

EDUCATION FUNDING MODELS IN CANADA

*Patterns of
Similarity and
Details of Difference*



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Executive Summary

Constitutional responsibility for education in Canada rests wholly with each individual province. The level of funding and how funds are distributed vary between provinces. This technical report begins with an analysis of general funding patterns and the elements that drive them. Equity is a central intention built into Canadian funding models, although how best to achieve this is the subject of contestation. Funding decisions have become increasingly centralized in provincial governments, resulting in a decline in the autonomy of school boards, with boards in some provinces being eliminated altogether. Property taxes are a decreasing source of funding, with provincial revenue from other taxation making up a greater proportion.

Next comes a brief analysis of political and social factors influencing public education and how it is funded, including a neoliberal ideology, competition with other public services, and the impact of public-school advocates as major determinants of funding and allocation patterns.

Third, this report compares education funding across the provinces.

Finally, it depicts how much funding is provided and how funding is distributed, by summarizing the funding models used for K-12 education in each province. Those models provide frameworks for the allocation of funding that is distributed to the authorities who administer education, typically school boards. They do not evaluate the (in)adequacy of funding.

The report finds that most provinces fund education on a per-student basis, and only the provinces with the smallest number of students have cost-based education funding. Funding for the inclusion of students with special needs is a source of particular contention in many provinces and currently two competing models exist: a model based on the identification of specific and individual student needs and one based on a statistical model estimating the likely prevalence of special needs within school districts. Both models are currently used, and discussions of their appropriateness are ongoing. Half of the provinces directly fund private schools and three fund Catholic schools. Other forms of privatization within the public-school system are increasingly common. Every province gives school boards and schools the right to fundraise using techniques such as international student tuition fees, revenue-generating academies, and school building fundraising by parents and students.

Sommaire de gestion

La responsabilité constitutionnelle pour l'éducation au Canada repose entièrement sur chaque province individuelle. D'autre part, le montant des fonds et la manière dont ceux-ci sont distribués varient d'une province à l'autre. Ce rapport technique commence par une analyse de tendances générales pour le financement ainsi que des facteurs qui sous-tendent ces tendances. Pour le financement au Canada, l'équité est un objectif central, quoique la meilleure manière d'atteindre cet objectif fasse l'objet de contestations. Dans les gouvernements provinciaux, les décisions de financement sont devenues de plus en plus centralisées, avec comme résultat le déclin de l'autonomie des conseils scolaires, au point où l'on a complètement éliminé certains d'entre eux dans quelques provinces. Les impôts fonciers sont une source décroissante de revenus et d'autres sources provinciales deviennent proportionnellement plus importantes.

Il s'ensuit dans ce rapport une brève analyse des facteurs politiques et sociaux influençant l'éducation publique et la manière dont on la finance. Parmi ces facteurs, il y a des déterminants majeurs de tendances pour le financement et la répartition des fonds tels que l'idéologie néolibérale, la compétition avec d'autres services publics et l'impact des défenseurs des écoles publiques.

Troisièmement, le rapport compare le financement de l'éducation d'une province à l'autre.

Finalement, il porte sur le montant et la répartition des fonds en passant en revue les modèles utilisés pour l'éducation primaire et secondaire dans chaque province. Ces modèles pour répartir les fonds servent de guides pour les autorités—typiquement les conseils scolaires—responsables de l'éducation. Ces modèles cependant ne permettent pas d'évaluer si le niveau du financement est adéquat ou non.

Le rapport observe que la plupart des provinces financent l'éducation sur la base du nombre d'étudiants, et que seules les provinces avec le plus petit nombre d'étudiants comportent un financement pour l'éducation basé sur le coût global. Dans plusieurs provinces, les dépenses pour accommoder les étudiants ayant des besoins particuliers sont une source particulière de différends, et il y a présentement deux modèles qui rivalisent entre eux : un modèle basé sur l'identification des besoins spécifiques et individuels des étudiants et un autre basé sur un modèle statistique estimant l'étendue probable de besoins spéciaux dans un district scolaire. Actuellement, les provinces utilisent chacun de ces modèles tout en continuant de discuter de la pertinence de l'un et de l'autre. D'autre part, la moitié des provinces financent directement les écoles privées et trois d'entre elles financent des écoles catholiques publiques. D'autres formes de privatisation au sein du système des écoles publiques deviennent de plus en plus répandues. Enfin, chaque province accorde aux conseils scolaires et aux écoles le droit de lever des fonds en recourant entre autres aux frais scolaires d'étudiants internationaux, aux académies génératrices de profit et aux levées de fonds menées par les parents et les étudiants pour la construction d'immeubles scolaires.

