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Indian and Northern Affairs Canada

**Review of First, Second, and Third Level
Education support Services in Nova Scotia,
Ontario, Manitoba and British Columbia**

Final Report

December 1, 1994

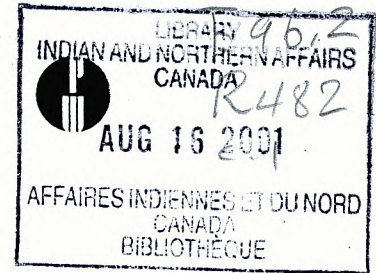
Indian and Northern Affairs Canada

**Review of First, Second, and Third Level
Education Support Services in Newfoundland,
New Brunswick, Quebec, Saskatchewan and
Alberta**

Final Report

March 31, 1995

Price Waterhouse



March 31, 1995

Anne-Marie Robinson
Research and Analysis Directorate
Indian and Northern Affairs Canada
10 Wellington Street
Room 2030
Hull, Quebec

Fax Number: 994-7595

Dear Anne-Marie:

I am pleased to submit three copies of the Final Report on the activities, funding and expenditures for first, second and third level educational support services in Newfoundland, New Brunswick, Quebec, Saskatchewan and Alberta.

The data compiled in this report have been sourced from various departments in each of the provinces studied. In order to ensure consistency with the previous education report Claudio Vetere was used as a resource and he reviewed the findings of this study. Any unexpected variations in the findings were discussed with provincial representatives.

I will be happy to discuss the report with you at your earliest convenience. You may contact me or Gary Robertson at 238-8200.

Yours very truly,
PRICE WATERHOUSE

Kathleen Layne
Senior Manager

Acknowledgements

Price Waterhouse would like to acknowledge the efforts of the Research and Analysis Directorate at Indian and Northern Affairs Canada in collecting the reports and information we needed to conduct this analysis. We also extend our appreciation and gratitude to the representatives of the provincial Ministries of Education who provided us with information and assistance.

Indian and Northern Affairs Canada

Review of First, Second, and Third Level Education Support Services in Nova Scotia, Ontario, Manitoba and British Columbia

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1 Introduction

Indian and Northern Affairs Canada has signed agreements with First Nations organizations to negotiate sectoral arrangements in Nova Scotia, Ontario, Manitoba, and British Columbia to provide for a variety of second and third level educational support services.

The development of uniform educational service level definitions, and the identification of current funding allocations and expenditures in selected provincial Ministries of Education, will provide Indian and Northern Affairs Canada with the information needed to effectively negotiate these agreements.

1.1 Objectives and Scope

The purpose of this study was to provide Indian and Northern Affairs Canada with accurate information related to educational funding and expenditures in Nova Scotia, Ontario, Manitoba, and British Columbia.

Specifically, the objectives of this review were:

- to determine workable common definitions for first, second, and third level educational support services for the provinces of Nova Scotia, Ontario, Manitoba, and British Columbia;
- to identify and analyze financial expenditures on education for each of the four provinces; and
- to describe the educational funding processes in each of the four provinces.

1.2 Approach

A number of different data sources were used for the purposes of this study including:

- Provincial Budgets;
- Provincial Annual Reports;
- Provincial Revenue and Expenditure Reports;
- Provincial Educational Statistics;
- Literature on Provincial Grants; and
- Provincial Education Ministry Reports.

The information required to complete the analyses presented in this report is contained in a number of different reports and databases. In several cases, complex calculations and manipulations were required to extract the relevant information in order to establish a comparative framework.

While the provincial reports were useful in preparing the financial expenditure information, the provincial contact people were instrumental in developing and approving the educational support service level definitions. Communication with these individuals was ongoing throughout the development of this report, and occurred through telephone conversations and written correspondence.

1.3 Discussion

School fiscal years do not coincide with provincial fiscal years, and as a result, when components of school board and provincial financial statements are combined to determine annual educational expenditures there is some overstatement of expenditures. Expenditure information was arrived at by combining school board and provincial Ministry financial statements. Where possible overstated amounts were removed to ensure that the data in this report reflected annual expenditures. Any remaining overstatement will not be significant in relation to the total expenditures.

Although total educational expenditures varied from province to province, support service expenditures as a percentage of total expenditures were similar. For example first level educational support expenditure percentages for each of the four provinces were within 5% of each other.

Data for primary and secondary school expenditures were only available for Ontario. While the value of this information is limited, it is interesting to note that secondary schools received a higher level of funding on a per capita basis.

Education expenditures as a percentage of provincial budget figures (shown in Chapter 3) include revenue obtained at the local government level¹. Nova Scotia has the lowest percentage of the four provinces (total provincial and municipal expenditures are approximately 16% of the provincial budget), while Ontario has the highest of the four provinces (total provincial and municipal expenditures are approximately 23% of the provincial budget).

The funding process in each of the four provinces was discussed in detail. In all cases educational funding is the shared responsibility of both the provincial and local governments. While the provincial funding processes and formulae differ from province to province, they generally take into account factors such as: size of the board, location of the board, type of students (primary, physically disabled, cognitively challenged, etc.), and the cost of transportation.

While the various provincial boards have identified other forms of revenue generation, the resulting dollar amounts are extremely small when compared to total educational expenditures.

¹ Throughout this report the expenditures as a percentage of provincial budget figures are calculated as follows:
(Provincial Funding for Education + Local Funding for Education) / (Total Provincial Budget). Local funding is made up primarily of municipal and regional tax revenues.



2 Educational Service Definitions

This section describes the three educational support service definitions, and describes how they were developed.

2.1 Development of Common Definitions

Indian and Northern Affairs Canada provided preliminary working definitions for the three levels of educational support services in the early stages of this study. The first level was described as direct services which are part of a school's day-to-day operations. The second level was described as indirect services which support a school's day-to-day operations (e.g., services provided by the school boards). The third, and last level, was described as any services which do not impact directly on a school's operations (mainly the governance and policy directions provided by the Ministries of Education). The definitions were discussed with the provincial contacts to ensure that they were accurate

2.2 First Level

First level educational support activities include instructional services, curriculum adaptation, administrative support, and special education.

Educational support service expenditures at the first level include: instructional salaries, utilities and communications, repairs and maintenance, rent, dues, taxes, approximately 87% - 100% of professional services, 99% - 100% of supplies and textbooks, 32% - 98% of other administrative costs (including child care and cafeteria costs), 75% - 85% of administrative and other salaries, and 95% of employee benefits.²

² Expenditures for "other administrative costs" vary widely because some provinces do not provide certain first level educational support services such as child care.



2.3 Second Level

Second level educational support activities include program adaptation, curriculum design, consultative support, legal support, school evaluations and administration.

Educational support service expenditures at the second level include: transportation, approximately 14% - 22% of administrative and other salaries, 5% of employee benefits, and 91% of managerial salaries.

2.4 Third Level

Third level educational support activities are related to the governance of the educational system and include educational programming, policy development, implementation and evaluation.

Educational support service expenditures at the third level include: approximately 9% of managerial salaries, 2% of administrative and other costs, 2% - 68% of "other administrative costs"³, up to 1% of employee benefits, and up to 1% of supplies and textbooks.

³ Other administration costs comprising less than 2% for any of the provinces of total educational expenditure.



3 Findings and Analysis

This section provides detailed information on the four provinces' educational expenditures. The information contained in the tables in this chapter of the report are based on 1992/1993 fiscal year provincial and school board financial statements for Nova Scotia, Manitoba and British Columbia. The information for Ontario is based on 1992 calendar year school board financial statements and 1992/1993 fiscal year Province of Ontario financial statements.

3.1 Provincial Expenditures by Level of Service

After the educational support service definitions were completed, expenditures at each of the three levels were identified and calculated. The results of these calculations, which exclude capital expenditures, minor equipment and debt servicing are displayed in the table below.

