is required to bring the funding up to actual current costs.

" BASE STAFFING LEVELS

Government must establish a base number of staff in each school including administration and office clerical.

" SPECIAL EDUCATION FUNDING

Special Education funding must be based on IEPs and not on ISA standards which in many cases rely on outdated medical descriptions. Staffing must be allocated to records and reporting in addition to service delivery to students.

" TEACHING TIME REGULATIONS.

Remove the onerous 6.25 and .42 aggregate averages to allow more flexibility for teachers to perform instructional duties with students. Include mentoring other teachers as a qualifying duty.

" PROFESSIONAL DEVELOPMENT

The government's own Education Improvement Commission (EIC) in its final report recommended that the Ministry increase funding for professional development to support continuing improvement in student achievement. The EIC observed that professional development, training and leadership is a cornerstone necessary to excellent education.

" STUDENT SUPPORT

The funding formula was released in conjunction with new legislation governing what support in the school is considered classroom and non-classroom. Any number of studies have clarified that a student's success in school depends on significant support from areas other than their teacher. Teacher-librarians and guidance counsellors are a key support left out of the classroom designation. Subject department heads in their role as mentors to new teachers were another category that had funding cut. The government must support through funding and other regulatory provisions, increases in staffing levels in these areas of the funding formula.