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Introduction

Education in Canada is valued for its many purposes—social, economic, cultural, and individual development. How those values get translated into education programs and institutions is influenced significantly by the level of resources provided and how those resources are allocated. The allocation of resources is the role of education funding models, and that is the focus of this paper. It examines the similarities, as well as the concrete differences, across the provinces.

In the Canadian Constitution, each province has authority over its own education system. No direct role exists for the federal government, except in the case of Indigenous students registered under federal legislation. Despite the lack of a national education authority or ministry, some common patterns exist in education across provincial jurisdictions. These similarities result from a combination of political and ideological tendencies, economic trends, and, increasingly, the influence of global institutions, particularly the Organization for Economic Cooperation and Development (OECD).

The details of specific provincial funding models change over time. Formulas are often tweaked to respond to specific changes in the education environment or effective political lobbying, without changing the basic design of the formula. More fundamental but less frequent change may result from structural changes, such as expanding services like adding Kindergarten as a full time offering or redesigning the nature of services to students with special needs. The election of a new government with a different political philosophy or ideology may also trigger a significant change in both funding levels and funding model. These processes of change mean that the specific details of the provincial models discussed in this report are relative to early 2020 and subject to change over time.

Different provincial ministries have different mandates and breadth of mission or scope. Some ministries, for example, include childcare or some element of post-secondary, such as the Collège d'enseignement général et professionnel (CEGEPS) in Quebec. For the scope of this report, only K-12 education is analyzed. See Figures 1–3 for data on enrolment, per-student funding, and the percentage of gross domestic product (GDP) spent on K-12 education in each provincial system.

Patterns in Canadian Education Funding

Equity

Whatever the criticisms of the OECD's Programme for International Student Assessment (PISA), one interesting result consistently reported is that Canada has one of the most equitable education results. This equity is based on the degree of disparity between higher scoring and lower scoring students, which is low in Canada, as well as the degree of correlation between socioeconomic status and PISA scores, on which Canada also scores low.

That relative equity is probably the result of several factors, one of which may be effectiveness of education funding models. Equity, of course, does not mean that the same amount of funding goes to each student; rather, funds are allocated based on need and circumstance. For example, a student living in a rural area may require more allocated resources to access the same courses as a student living in an urban area of the same province. Similarly, a student with special needs may require additional support to have an equivalent chance for success. Funding formulas across Canada include some form of equalization to account for this need for equity. However, obviously, there is no ideal formula yet.

Although the Federal government has no direct role in funding education, the equalization provisions of the Constitution contribute to equity for students across provinces as well as within provinces. The Constitution states "Parliament and the government of Canada are committed to the principle of making equalization payments to ensure that provincial governments have sufficient revenues to provide

reasonably comparable levels of public services at reasonably comparable levels of taxation.”⁵ The equalization payments allow less wealthy provinces to provide somewhat comparable education services, although each province has full autonomy to decide how their payments are spent.

The Federal government does provide additional funding for minority language programs, according to whether the minority is French or English. This is to support the principle that students have a right to education in their first language, if it is one of the two official languages of Canada.

Centralization of Funding: Reduced Role of Property Tax and Elected School Boards

Historically, education funding was derived primarily from property taxes, with local school boards setting the budget and taxation rates on local property. This gave school boards significant autonomy.

However, this dependence on property taxes leads to inherent inequity as a result of disparate revenues between the provinces. Communities with high property values produce more funds and can consequently spend more on education. The inequality that such a model creates can be seen in the US education system, where schools in urban areas, where students have more education needs, receive significantly less funding than schools in affluent suburban areas.

Provincial finance formulas take this into account and governments provide additional funding from other general revenue to balance the inequities, to varying degrees. As the proportion of funding that comes from local tax revenues decreases, provinces have increasingly adopted more authority, leaving local school boards with less autonomy. While some school districts still generate funding directly from property tax, British Columbia, for example, now collects “school tax” on local property through municipalities, but directs those funds to provincial general revenue, which in turn funds school districts.

This funding model trend has limited the role and autonomy of school boards, with funding formulas now directing many of the expenditure decisions once made by boards. School trustees in British Columbia, for example, say that they only really have discretion over about 3% of their budget.