Review of First, Second, and Third Level Educational Support Services Provincial Expenditures by Level of Service - 1992/1993								
Province	Nova Scotia				Ontario			
	Expenditures			Expenditures per Student	Expenditures			Expenditures per Student
	\$	% of Educational Expenditures	% of Provincial Budget		\$	% of Education Expenditures	% of Provincial Budget	
First level of service	\$653,514,486	85.05%	13.90%	\$3,934	\$10,809,341,194	88.72%	20.13%	\$5,363
Second level of service	\$63,269,130	8.23%	1.35%	\$381	\$1,281,386,838	10.52%	2.39%	\$636
Third level of service	\$51,581,258	6.71%	1.10%	\$311	\$92,439,173	.76%	0.17%	\$46
Total	\$768,364,874	100.00%	16.33%	\$4,626	\$12,183,167,205	100.00%	22.68%	\$6,045

Review of First, Second, and Third Level Educational Support Services Provincial Expenditures by Level of Service - 1992/1993								
Province	Manitoba				British Columbia			
	Expenditures			Expenditures per Student	Expenditures			Expenditures per Student
	\$	% of Educational Expenditures	% of Provincial Budget		\$	% of Educational Expenditures	% of Provincial Budget	
First level of service	\$899,530,451	84.38%	15.69%	\$4,575	\$2,725,461,181	88.73%	15.17%	\$5,044
Second level of service	\$145,281,901	13.63%	2.53%	\$739	\$289,016,550	9.41%	1.61%	\$535
Third level of service	\$21,221,300	1.99%	0.37%	\$108	\$57,242,003	1.86%	0.32%	\$106
Total	\$1,066,033,652	100.00%	18.60%	\$5,422	\$3,071,719,734	100.00%	17.10%	\$5,684

While the expenditures vary province to province, it is interesting to note that the expenditure percentages are similar. First level expenditures as a percentage of total educational expenditures were between 84% and 89% for all four provinces. Second level expenditures as a percentage of total educational expenditures ranged between 8% and 14%. The percentage for the third level expenditures ranged between 0.7% to 7%, and were almost exclusively attributable to salaries.

3.2 Primary and Secondary Expenditures by Province

For the purposes of this report, secondary education is defined as the last five years of provincially funded education. Ontario was the only province studied that had segregated information regarding primary and secondary educational expenditures. It is important to note that capital expenditures, minor equipment and debt servicing are included in the table on the following page because they are a significant component of total educational expenditures. Third level educational support service expenditures were excluded because they are governance expenditures which the Ministry does not allocate between primary and secondary schools.

**Review of First, Second, and Third Level Educational Support Services
Provincial Expenditures by Type of Education - Primary vs Secondary
1992/1993**

	Nova Scotia				Ontario			
	Expenditures	# of Students	Expenditures per Student	% of Provincial Budget	Expenditures	# of Students	Expenditures per Student	% of Provincial Budget
Primary expenditures	N/A	N/A	N/A	N/A	\$7,740,974,004	1,313,668	\$5,893	14.41%
Secondary expenditures	N/A	N/A	N/A	N/A	\$5,362,040,820	701,800	\$7,640	9.98%
Total	N/A	N/A	N/A	N/A	\$13,103,014,824	2,015,468	\$6,501	24.40%
Provincial Budget	N/A				\$53,707,000,000			

**Review of First, Second, and Third Level Educational Support Services
Provincial Expenditures by Type of Education - Primary vs Secondary
1992/1993**

	Manitoba				British Columbia			
	Expenditures	# of Students	Expenditures per Student	% of Provincial Budget	Expenditures	# of Students	Expenditures per Student	% of Provincial Budget
Primary expenditures	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Secondary expenditures	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Provincial Budget	N/A				N/A			

It is interesting to note that while 35% of all students were in secondary school, secondary education was allocated 41% of the total education funding.

3.3 Expenditures as a Percentage of Budget, and Per Student

When reviewing this section it should be remembered that total educational expenditures include both provincial and local funding. These expenditures also include capital, minor equipment, and debt servicing.

Review of First, Second, and Third Level Educational Support Services Provincial Expenditures 1992/1993				
	Nova Scotia	Ontario	Manitoba	British Columbia
Total Educational Expenditure	\$828,313,510	\$13,195,453,997	\$1,199,572,258	\$3,884,317,472
Total Provincial Budget	\$4,702,769,000	\$53,707,000,000	\$5,732,000,000	\$17,960,351,000
Expenditures as a % of Budget	17.61%	24.57%	20.93%	21.63%
Number of Students	166,112	2,015,468	196,619	540,390
Total Educational Expenditures per Student	\$4,986	\$6,547	\$6,101	\$7,188

3.4 Chart of Accounts Comparison of Total Educational Budgets by Province

The line by line expenditure comparison is detailed in the tables below. Due to differing provincial accounting practices Ontario figures are calculated on a calendar year, while Nova Scotia, British Columbia, and Manitoba are calculated using 1992/1993 school fiscal years. Private institutions' educational expenditures, as well as a number of other expenditures were excluded as they do not relate either directly or indirectly to mainstream education.

Review of First, Second, and Third Level Educational Support Services: Chart of Accounts Comparison of Total Educational Budgets by Province - 1992/1993						
	Nova Scotia			Ontario		
	Expenditures	Expenditures per Student	% of Provincial Budget	Expenditures	Expenditures per Student	% of Provincial Budget
Managerial salaries	\$7,198,506	\$43	0.15%	\$513,828,806	\$255	0.96%
Instructional salaries	\$471,495,412	\$2,838	10.03%	\$7,804,105,339	\$3,872	14.53%
Admin & other salaries	\$120,088,710	\$723	2.55%	\$869,211,701	\$431	1.62%
Employee benefits	\$80,385,136	\$484	1.71%	\$1,057,715,108	\$525	1.97%
Professional services	\$4,346,960	\$26	0.09%	\$114,941,566	\$57	0.21%
Utilities & communications	\$23,696,592	\$143	0.50%	\$534,513,409	\$265	1.00%
Transportation	\$15,242,018	\$92	0.32%	\$626,471,686	\$311	1.17%
Repairs & maintenance	\$7,629,068	\$46	0.16%	\$27,186,022	\$13	0.05%
Rent, dues, taxes	\$4,118,301	\$25	0.09%	\$29,914,517	\$15	0.06%
Other admin. costs	\$13,245,749	\$80	0.28%	\$176,955,223	\$88	0.33%
Supplies & textbooks	\$20,918,422	\$126	0.44%	\$428,323,828	\$213	0.80%
Minor equipment	\$0	\$0	0.00%	\$0	\$0	0.00%
Capital expenditures	\$5,382,036	\$32	0.11%	\$831,467,511	\$413	1.55%
Debt servicing	\$54,566,600	\$328	1.16%	\$180,819,281	\$90	0.34%
TOTAL	\$828,313,510	\$4,986	17.61%	\$13,195,453,997	\$6,547	24.57%
Number of Students	166,112			2,015,468		
Provincial Budget	\$4,702,769,000			\$53,707,000,000		

