



Ministry Funding and Oversight of School Boards

2017 Value-for-Money Audit

Why We Did This Audit

- To assess the reasonableness of the school board funding formula and whether the Ministry has effective oversight procedures to ensure school boards use Ministry funding in accordance with legislation, agreements and ministry policy, to achieve desired educational outcomes.
- Our Office received comments from stakeholders expressing concern about how special education funding is allocated and used by school boards across the province.

Why It Matters

- Total Ministry funding to school boards is \$23 billion a year.
- There are approximately 2 million elementary and secondary students in Ontario. Over the 10-year period ending August 31, 2016, total student enrolment decreased 5% provincially. Despite this, Ministry funding to school boards has increased 9%.
- Over the same 10-year period ending August 31, 2016, the number of students with special-education needs increased by 21%.

What We Found

- The formula used by the Ministry to determine funding to school boards last underwent an independent comprehensive review 15 years ago. The independent task force that conducted that review, in 2002, recommended that the Ministry annually review and update benchmarks, and conduct a more comprehensive overall review of the formula every five years.
- Grants for specific provincial education priorities are not always allocated to school boards according to actual student needs. For example, half of the restricted special-education funding is allocated based on total student enrolment in a school board, instead of the number of its students receiving special-education programs and services. Each school board has a different proportion of special-education students. Based on our calculation, 39 boards would have received an average of \$2.9 million more in funding, and 33 boards would have received an average of \$3.4 million less if funds were allocated based on the number of students receiving special education programs and services.
- In 2016/17, only 35% of \$10.9 billion in funding intended for specific provincial priorities was restricted in use. Although the Ministry receives information from school boards on how the funding was spent, it does not conduct sufficient procedures to validate that information.
- The Ministry is not monitoring whether non-restricted funding for specific education priorities (e.g., a portion of the funding for students at risk of low academic achievement, and all funding for English as a Second Language) is being spent on these provincial priorities.
- The Ministry does not analyze actual expenses of school boards on a per-student or per-school basis. Our analysis showed significant differences in the expenses per student by region, but also between boards in the same region. Such analysis could provide the Ministry with additional insight as to how school boards are operating to help them make more informed funding decisions.
- Students have been performing below the provincial standard in Grades 3 and 6 math and Grade 9 applied math since at least 2008/09. The need for educators to increase their knowledge of the math curriculum, related pedagogy (effective teaching strategies), and effective assessment and evaluation practices were identified as the main root causes of the poor math results. It was not until 2016, that the province allocated \$60 million to school boards to improve student math achievement.
- Much of the funding allocation to school boards is based on total student enrolment data submitted by school boards to the Ministry, yet the Ministry does few enrolment audits.

Conclusions

- The funding formula may not be meeting the needs of students because it has not been fully reviewed since 2002.
- The Ministry does not have sufficient oversight in place to ensure that restricted funds provided to school boards are being used for their intended purposes.
- The Ministry does not ensure unrestricted funding for specific provincial education priorities is spent on those priorities.
- The general trend in student performance results is positive with the exception of mathematics.