As provinces have taken more control of education funding and policy, the role and even existence of elected school boards has changed. Several provinces have amalgamated boards into a smaller number of boards covering larger areas, while others (including Nova Scotia and Quebec) have replaced school boards with advisory committees.

Basis of funding: Mandate-Based, Cost-Based, or Per-Student Funding

A mandate-based funding model would define the services that are expected of the schools, and then determine the cost of providing those services. It would engage the community in some way to examine social expectations, assess what kinds and level of services would meet those expectations, and how much those services would cost. A broad examination of this type often takes the form of a Royal Commission or equivalent process—although Royal Commission recommendations are not always followed, and the link between expectations and costs is not always addressed. Ideally, the process of examining mandates and calculating costs would be an ongoing process. In fact, it seldom happens.

The reality is that models are more often based on current expenditures and related incremental changes. One version of this is a cost-based system that considers the cost from the previous year and changes that affect that cost, such as inflation or other factors, and provides that amount of funding, which is usually an increase from the previous year. While this was a common practice in the past, only two provinces currently use a cost-based system, although changes in costs are probably considered in any system.

Per-student funding has become the standard approach in most provinces. In this approach, the province sets an amount per student for expenditures, and the funding comes from the province or a combination of the province and local property tax. In addition to a base per-student amount, additional funding may

be provided based on the characteristics of students, staff, schools, and community. These additional amounts are the basis of funding equity.

Student characteristics that generate additional funding, depending on the province, include identified special needs, Aboriginal ancestry, and no English or French language skills. Staff characteristics that affect additional funding include qualification levels that affect salaries and collective agreement provisions that the province agrees to fund. District and community characteristics that influence additional funding amounts include bussing practices where students are bussed, for example, from rural districts to other areas, the size of the school district, and dispersion of schools within a geographically large district.

This trend toward per-student funding is a result of several factors.

First, as provincial governments assume more responsibility for funding, they in turn want to have more control over expenditure. If school districts determine how much will be spent on providing services in a cost-based system, they can directly influence the provincial budget. Provincial control in a cost-based system is possible, but it requires multi-level negotiation to determine what costs should be funded.

Second, per-student funding is a simple model and is therefore easy for the province to administrate. And third, in cases of austerity or cuts to education budgets, per-student funding pushes the difficult decisions on how to allocate funding to school boards, and so provinces avoid having to take responsibility for unpopular decisions.

Macro-planning is another trending model. In this approach, governments produce rolling estimates of future levels of expenditure according to Auditors General and general accounting practices. This model focuses on expenditure levels rather than educational service, and amounts are generally determined by finance ministries rather than education ministries. As a result, the province's education budget and the projected number of students are considered to determine the per-pupil funding. This model overlooks the complications of determining what education services are mandated and how much really needs to be spent on them. The OECD has produced studies favoring the macro-planning process.

Inclusion: Identification, Targeting, or Prevalence Models

The inclusion of students with special needs is an increasing trend in Canada and elsewhere. Over the past thirty years, the "mainstreaming" approach (moving students with special needs into general rather than special schools) progressed to an "integration" approach (moving students with special needs into regular classes from special classes), which eventually made way for an "inclusion" approach (fully including all students in the activities of the classroom). These are broad descriptions of these general approaches—all have implications for funding because in terms of equity, they recognize that some students require more educational resources than others.

Extra resource needs are generally determined by formally identifying the special needs of a student and identifying the resources that would best meet those needs. The province determines how much funding that special need requires, in general, and provides funding based on that formula. The designated amount of funding is then provided to the school district, but the district and school have discretion on how that funding is spent, i.e., they do not necessarily have to allocate that amount to a specified service for the designated student.

Several provinces have adopted an alternative approach based on "prevalence" (see Table 1). Using this method, the province looks at statistical factors that it claims reflects the general experience rather than identified needs. These factors may include demographic and health data available from sources outside education. Funding to support students with special needs is then provided to the school district on a statistical basis. The district and the school then determine which students are entitled to extra support and resources, without providing documentation to the province to indicate that specific students have been identified with specific diagnosis or needs.