Review of First, Second, and Third Level Educational Support Services Chart of Accounts Comparison of Total Educational Budgets by Province - 1992/1993						
	Manitoba			British Columbia		
	Expenditures	Expenditures per Student	% of Provincial Budget	Expenditures	Expenditures per Student	% of Provincial Budget
Managerial salaries	\$79,387,302	\$404	1.38%	\$158,040,997	\$292	0.88%
Instructional salaries	\$625,424,988	\$3,181	10.91%	\$1,724,684,118	\$3,192	9.60%
Admin & other salaries	\$133,306,144	\$678	2.33%	\$430,532,660	\$797	2.40%
Employee benefits	\$75,243,864	\$383	1.31%	\$380,405,215	\$704	2.12%
Professional services	\$7,798,937	\$40	0.14%	\$24,615,063	\$46	0.14%
Utilities & communications	\$31,874,232	\$162	0.56%	\$54,509,212	\$101	0.30%
Transportation	\$16,751,934	\$85	0.29%	\$29,657,586	\$55	0.17%
Repairs & maintenance	\$14,184,465	\$72	0.25%	\$46,277,701	\$86	0.26%
Rent, dues, taxes	\$12,885,679	\$66	0.22%	\$19,929,314	\$37	0.11%
Other admin. costs	\$12,004,921	\$61	0.21%	\$54,797,807	\$101	0.31%
Supplies & textbooks	\$57,171,186	\$291	1.00%	\$148,270,061	\$274	0.83%
Minor equipment	\$19,889,036	\$101	0.35%	\$24,374,583	\$45	0.14%
Capital expenditures	\$56,241,817	\$286	0.98%	\$523,729,907	\$969	2.92%
Debt servicing	\$57,407,753	\$292	1.00%	\$264,493,248	\$489	1.47%
TOTAL	\$1,199,572,258	\$6,101	20.93%	\$3,884,317,472	\$7,188	21.63%
Number of Students	196,619			540,390		
Provincial Budget	\$5,732,000,000			\$17,960,351,000		

It is interesting to note that Nova Scotia's managerial salaries are significantly lower than those in the other three provinces. Although further detailed analysis of this data would be informative, it is beyond the scope of this study.

3.5 Analysis of School Board Expenditures by Community and Size of Student Population

In each of the four provinces several school boards were chosen to represent the various regions including:

- urban districts with at least 300,000 people;
- urban districts with at least 25,000 people, but less than 300,000 people; and
- remote and/or isolated districts with less than 25,000 people.

In each of the four provinces, large and small school boards were determined based on the regions' student population. As the population distributions vary from province to province, and region to region, this information is most useful when used to compare school boards within a province, as opposed to using it to compare school boards in two or more provinces.

In many cases there were very few or no school boards in the categories identified above. As a result, these have been left blank on the tables that follow.



Review of First, Second, and Third Level Educational Support Services
 School Board Expenditures - Nova Scotia Total Provincial Expenditures - \$4,606,331,000
 Based on 1992/1993 School Board Fiscal Year Financial Statements

School Board	Expenditures	% of Provincial Budget	# of Students	Expenditures per Student
Urban District > 300,000 People				
Large Boards				
N/A				
N/A				
N/A				
N/A				
Small Boards				
N/A				
N/A				
N/A				
N/A				
Urban District > 25,000				
Large Boards				
Cape Breton District	\$77,871,625	1.66%	18,797	\$4,142
Dartmouth District	\$49,961,539	1.06%	10,875	\$4,594
Halifax District	\$75,986,817	1.62%	14,512	\$5,236
Halifax Co. - Bedford District	\$126,313,652	2.69%	31,215	\$4,046
Small Boards				
Annapolis District	\$17,717,354	0.38%	4,537	\$3,905
Antigonish District	\$19,023,779	0.41%	4,002	\$4,753
Hants West District	\$15,398,630	0.33%	3,454	\$4,458
Yarmouth District	\$13,630,362	0.29%	3,377	\$4,036
Remote/Isolated District				
N/A				
N/A				
N/A				
N/A				

Review of First, Second, and Third Level Educational Support Services
 School Board Expenditures - Ontario Total Provincial Expenditures - \$53,707,000,000
 Based on 1992 Calendar Year School Board Financial Statements

School Board	Expenditures	% of Provincial Budget	# of Students	Expenditures per Student
Urban District > 300,000 People				
Large Boards				
Hamilton District	\$280,707,473	0.52%	37,913	\$7,403
London District	\$300,674,103	0.56%	44,879	\$6,699
Ottawa District	\$260,115,190	0.48%	31,586	\$8,235
Peel District	\$662,150,373	1.23%	90,275	\$7,334
Small Boards				
Dufferin District	\$48,643,020	0.09%	7,152	\$6,801
Lincoln District	\$63,696,513	0.12%	9,110	\$6,991
Middlesex District	\$74,560,814	0.14%	11,114	\$6,708
Ottawa RCSS District	\$78,640,684	0.15%	10,126	\$7,766
Urban District > 25,000				
Large Boards				
Lakehead District	\$125,556,420	0.23%	16,800	\$7,473
Lambton District	\$119,334,182	0.22%	18,420	\$6,478
Peterborough District	\$122,281,926	0.23%	17,223	\$7,099
Sudbury District	\$143,810,267	0.27%	19,260	\$7,466
Small Boards				
Lake Superior District	\$21,612,187	0.04%	2,584	\$8,363
Lambton RCSS District	\$52,709,513	0.10%	7,465	\$7,060
Sault St. Marie RCSS District	\$50,746,811	0.09%	6,839	\$7,420
Timmins District	\$35,630,329	0.07%	4,633	\$7,690
Remote/Isolated District				
Alikokan District	\$6,862,650	0.01%	629	\$10,910
Chapleau District	\$5,810,943	0.01%	444	\$13,087
Hornepayne District	\$2,370,625	0.00%	299	\$7,928
Michipocoten District	\$7,658,367	0.01%	761	\$10,063

Review of First, Second, and Third Level Educational Support Services
School Board Expenditures - Manitoba Total Provincial Expenditures - \$5,732,000,000
Based on 1992/1993 Fiscal Year School Board Financial Statements

School Board	Expenditures	% of Provincial Budget	# of Students	Expenditures per Student
Urban District > 300,000 People				
Large Boards				
Winnipeg District	\$234,880,941	4.10%	28,987	\$8,102
N/A				
N/A				
N/A				
Small Boards				
Norwood District	\$8,568,084	0.15%	1,318	\$6,500
St. James-Assiniboia District	\$58,312,503	1.02%	8,644	\$6,746
St. Vital District	\$55,617,974	0.97%	9,744	\$5,707
Transcona-Springfield District	\$46,277,488	0.81%	7,835	\$5,906
Urban District > 25,000				
Large Boards				
Brandon District	\$39,053,121	0.68%	7,073	\$5,521
N/A				
N/A				
N/A				
Small Boards				
N/A				
N/A				
N/A				
N/A				
Remote/Isolated District				
Duck Mountain District	\$5,833,362	0.10%	892	\$6,539
Frontier District	\$49,797,769	0.87%	4,569	\$10,899
Intermountain District	\$7,692,204	0.13%	1,331	\$5,779
Kelsey District	\$10,793,354	0.19%	1,900	\$5,680

Review of First, Second, and Third Level Educational Support Services
 School Board Expenditures - British Columbia Total Provincial Expenditures - \$17,960,351,000
 Based on 1992/1993 Fiscal Year School Board Financial Statements

School Board	Expenditures	% of Provincial Budget	# of Students	Expenditures per Student
Urban District > 300,000 People				
Large Boards				
Vancouver District	\$302,135,644	1.68%	53,585	\$5,638
N/A				
N/A				
N/A				
Small Boards				
North Vancouver District	\$91,603,856	0.51%	16,369	\$5,596
West Vancouver District	\$32,225,398	0.18%	5,667	\$5,686
N/A				
N/A				
Urban District > 25,000				
Large Boards				
Delta District	\$91,168,471	0.51%	17,224	\$5,293
Kamloops District	\$86,498,631	0.48%	15,772	\$5,484
Langley District	\$97,264,303	0.54%	17,942	\$5,421
Prince George District	\$109,959,094	0.61%	19,183	\$5,732
Small Boards				
Chilliwack District	\$52,106,850	0.29%	9,462	\$5,506
Kitimat District	\$14,568,112	0.08%	2,462	\$5,917
Peace River North District	\$32,010,695	0.18%	5,156	\$6,208
Peace River South District	\$35,488,566	0.20%	5,652	\$6,278
Remote/Isolated District				
Arrow Lakes District	\$6,375,863	0.04%	809	\$7,881
Grand Forks District	\$8,965,813	0.05%	1414	\$6,340
Kettle Valley District	\$4,702,578	0.03%	578	\$8,135
Keremeos District	\$4,764,269	0.03%	650	\$7,329

In Nova Scotia there are no large urban or remote/isolated districts. In Manitoba, Winnipeg is the only large urban centre, while Brandon is the only moderate sized urban centre. In the province of British Columbia, Vancouver is the only large urban centre. Due to these constraints any averages extracted from these figures will be of limited value. However, it is evident from these samples that education in remote/isolated districts is generally more expensive than it is in either of the other two types of districts, sometimes exceeding an expense of \$13,000 per student annually. Ontario, which had a diverse population and geographical area from which to draw a sample, provided the best comparison.