Table 1. Funding Models Used for Inclusion by Province

Province	Model
Saskatchewan	Prevalence
Ontario	Prevalence
New Brunswick	Prevalence
Alberta	Prevalence plus additional supplement
Manitoba	Identification
Newfoundland & Labrador	Identification
Quebec	Identification
Prince Edward Island	Identification
British Columbia	Identification (prevalence model being proposed)
Nova Scotia	Currently revising funding formulas

Targeting of Funding

Some provinces require school boards to spend at least the allocated special needs funding amount on special education services in total. Commonly, special needs funding is not sufficient to meet actual needs, and districts spend more than the designated funds to provide the necessary services, whether required by the province or not.

A province may designate specific funds to be spent on a particular group of students or activity. For example, in British Columbia Aboriginal education funding is targeted, requiring a district to spend a specified amount of additional funding to provide support to students who self-identify as Aboriginal. These funds must be fully expended and must not be spent on students other than those identified as Aboriginal.

Language Protection: Federal French and English Funding

As English and French are the two official languages in Canada, federal funding is allocated to the preservation of and instruction in both. Funding is distributed to provinces from the federal government, under the *Protocol for Agreements for Minority-Language Education and Second-Language Instruction*. Over the last few years, the federal government has allocated more than \$235 million annually to provinces and territories for English and French language instruction.

The purpose of this funding is as follows:

- Members of official language minority communities in each province or territory have opportunities to be educated in their own language;
- Residents of each province or territory have opportunities to learn English or French as a second language; and
- All Canadians have opportunities to learn more about the cultures associated with the French or English language.

The terms “minority language” and “second language” are often used when referring to Canada’s two official languages. Each province/territory has an agreement with the federal government to specify which is the minority language and which is the second language. Provinces and territories have responsibilities related to minority and second language teaching and learning, including defining objectives, content,

setting priorities, and evaluating minority-language education and second-language instruction programs.

The *Protocol for Agreements for Minority-Language Education and Second-Language Instruction* is currently under negotiation with the Minister of Canadian Heritage and the Ministers of Education.

Impact of Collective Bargaining

All teachers and most non-teaching support staff in public schools in Canada are represented by unions that enter into collective agreements. These agreements set out salaries and benefits of employees and include provisions that have an impact on working conditions, all of which have a significant impact on funding requirements. Often the provisions of collective agreements will cover 80% or more of educational expenditures.

When school districts were funded significantly by locally determined property taxes, collective agreements were generally negotiated locally between school boards and teacher and employee unions. However, as provincial general revenues become an increasing source of funding, provincial governments have weighed in more heavily on collective bargaining. In some provinces, all terms that have an impact on costs are negotiated provincially. In others, a provincial framework is set by the province for expenditures, with local boards and teachers negotiating within that framework.

Increasing Uses of Technology

Digital technology is increasingly pervasive in the education system. Wi-Fi enabled communication networks are an expectation in schools. What's more, student data are increasingly held in digital form with access given to schools, districts, provinces, and parents. In addition to hardware, software, and network needs, security and privacy require significant resources, resulting in the need for a centralized technology provision.

Technology costs are subsidized by a range of provincial and local forms of financing, as well as parent and family fundraising and resourcing.

Online, distributed learning is seen by some as a way of limiting costs. Online courses are funded at a lower level than classroom-based courses in some provinces and a higher number of students are allocated per teacher to reduce costs. Ontario is proposing to require all students to take two courses online to be eligible for graduation.

Private Schools with Public Funding

Five provinces provide funding to private (sometimes called "independent") schools: British Columbia, Alberta, Saskatchewan, Manitoba, and Quebec. While private schools receive less funding than public schools on a per-student basis, it amounts to hundreds of millions of dollars in some provinces.

In provinces that provide public school funding, private schools are often secular and expensive elite schools. However, most private schools have a faith or religious base, including, most notably, Catholic (in provinces that do not have public Catholic systems) and Protestant Christian schools, and to a lesser extent Sikh, Muslim, and Jewish schools.

Alberta, Saskatchewan, and Ontario fully fund separate, but public, Catholic schools.

Privatization as an Alternative Source of Funding: International Students, Parent Fundraising

International students have become a major source of funding in some provinces. International student tuition is considerably higher than the amounts that governments allocate for domestic students. The

additional funds generated from international students then subsidizes the education of Canadian students, providing services not otherwise financed by governments. This source of funding increases the inequities faced by Canadian students because urban areas attract more international students, and therefore benefit more than districts located in rural areas.