4 Funding Process

The amount and source of educational funding varies greatly from province to province. In this section the manner in which each of the four provinces fund education will be discussed.

4.1 Budget Development and Approval Process by Service Level

All of the provinces follow similar budget development and approval processes. In each instance the individual school boards draft their budgets in accordance with provincial guidelines and regulations, and then forward their budgets to the Ministry where they are then approved.

4.2 Basic Funding Formulae by Province

For comparative purposes the provincial funding formulas will be discussed using the following headings: Source of Financing, General Formula Characteristics, General Formula Rate, Small Board Factor, Isolated Board Factor, Special Education Allowance, and Transportation Grants. The provincial funding formulas are often very complex (some contained logarithmic functions, while specific components could be more than a page in length, total provincial funding sometimes approached 100 pages), and as a result are described for the purposes of this study in general terms. Further analysis is beyond the scope of this study. Operating and capital expenditures are funded and budgeted for separately due to the differing characteristics of each. Operating expenditures relate to the annual costs (direct and indirect) associated with providing basic educational services. Capital expenditures relate to the purchase or construction of assets that have a much longer useful life. These costs may be incurred in the current year but will affect many future years as well. Examples of capital expenditures include the construction of new schools, additions to buildings, and bus purchases to name a few:

Funding for education is comprised of revenues from local government as well as provincial monies. All monies are rolled up to the provincial level, and then allocated to school boards based on pre-determined funding formulae.



Nova Scotia

Source of Financing. Funding for district boards is the shared responsibility of the provincial and municipal governments, with the municipal government's share determined by uniform property assessment figures.

General Formula Characteristics. Students are weighted in student units, with higher grade students having more weight (or value) than lower grade students.

General Formula Rate. This rate is a base set by the province at \$2,685 per student.

Small Board Factor. The general formula's allocated amount is increased for boards with less than 3,500 students.

Isolated Board Factor. Remote school boards in 1992/1993 received an additional \$200,000 each. This allocation was discontinued in 1993/1994.

Special Education Allowance. Additional funding is available for schools which provide these specialized services, and is determined by a complex formula that is currently under review.

Transportation Grants. These grants are based on the weighted funding enrolment, and the school drawing area factor (based on the geographical area from which the student population is taken).

Ontario

Source of Financing. Responsibility for funding is shared between provincial and municipal governments with the province contributing \$5.86 billion. Municipal property taxes account for an additional \$7.98 billion (1994 budget).

General Formula Characteristics. The formula is dependant on a (\$ per student) times (number of students) calculation.

General Formula Rates. These base rates are set at \$4,134 per elementary student, and \$5,066 per secondary student.

Small Board Factor. This part of the funding calculation takes into consideration the number of students per grade, the distance from the nearest school, the overall board enrolment, and the location (if in the north).

Isolated Board Factor. This is considered in the small board calculation.

Special Education Allowance. The school boards receive additional funding of \$290 per student at the elementary level, and \$215 per student at the secondary level for students with special education needs.

Transportation Grants. These are based on the average daily enrolment per square kilometre of area in the school board's district.



Manitoba

Source of Financing. Funding is shared between provincial and municipal governments, with the municipal contribution being based on mill rates (with all farms being exempt).

General Formula Characteristics. The formula is based on calculations involving Eligible Instructional Units (EIU's) which are full time instructional units less non-eligible students.

General Formula Rate. This base rate is set at \$2,640 per student.

Small Board Factor. The funding for small boards is calculated as the lessor of the actual cost of providing the education, or as the result of a complex funding formula.

Isolated Board Factor. Additional funding is available for boards deemed to be in isolated or remote areas.

Special Education Allowance. This funding is based on a coordinator's and a clinician's salary, plus \$8,250 for every severely disabled student, and \$18,960 for every profoundly disabled student.

Transportation Grants. These grants consist of the lessor of 85% of allowable transportation expense, or the sum of a number of calculations based on the type of students transported, and the area in which they are transported.

British Columbia

Sources of Financing. The school boards in this province use a block funding concept, with the province contributing a block of funds and the municipal government contributing the balance.

General Formula Characteristics. This formula considers basic program costs, with the necessary additional funds coming from local municipalities (approximately 10% of provincial funding).

General Formula Rate. Provincial block funding is \$5,782 per student.

Small Board Factor. There are no specific grants for small boards, however, funding for all areas is done on a "step" basis, with a minimum dollar amount guaranteed.

Isolated Board Factor. Dispersion and remoteness factors are considered in the normal allocation process.

Special Education Allowance. There is additional funding available for boards with students who have mild and severe learning disabilities. Provincial funding also accounts for students with mild and severe behaviour disorders.

Transportation Grants. These are based on the previous year's number of daily kilometres (adjusted to account for a school year comprised of 190 days).

4.3 Other Funding Sources

Although other funding sources make up only a small percentage of revenues they are worthy of note. Examples of other funding sources include:

- offshore tuition;
- interest on investments;
- rental of facilities;
- Indian Band education contribution;
- mining revenue; and
- cafeteria income.

5 Conclusion

This study identifies and analyzes the educational expenditures and funding processes for Nova Scotia, Manitoba, Ontario, and British Columbia. It also presents this information in a comparable format based on common definitions and criteria. This accurate and relevant information should assist Indian and Northern Affairs Canada with their negotiations with First Nations organizations for educational support service agreements in the four provinces.



Indian and Northern Affairs Canada

**Review of First, Second, and Third Level
Education support Services in Nova Scotia,
Ontario, Manitoba and British Columbia**

Final Report

December 1, 1994

Indian and Northern Affairs Canada

**Review of First, Second, and Third Level
Education Support Services in Newfoundland,
New Brunswick, Quebec, Saskatchewan and
Alberta**

Final Report

March 31, 1995

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Indian and Northern Affairs Canada

Review of First, Second, and Third Level Education Support Services In Newfoundland, New Brunswick, Quebec, Saskatchewan and Alberta

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1 Introduction

This is the second study designed to provide Indian and Northern Affairs Canada (INAC) with accurate information related to educational funding and expenditures in selected Canadian provinces. The original study was conducted because INAC had signed agreements with First Nations organizations to negotiate sectoral arrangements in Nova Scotia, Ontario, Manitoba, and British Columbia to provide for a variety of second and third level educational support services. In the event that INAC negotiates similar arrangements in Newfoundland, New Brunswick, Québec, Saskatchewan and Alberta a review of educational funding and expenditures was carried out for these provinces.

Uniform educational service level definitions, and the identification of current educational funding allocations and expenditures in the selected provinces, will provide Indian and Northern Affairs Canada with the information needed to eventually negotiate these agreements.

1.1 Objectives and Scope

The specific objectives of this review were:

- to determine workable common definitions for first, second, and third level educational support services for the provinces of Newfoundland, New Brunswick, Québec, Saskatchewan and Alberta;
- to identify and analyze educational financial expenditures for each of the five provinces; and
- to describe the educational funding processes in each of the five provinces.



1.2 Approach

A number of different data sources were used for the purposes of this study including:

- Provincial Budgets;
- Provincial Annual Reports;
- Provincial Revenue and Expenditure Reports;
- Provincial Educational Statistics;
- Literature on Provincial Grants; and
- Provincial Education Ministry Reports.

The information required to complete the analyses presented in this report is contained in a number of different reports and databases. In several cases, complex calculations and manipulations were required to extract the relevant information in order to establish a comparative framework.

While the provincial reports were useful in preparing the financial expenditure information, the provincial contact people were instrumental in developing and approving the educational support service level definitions. Communication with these individuals was ongoing throughout the development of this report, and occurred through telephone conversations and written correspondence.

1.3 Discussion

School fiscal years do not coincide with provincial fiscal years, and as a result, when components of school board and provincial financial statements are combined to determine annual educational expenditures there is some overstatement of expenditures. Expenditure information was arrived at by combining school board and provincial Ministry financial statements. Where possible overstated amounts were removed to ensure that the data in this report reflected annual expenditures. Any remaining overstatement will not be significant in relation to the total expenditures.



Although total educational expenditures varied from province to province, support service expenditures as a percentage of total expenditures were similar. For example first level educational support expenditure percentages for Newfoundland, New Brunswick, Saskatchewan and Alberta were within 6.5% of each other. Québec, which has the largest management base of the five provinces, had an additional variance of 6.5%.

Data for primary and secondary school expenditures at the three support service levels was not available in any of the five provinces studied. However, Québec did have primary and secondary expenditure information for the first level of service.

Education expenditures as a percentage of provincial budget figures (shown in Chapter 3) include revenue obtained at the local government level¹. New Brunswick has the lowest percentage of the five provinces (total provincial expenditures are approximately 15.6% of the provincial budget), while Saskatchewan has the highest of the five provinces (total provincial and municipal expenditures are approximately 21.5% of the provincial budget).

The funding process in each of the five provinces was discussed in detail. With the exception of Newfoundland and New Brunswick where education is the sole responsibility of the province, educational funding is the shared responsibility of both the provincial and local governments. While the provincial funding processes and formulae differ from province to province, they generally take into account factors such as: size of the board, location of the board, type of students (primary, physically disabled, cognitively challenged, etc.), and the cost of transportation.

While the various provincial boards have identified other forms of revenue generation, the resulting dollar amounts are extremely small when compared to total educational expenditures.

¹ Throughout this report the expenditures as a percentage of provincial budget figures are calculated as follows:
(Provincial Funding for Education + Local Funding for Education) / (Total Provincial Budget). Local funding is made up primarily of municipal and regional tax revenues. Newfoundland and New Brunswick do not have a local funding component.



2 Educational Service Definitions

This section describes the three educational support service definitions, and describes how they were developed.

2.1 Development of Common Definitions

Indian and Northern Affairs Canada provided preliminary working definitions for the three levels of educational support services. The definitions used in this study are consistent with the previous study (i.e., the review of education support services in Nova Scotia, Ontario, Manitoba and British Columbia). The first level was described as direct services which are part of a school's day-to-day operations. The second level was described as indirect services which support a school's day-to-day operations (e.g., services provided by the school boards). The third was described as any services which do not impact directly on a school's operations (mainly the governance and policy directions provided by the Ministries of Education). The definitions were discussed with the provincial contacts to ensure their accuracy.

2.2 First Level

First level educational support activities include instructional services, curriculum adaptation, administrative support, and special education.

Educational support service expenditures at the first level include: instructional salaries, utilities and communications, repairs and maintenance, rent, dues, taxes, approximately 65% - 100% of professional services, 88% - 100% of supplies and textbooks, 66% - 88% of other administrative costs (including child care and cafeteria costs), 60% - 80% of administrative and other salaries for four of the provinces studied, and 95% of employee benefits. In the case of Newfoundland it was not possible to differentiate between first and second level administrative and other salary expenditures. As a result these expenditures were fully allocated to the first level.



2.3 Second Level

Second level educational support activities include program adaptation, curriculum design, consultative support, legal support, school evaluations and administration.

Educational support service expenditures at the second level include: transportation, the majority of managerial salaries, approximately 20% - 40% of administrative and other salaries and 5% of employee benefits.

2.4 Third Level

Third level educational support activities are related to the governance of the educational system and include educational programming, policy development, implementation and evaluation.

Educational support service expenditures at the third level include: up to 14% of other administrative costs, up to 3% of employee benefits, up to 13% of managerial salaries, and up to 1% of supplies and textbooks.



3 Findings and Analysis

This section provides detailed information on the five provinces' educational expenditures. The information contained in the tables in this chapter of the report are based on 1992/1993 fiscal year provincial and school board financial statements for Newfoundland, New Brunswick, Québec and Alberta. The 1991/1992 fiscal year was used for Saskatchewan because the 1992/1993 data had not been fully compiled at the time this study was conducted. As inflation was relatively low in the early 1990's the 1991/1992 Saskatchewan figures should be representative of 1992/1993 education expenditures. This assumption was confirmed by a Saskatchewan Ministry of Education representative.

3.1 Provincial Expenditures by Level of Service

After the educational support service definitions were completed, expenditures at each of the three levels were identified and calculated. The results of these calculations, which exclude capital expenditures, minor equipment and debt servicing are displayed in the table below.

Review of First, Second, and Third Level Educational Support Services Provincial Expenditures by Level of Service - 1992/1993								
Province	Newfoundland				New Brunswick			
	Expenditures			Expenditures per Student	Expenditures			Expenditures per Student
	\$	% of Educational Expenditures	% of Provincial Budget		\$	% of Education Expenditures	% of Provincial Budget	
First level of service ²	\$524,023,756	92.28%	14.69%	\$4,303	\$593,663,396	87.01%	13.23%	4,243
Second level of service	\$34,035,165	5.99%	0.95%	\$279	\$74,447,159	10.91%	1.66%	\$532
Third level of service	\$9,831,568	1.73%	0.28%	\$81	\$14,165,352	2.08%	0.32%	\$101
Total	\$567,890,489	100.00%	15.91%	\$4,664	\$682,275,906	100.00%	15.21%	\$4,877

² Newfoundland indicated that overhead costs had been reduced in order to direct more financial resources into classroom instruction.



Review of First, Second, and Third Level Educational Support Services Provincial Expenditures by Level of Service								
Province	Québec (1992/1993)				Saskatchewan (1991/1992)			
	Expenditures			Expenditures per Student	Expenditures			Expenditures per Student
	\$	% of Educational Expenditures	% of Provincial Budget		\$	% of Educational Expenditures	% of Provincial Budget	
First level of service	\$5,027,651,691	83.27%	12.45%	\$4,803	\$852,658,348	89.57%	17.43%	\$4,349
Second level of service ³	\$922,062,310	15.27%	2.28%	\$881	\$89,047,876	9.35%	1.82%	\$454
Third level of service	\$88,150,000	1.46%	0.22%	\$84	\$10,248,505	1.08%	0.21%	\$52
Total	\$6,037,864,001	100.00%	14.95%	\$5,768	\$951,954,729	100.00%	19.46%	\$4,856

Review of First, Second, and Third Level Educational Support Services Provincial Expenditures by Level of Service - 1992/1993				
Province	Alberta			
	Expenditures			Expenditures per Student
	\$	% of Educational Expenditures	% of Provincial Budget	
First level of service	\$2,302,285,954	88.31%	14.48%	\$4,817
Second level of service	\$267,932,258	10.28%	1.68%	\$561
Third level of service	\$36,764,012	1.41%	0.23%	\$77
Total	\$2,606,982,224	100.00%	16.39%	\$5,454

First level expenditures as a percentage of total educational expenditures were between 83.27% and 92.28% in the five provinces studied. Second level expenditures as a percentage of total educational expenditures ranged between 5.99% and 15.27%. The percentage for the third level expenditures ranged between 1.08% to 2.08%, and were almost exclusively attributable to salaries.