Another significant source of funding is school communities, through parent fundraising activities and, in some cases, direct financial contributions made by parents, and sometimes through charitable foundations created by school districts. Fundraising is seen as a way to create greater equity for students and to address child poverty. However, the onus is then placed on teachers, administrators, and communities to address issues of equity and poverty, with unintended consequences. Fundraising and commercial partnerships risk school autonomy and often exacerbate inequalities between students. Funds are often raised for school trips, library books, athletic programs, and technology. The ability of some schools to fundraise higher amounts or to strike more profitable partnerships raises considerable issues of inequity.

Teachers also subsidize education directly by supplying classroom materials, supporting sports and extra-curricular activities, and supporting students in need, such as providing food and clothing for students.

All these forms of privatization work against public schools' equity mandate, because school resources are influenced by communities' circumstances rather than the needs of the students.⁶

Charter Schools

Charter Schools are schools that receive public funding but are governed by private groups, not public bodies. Only Alberta currently has charter schools, but other provinces have considered proposals.

The Quant: Amount of Funding as it Relates to Funding Models

A funding model determines how funds are distributed, but not how much funding there is to distribute. Funding amounts are political—how much revenue will be raised through the mill rate on property tax and/or how much of the provincial general revenues will be allocated to education.

Elections can significantly impact the amount of funding allocated to education, as seen recently in Alberta and Ontario and elsewhere over the years. Sometimes, governments must change their funding model because the existing model only works with a certain level of funding that a new government is unwilling to provide. This could involve substantial changes or a minor adjustment to some element of a formula.

Impact of Inflation

Inflation is a factor built into our economy, but governments may or may not include it in their funding models, which obviously impacts how well funding helps to maintain services. However, inflation in education costs may not necessarily reflect economic inflation as a whole. Statistics Canada once maintained a separate Education Inflation Index that provided comparative information. However, the index was suspended in 2004 so there are no current data available specific to education inflationary costs.

Political and Social Factors Influencing Education Funding

Both the amount of funding available to districts and the funding allocation model used by the government are influenced by a range of political and social factors, some of which are identified here.

Neoliberal Political Ideology

Neoliberal ideology supports a limited role for government, the privatization of services, and privileging individual "choice" and competition over collective decisions about the common good. These ideas serve

those who want to impose austerity in funding as well as those promoting the privatization of public services.

The Global Campaign for Education estimates that the total education expenditures globally for 2019 are about \$4.7 trillion⁷, with the majority of that coming from public funding. This represents an attractive target for those who seek to profit from privatization.

That privatization sometimes comes in the form of funding of private schools instead of public schools. It can also take the form of privatization *within* schools, including user fees, parent fundraising, and specialized programs such as “academies” (elite programs with additional fees).

Open boundaries with students choosing schools outside their neighbourhood and publicly funded Charter schools are examples of ways that neoliberal individualist ideas are introduced within the public system.

Development of “Human Capital” as the Purpose of Education

The OECD has become the most influential actor in education globally and its framework for analysis and recommendations is based on the narrow view that the primary purpose of education is the development of “human capital.” This shouldn’t be surprising, since the purpose of the organization itself, reflected in its name, is economic development. Even its new focus on social-emotional learning is based on its importance in creating more effective workers in the formal economy. Other social and cultural objectives take, at best, second place in determining what makes an effective school system.

Competition with Other Public Services

The demographic in Canada is changing, with an aging population and decreasing percentage of school-aged people. This puts political pressures on the government to provide services. Health care in Canada now accounts for a larger share of government expenditure than before, and education spending has consequently decreased. With the exception of Quebec, childcare provisions for pre-school are primarily financed privately, and there is considerable pressure to have more of these costs covered as public services.

Advocacy in Support of Public Education

In the face of neoliberal ideology and competition with other services, adequate funding for public education requires ongoing advocacy. Those who work in the system are obvious advocates, but they need the support of parents and other members of the public who value the democratic and equity-focused mandate of public education to ensure adequate resources are distributed through the education funding model in each province.