³ Québec has the largest management expenditure of any of the provinces studied.

3.2 Primary and Secondary Expenditures by Province

For the purposes of this report, secondary education is defined as the last five years of provincially funded education. Unfortunately none of the five provinces studied had segregated information regarding primary and secondary educational expenditures for all three levels of service. The province of Québec had primary and secondary expenditure information for the first level of service only. In this province 54% of first level expenditures were dedicated to primary education (54% of this province's primary and secondary students are at the primary level).

3.3 Expenditures as a Percentage of Budget, and Per Student

When reviewing this section it should be remembered that total educational expenditures include both provincial and local funding. These expenditures also include capital, minor equipment, and debt servicing.

Review of First, Second, and Third Level Educational Support Services Provincial Expenditures 1992/1993			
Province	Newfoundland	New Brunswick	Québec
Total Educational Expenditure	\$581,482,709	\$698,008,363	\$6,811,713,446
Total Provincial Budget	\$3,568,427,000	\$4,486,200,000	\$40,377,000,000
Expenditures as a % of Budget	16.30%	15.56%	16.87%
Number of Students	121,772	139,900	1,046,776
Total Educational Expenditures per Student	\$4,775	\$4,989	\$6,507

Review of First, Second, and Third Level Educational Support Services Provincial Expenditures		
Province	Saskatchewan 1991/1992	Alberta 1992/1993
Total Educational Expenditure	\$1,049,116,897	\$2,959,488,428
Total Provincial Budget	\$4,891,557,000	\$15,903,000,000
Expenditures as a % of Budget	21.45%	18.61%
Number of Students	196,056	477,981
Total Educational Expenditures per Student	\$5,351	\$6,192

3.4 Chart of Accounts Comparison of Total Educational Budgets by Province

The line by line expenditure comparison is detailed in the following tables.

**Review of First, Second, and Third Level Educational Support Services
Chart of Accounts Comparison of Total Educational Budgets by Province - 1992/1993**

	Newfoundland			New Brunswick		
	Expenditures	Expenditures per Student	% of Provincial Budget	Expenditures	Expenditures per Student	% of Provincial Budget
Managerial salaries	\$14,704,086	\$121	0.41%	\$23,835,690	\$170	0.53%
Instructional salaries	\$397,786,880	\$3,267	11.15%	\$364,082,328	\$2,602	8.12%
Admin & other salaries	\$25,134,888	\$206	0.70%	\$43,099,546	\$308	0.96%
Employee benefits ⁴	\$49,182,150	\$404	1.38%	\$120,479,755	\$861	2.69%
Professional services	\$1,498,451	\$12	0.04%	\$2,937,711	\$21	0.07%
Utilities & communications	\$18,787,731	\$154	0.53%	\$26,294,177	\$188	0.59%
Transportation	\$27,715,673	\$228	0.78%	\$37,456,280	\$268	0.83%
Repairs & maintenance	\$10,467,141	\$86	0.29%	\$8,016,766	\$57	0.18%
Rent, dues, taxes	\$3,533,386	\$29	0.10%	\$5,078,284	\$36	0.11%
Other admin. costs	\$8,392,859	\$69	0.24%	\$36,198,527	\$259	0.81%
Supplies & textbooks	\$10,687,244	\$88	0.30%	\$14,796,842	\$106	0.33%
Minor equipment	\$2,810,653	\$23	0.08%	\$14,588,322	\$104	0.33%
Capital expenditures	\$8,035,374	\$66	0.23%	\$915,550	\$7	0.02%
Debt servicing	\$2,746,192	\$23	0.08%	\$228,585	\$2	0.01%
TOTAL	\$581,482,709	\$4,775	16.30%	\$698,008,363	\$4,989	15.56%
Number of Students	121,772			139,900		
Provincial Budget	\$3,568,427,000			\$4,486,200,000		

⁴ New Brunswick had over \$78 million in employer pension costs. This figure is disproportionate to those found in the other provinces studied.

Review of First, Second, and Third Level Educational Support Services Chart of Accounts Comparison of Total Educational Budgets by Province - 1992/1993						
	Québec			Saskatchewan		
	Expenditures	Expenditures per Student	% of Provincial Budget	Expenditures	Expenditures per Student	% of Provincial Budget
Managerial salaries	\$413,225,193	\$395	1.02%	\$10,195,835	\$52	0.21%
Instructional salaries	\$2,834,419,498	\$2,708	7.02%	\$522,561,745	\$2,665	10.68%
Admin & other salaries	\$857,141,977	\$819	2.12%	\$56,191,231	\$287	1.15%
Employee benefits	\$391,973,889	\$374	0.97%	\$87,390,232	\$446	1.79%
Professional services	\$171,272,987	\$164	0.42%	\$7,716,694	\$39	0.16%
Utilities & communications	\$200,030,632	\$191	0.50%	\$27,800,000	\$142	0.57%
Transportation	\$426,642,595	\$408	1.06%	\$65,470,083	\$334	1.34%
Repairs & maintenance	\$366,654,342	\$350	0.91%	\$66,386,622	\$339	1.36%
Rent, dues, taxes	\$31,164,831	\$30	0.08%	\$4,200,000	\$21	0.09%
Other admin. costs	\$161,109,358	\$154	0.40%	\$69,741,082	\$356	1.43%
Supplies & textbooks	\$184,228,699	\$176	0.46%	\$34,898,600	\$178	0.71%
Minor equipment	\$76,714,360	\$73	0.19%	\$23,393,404	\$119	0.48%
Capital expenditures	\$302,889,696	\$289	0.75%	\$4,843,202	\$25	0.10%
Debt servicing	\$394,245,389	\$377	0.98%	\$68,328,167	\$349	1.40%
TOTAL	\$6,811,713,446	\$6,507	16.87%	\$1,049,116,897	\$5,351	21.45%
Number of Students	1,046,776			196,056		
Provincial Budget	\$40,377,000,000			\$4,891,577,000		



Review of First, Second, and Third Level Educational Support Services Chart of Accounts Comparison of Total Educational Budgets by Province - 1992/1993			
	Alberta		
	Expenditures	Expenditures per Student	% of Provincial Budget
Managerial salaries	\$37,290,251	\$78	0.23%
Instructional salaries	\$1,655,180,055	\$3,463	10.41%
Admin & other salaries	\$222,654,898	\$466	1.40%
Employee benefits	\$197,983,316	\$414	1.24%
Professional services	\$48,416,717	\$101	0.30%
Utilities & communications	\$77,364,154	\$162	0.49%
Transportation	\$138,772,116	\$290	0.87%
Repairs & maintenance	\$35,085,962	\$73	0.22%
Rent, dues, taxes	\$23,303,705	\$49	0.15%
Other admin. costs	\$53,226,161	\$111	0.33%
Supplies & textbooks	\$117,604,889	\$246	0.74%
Minor equipment	\$0	\$0	0.00%
Capital expenditures	\$85,192,199	\$178	0.54%
Debt servicing	\$267,414,005	\$559	1.68%
TOTAL	\$2,959,488,428	\$6,192	18.61%
Number of Students	477,981		
Provincial Budget	\$15,903,000,000		



It is interesting to note that Québec's instructional salaries are significantly lower than those in the other four provinces. Although further detailed analysis of this data would be informative, it is beyond the scope of this study.

3.5 Analysis of School Board Expenditures by Community and Size of Student Population

In each of the five provinces several school boards were chosen to represent the various regions including:

- urban districts with at least 300,000 people;
- urban districts with at least 25,000 people, but less than 300,000 people; and
- remote and/or isolated districts with less than 25,000 people.

In each of the five provinces, large and small school boards were determined based on the regions' student population. As the population distributions vary from province to province, and region to region, this information is most useful when used to compare school boards within a province, as opposed to using it to compare school boards in two or more provinces.

In many cases there were very few or no school boards in the categories identified above. As a result, these have been left blank on the tables that follow.

Review of First, Second, and Third Level Educational Support Services
School Board Expenditures - Newfoundland Total Provincial Expenditures - \$3,568,427,000
Based on 1992/1993 School Board Fiscal Year Financial Statements

School Board	Expenditures	% of Provincial Budget	# of Students	Expenditures per Students
Urban District > 300,000 People				
Large Boards				
N/A				
N/A				
N/A				
N/A				
Small Boards				
N/A				
N/A				
N/A				
N/A				
Urban District > 25,000				
Large Boards				
Avalon Consolidated	\$48,817,840	1.37%	11,235	\$4,345
St John's Roman Catholic	\$80,077,108	2.24%	19,126	\$4,187
N/A				
N/A				
Small Boards				
Exploit's Valley Integrated	\$19,604,207	0.55%	3,565	\$5,499
Exploit's - White Bay Roman Catholic	\$11,349,283	0.32%	2,326	\$4,879
Humber - St Barbe Roman Catholic	\$17,761,559	0.50%	3,634	\$4,888
Western Integrated	\$26,542,079	0.74%	5,749	\$4,617
Remote/Isolated District				
N/A				
N/A				
N/A				
N/A				

Review of First, Second, and Third Level Educational Support Services				
School Board Expenditures - New Brunswick Total Provincial Expenditures - \$4,486,200,000				
Based on 1992 Calendar Year School Board Financial Statements				
School Board	Expenditures	% of Provincial Budget	# of Students	Expenditures per Student
Urban District > 300,000 People				
Large Boards				
N/A				
N/A				
N/A				
N/A				
Small Boards				
N/A				
N/A				
N/A				
N/A				
Urban District > 25,000				
Large Boards				
Fredericton School District 18	\$53,154,753	1.18%	13,515	\$3,933
Moncton School District 2	\$57,308,209	1.28%	14,588	\$3,928
St John School District 8	\$66,353,769	1.48%	15,622	\$4,247
N/A				
Small Boards				
N/A				
N/A				
N/A				
N/A				
Remote/Isolated District				
N/A				
N/A				
N/A				
N/A				

Review of First, Second, and Third Level Educational Support Services
School Board Expenditures - Québec Total Provincial Expenditures - \$40,377,000,000
Based on 1992/1993 Fiscal Year School Board Financial Statements

School Board	Expenditures	% of Provincial Budget	# of Students	Expenditures per Student
Urban District > 300,000 People				
Large Boards				
Chomedey De Laval	\$103,826,569	0.26%	16,567	\$6,264
du Grand Montréal	\$182,841,104	0.45%	30,287	\$6,037
des Mille îles	\$94,680,484	0.23%	19,656	\$4,817
de Montréal	\$556,114,371	1.38%	87,462	\$6,358
Small Boards				
les Écores	\$44,916,606	0.11%	8,024	\$5,598
Laurenval	\$44,887,409	0.11%	7,726	\$5,810
du Sault - Saint - Louis	\$64,114,669	0.16%	11,042	\$5,806
de Verdun	\$28,322,611	0.07%	4,556	\$6,217
Urban District > 25,000				
Large Boards				
des Découvreurs	\$68,910,020	0.17%	11,268	\$6,116
la Jeune Lorette	\$66,379,481	0.16%	11,147	\$5,955
de la Jonquière	\$72,029,640	0.18%	13,107	\$5,496
Trois Rivières	\$40,022,137	0.10%	5,939	\$6,739
Small Boards				
de Dolbeau	\$21,867,484	0.05%	2,312	\$9,458
du Gouffre	\$12,148,565	0.03%	2,149	\$5,653
Laure Conan	\$18,657,498	0.05%	3,012	\$6,194
Sept-îles	\$29,332,788	0.07%	4,206	\$6,974
Remote/isolated District				
de Baie-Des-Chaleurs	\$17,522,269	0.04%	2,605	\$6,726
des Basques	\$13,014,840	0.03%	2,092	\$6,221
des îles	\$15,624,351	0.04%	1,990	\$7,851
de la Tourelle	\$15,221,469	0.04%	2,389	\$6,371



Review of First, Second, and Third Level Educational Support Services
School Board Expenditures - Saskatchewan Total Provincial Expenditures - \$4,891,557,000
Based on 1991/1992 Fiscal Year School Board Financial Statements

School Board	Expenditures	% of Provincial Budget	# of Students	Expenditures per Student
Urban District > 300,000 People				
Large Boards				
N/A				
N/A				
N/A				
N/A				
Small Boards				
N/A				
N/A				
N/A				
N/A				
Urban District > 25,000				
Large Boards				
Regina	\$103,054,164	2.11%	24,315	\$4,238
Regina Roman Catholic	\$43,659,989	0.89%	10,443	\$4,181
St Paul's Roman Catholic	\$58,015,140	1.19%	13,644	\$4,252
Saskatoon	\$91,762,430	1.88%	22,198	\$4,134
Small Boards				
Prince Albert Rural	\$12,888,291	0.26%	1,826	\$7,058
Prince Albert	\$20,572,276	0.42%	3,963	\$5,191
Saskatoon East	\$10,613,362	0.22%	2,025	\$5,241
Saskatoon West	\$13,351,260	0.27%	2,614	\$5,108
Remote/Isolated District				
Davidson	\$5,694,631	0.12%	982	\$5,799
Gull Lake	\$4,079,292	0.08%	655	\$6,228
Kerrobert	\$7,519,716	0.15%	1,295	\$5,807
Oxbow	\$6,432,547	0.13%	1,192	\$5,396

Review of First, Second, and Third Level Educational Support Services				
School Board Expenditures - Alberta Total Provincial Expenditures - \$15,903,000,000				
Based on 1992/1993 Fiscal Year School Board Financial Statements				
School Board	Expenditures	% of Provincial Budget	# of Students	Expenditures per Student
Urban District > 300,000 People				
Large Boards				
Edmonton School District #7	\$415,208,935	2.61%	72,721	\$5,710
Calgary School District #19	\$516,364,071	3.25%	91,923	\$5,617
N/A				
N/A				
Small Boards				
Calgary RCSSD #1	\$170,597,438	1.07%	31,875	\$5,352
Edmonton RCSSD #7	\$169,946,941	1.07%	28,903	\$5,880
N/A				
N/A				
Urban District > 25,000				
Large Boards				
Medicine Hat School District #76	\$33,549,045	0.21%	6,353	\$5,281
Red Deer School District #104	\$46,327,067	0.29%	8,357	\$5,544
Lethbridge School District #51	\$44,070,034	0.28%	7,704	\$5,720
Ft McMurray School District #2833	\$32,473,074	0.20%	4,355	\$7,457
Small Boards				
Grande Prairie School District #2357	\$28,617,313	0.18%	4,547	\$6,294
Red Deer RCSSD #17	\$15,777,320	0.10%	2,968	\$5,316
St Albert School District #3	\$24,606,599	0.15%	4,100	\$6,002
Lethbridge RCSSD #9	\$15,846,902	0.10%	2,820	\$5,619
Remote/Isolated District				
County of Paintearth School District #18	\$6,385,562	0.04%	883	\$7,231
County of Two Hills School District #21	\$5,032,673	0.03%	625	\$8,052
County of Thorhild School District #7	\$4,401,572	0.03%	633	\$6,954
County of Forty Mile School District #8	\$7,177,600	0.05%	956	\$7,508

In Newfoundland there are no large urban or remote/isolated districts. The Humber Board in this province is listed as a small urban district because Cornerbrook along with its neighboring communities has a combined population of slightly more than 25,000. New Brunswick does not have any large urban or remote/isolated districts. In the province of Saskatchewan there are no large urban centres. The Prince Albert Rural Board in this province is noteworthy due to the fact that it has greater expenditures than any other board its size. Due to these constraints any averages extracted from these figures will be of limited value. However, it is evident from these samples that education in remote/isolated districts is generally more expensive than it is in either of the other two types of districts, sometimes exceeding an expense of \$8000 per student annually. Québec which had a diverse population and geographical area from which to draw a sample, provided the best comparison. Québec's Dolbeau district is noteworthy due to the fact that it has dramatically higher transportation expenditures than any other board its size.



4 Funding Process

The amount and source of educational funding varies greatly from province to province. In this section the manner in which each of the five provinces fund education will be discussed.

4.1 Budget Development and Approval Process by Service Level

All of the provinces follow similar budget development and approval processes. The individual school boards draft their budgets in accordance with provincial guidelines and regulations and forward their budgets to the Ministries for approval.

4.2 Basic Funding Formulae by Province

For comparative purposes the provincial funding formulas will be discussed using the following headings: Source of Financing, General Formula Characteristics, General Formula Rate, Small Board Factor, Isolated Board Factor, Special Education Allowance, and Transportation Grants. The provincial funding formulas are often very complex, and as a result are described for the purposes of this study in general terms. Further analysis is beyond the scope of this study. Operating and capital expenditures are funded and budgeted for separately due to the differing characteristics of each. Operating expenditures relate to the annual costs (direct and indirect) associated with providing basic educational services. Capital expenditures relate to the purchase or construction of assets that have a much longer useful life. These costs may be incurred in the current year but will affect many future years as well. Examples of capital expenditures include the construction of new schools, additions to buildings, and bus purchases to name a few.

With the exception of Newfoundland and New Brunswick funding for education is comprised of revenues from local and provincial sources. All funds are rolled up to the provincial level, and then allocated to school boards based on pre-determined funding formulae.



Newfoundland

Source of Financing. Funding for district boards is the sole responsibility of the province. Prior to June 30, 1992 it had been jointly funded through the province and local taxation.

General Formula Characteristics. Calculations on specific expenditure areas such as administration and instruction are calculated for each board and are then summed in order to determine board funding levels. Boards are expected to budget based on this global figure.

General Formula Rate. Funding for instruction is calculated as a sum of several components including, but not limited to, a per pupil grant of \$75 and block funding calculated based on the number of schools multiplied by the allowance per block.

Small Board Factor. There is no specific allowance for this area. The teacher staffing guidelines take into account the diseconomies of scale often experienced by small boards.

Isolated Board Factor. Northern salaries and benefits, where applicable, are added to the funding allocation. Funding for transportation (which is often more expensive in isolated areas) is based on actual expenditures.

Special Education Allowance. There is a special allocation designed to support programs for severely handicapped children. There is also approximately \$5 million dedicated to a Teacher Aide program designed to assist with the integration of disabled students into the regular school system.

Transportation Grants. Both board-owned and privately contracted transportation services are funded at 100% of actual cost.

New Brunswick

Source of Financing. Funding for district boards is the sole responsibility of the province.

General Formula Characteristics. The formula is dependant on the number of students with some adjustments made for various thresholds (i.e., funding per student for supplies on a per pupil basis decreases after the first 1000 students are assessed).

General Formula Rate. There is no predetermined base rate per student in this province.

Small Board Factor. Funding for instructional materials and supplies, and facilities and equipment are provided at one of two rates depending on student enrolment. This funding process recognizes the economies of scale that can be achieved in larger schools.

Isolated Board Factor. This is not an identified area of consideration for school funding in this province.

Special Education Allowance. There is a complete special needs budget, which includes all expenditures including salaries, that is allocated to each school district.



Transportation Grants. These are based on past utilization rates with adjustments for inflation and approved estimates of kilometres travelled in the upcoming year.

Québec

Source of Financing. Responsibility for funding is shared between provincial and municipal governments with the province contributing \$5.98 billion, and the municipal governments contributing \$680 million.

General Formula Characteristics. The formula is based on a (\$ per student) times (number of students) calculation which is board specific. The general formula consists of a base allowance, supplementary allowance (to cover child care etc.) and a specific allowance (to cover expenditures on computers etc).

General Formula Rate. Each school board has its own student assessment formula.

Small Board Factor. This element is calculated within the base allowance section of the general formula described above.

Isolated Board Factor. This is also factored into the general formula, and the adjustment varies by the type of expenditures incurred at each school board.

Special Education Allowance. This allocation is based on two categories of students, difficult and handicapped, and is determined on a board by board basis. The total allocation for difficult students was \$303 million, while \$73 million was dedicated to handicapped students.

Transportation Grants. These grants are determined by the provincial Minister of Transportation on a board by board basis. The calculation uses the actual expenditure from 1983/84 and then adds an incremental amount for inflation for every year after this base year.

Saskatchewan

Sources of Financing. Funding for district boards is the shared responsibility of the provincial and municipal governments.

General Formula Characteristics. The formula takes into consideration all recognized expenditures and expected revenues.

General Formula Rate. The province has base rates for four designated groups: kindergarten, elementary level, middle level, and secondary level. The funding amounts for these four designated groups also differ depending on the location of the school board (rural versus urban). The funding levels for rural schools are slightly higher.

Small Board Factor. Recognition for this funding is based on the number of students below a standard grade size. The maximum allocation can only be obtained if the schools are over 30km apart.

Isolated Board Factor. The degree of isolation is considered within the basic program calculation.

Special Education Allowance. Designated Disabled Pupil Funding (DDPF) consists of two levels with the second level serving those students with more severe disabilities. All funds are approved by the Special Education Branch of the Department of Education. Special Needs Program Funding (SNPF) is also available and is based on the number of special education staff supporting students at the two levels.

Transportation Grants. Rural transportation is recognized on a student and per kilometre basis. Special education transportation is factored separately and must be approved by the Regional Director.

Alberta

Sources of Financing. Funding for district boards is the shared responsibility of the provincial and municipal governments, with the province contributing approximately \$1.65 billion. Municipal taxes account for an additional \$1.21 billion.

General Formula Characteristics. The provincial funding is directed primarily into one of three areas: basic instruction for student grants, student transportation grants, and school capital or debt retirement.

General Formula Rate. Approximately 60 cents of every dollar contributed by the provincial government are allocated to elementary, junior and senior high school students.

Small Board Factor. This component is addressed by the Fiscal Equity Grant described in the next section.

Isolated Board Factor. The Fiscal Equity Grant assists a jurisdiction with a sparse population which is located in a remote area of the province. This assistance is in the form of increased allocations per student.

Special Education Allowance. School jurisdictions receive additional funding for each "severely handicapped funded resident" student in excess of the provincial average.

Transportation Grants. Rural transportation is based on bus size, distance travelled and the number of students transported.

4.3 Other Funding Sources

Although other funding sources make up only a small percentage of revenues they are worthy of note. Examples of other funding sources include:

- offshore tuition;
- interest on investments;
- rental of facilities;
- Indian Band education contribution;
- mining revenue; and
- cafeteria income.



5 Conclusion

This study identifies and analyzes the educational expenditures and funding processes for Newfoundland, New Brunswick, Québec, Saskatchewan and Alberta. It also presents this information in a comparable format based on common definitions and criteria. The findings in this report are comparable to those found in the original INAC education report on the provinces of Nova Scotia, Ontario, Manitoba and British Columbia.