Provincial Comparison Overview Maps

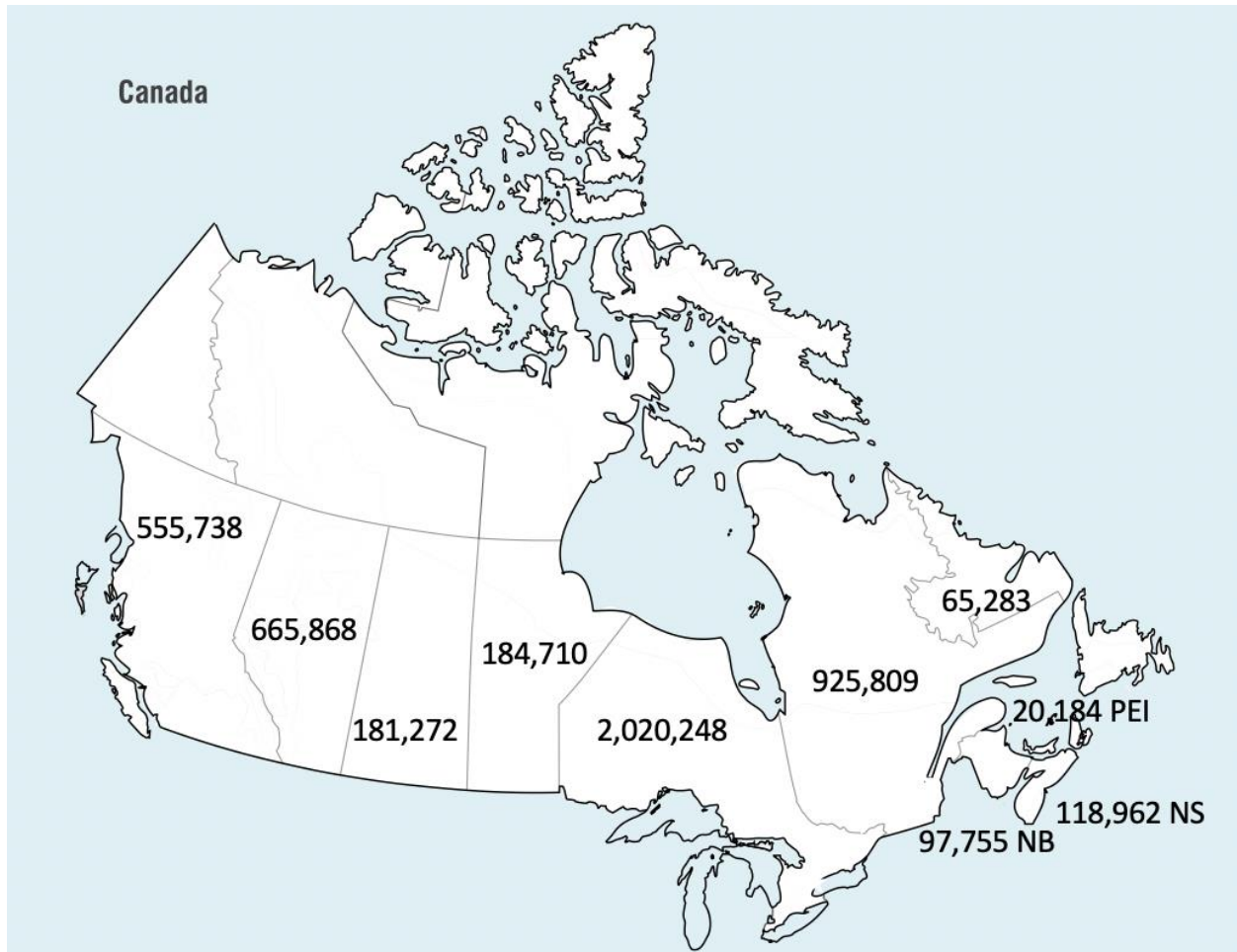


Figure 1. Enrollment by Province

Source: Duffin, Statista¹

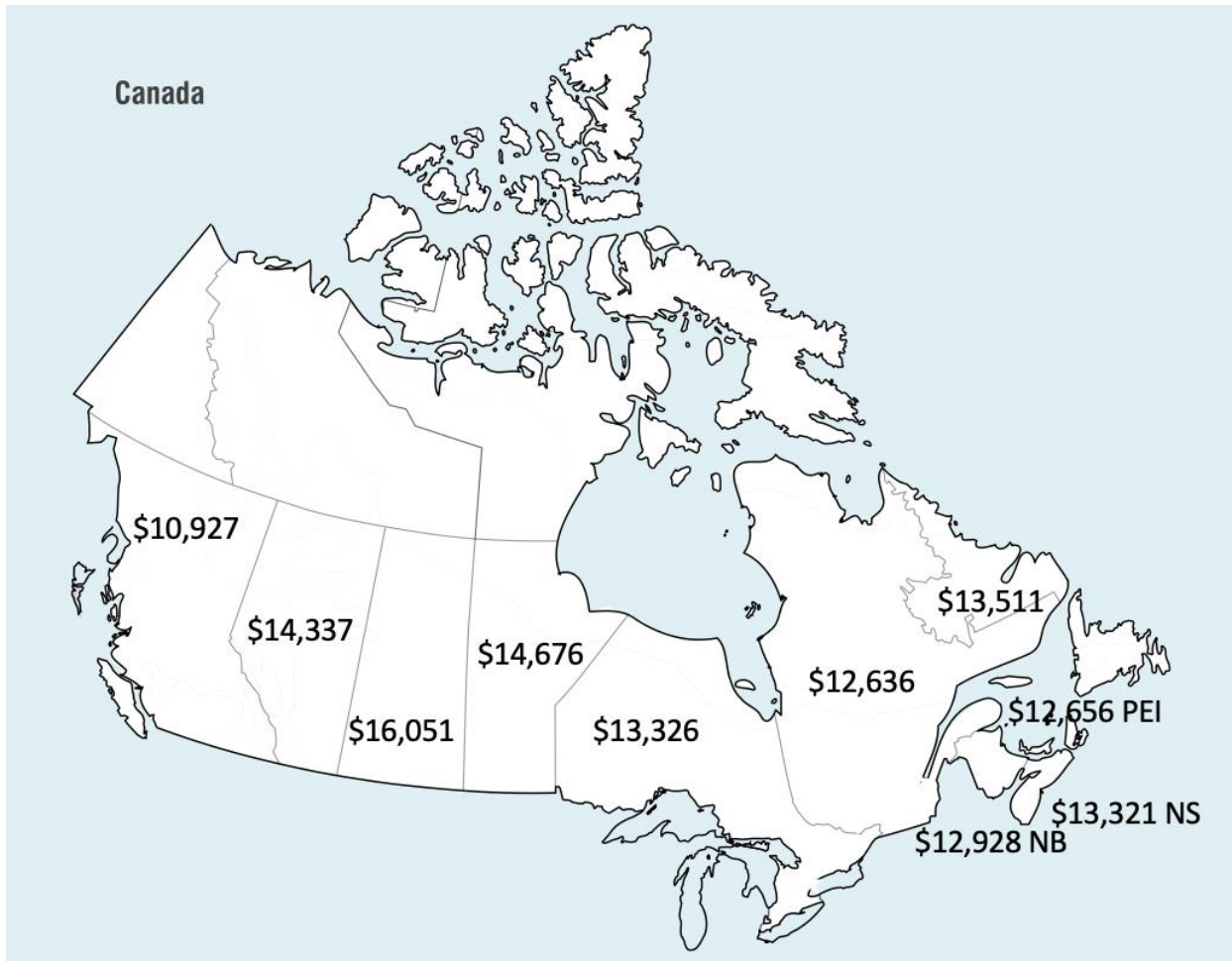


Figure 2. Funding by Province

Source: Statistics Canada^{2,3}

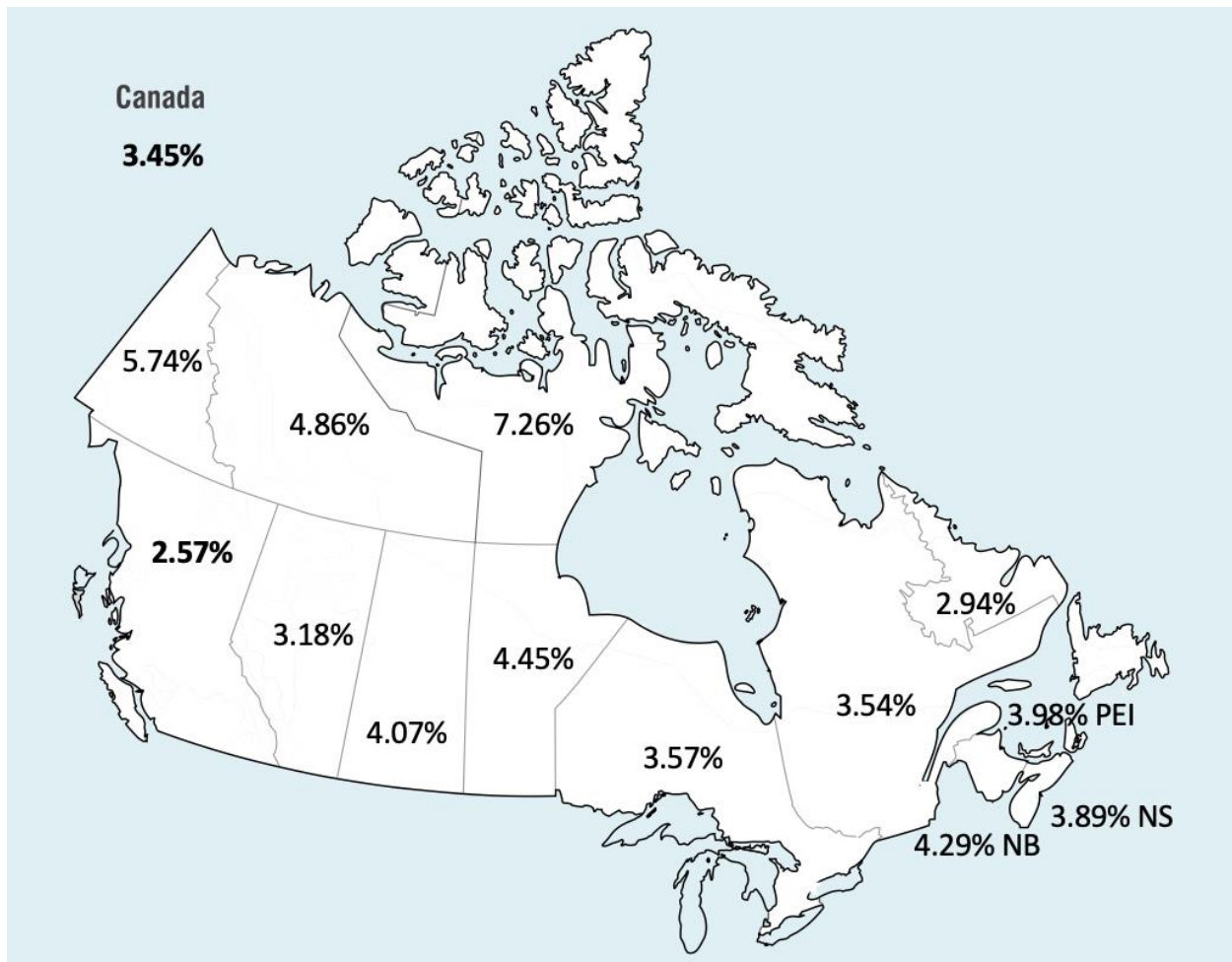


Figure 3. Percentage of Provincial GDPs Split

Source: Statistics Canada⁴

Note: For Newfoundland and Labrador, Prince Edward Island, and Nova Scotia, the total public and private expenditure on education is used, because the public school statistics solely for those three provinces were not reported.

Funding Models in Individual Provinces

British Columbia

British Columbia's K-12 education is governed by the BC Ministry of Education, which allocates funding to the 60 school districts that comprise public education in the province. In the 2014/15 school year, the government of British Columbia allocated 2.57% of its GDP to education. For the same year, the provincial government spent \$10,927 per student. In 2017/18, over \$5,614,329,263 was spent on operating costs.

The BC Ministry of Education funds education on an enrolment-driven basis. The funding model currently used was introduced in 2002 by the then recently elected government—the BC Liberals. Under this model, the province allocates a set amount of funding per student. That funding follows the student to whichever school they attend, although that funding does not have to be spent on that student in particular. The amount goes to the school board to spend at their discretion, with the exception of additional funding grants for Indigenous students, which are targeted.

Sources of Funding

Funding for K-12 schools is determined by the BC government and sourced from the Consolidated Revenue Fund (CRF). Although rates can vary among and within school districts, the provincial government sets school tax rates for residential and non-residential properties in school districts. The property tax revenue is collected by municipalities, which is sent to the province to be funnelled into the CRF. It is then allocated to school districts according to the funding model, which includes factors such as the number of students enrolled. Although this has rarely been used, the School Act allows school boards to hold a local referendum to raise funds for education purposes.⁸

Funding Model

The New Democratic Party (NDP) government elected in 2017 initiated a review of the funding model with decisions expected to be announced in 2020. The following details are based on the funding model in place before any changes stemming from the NDP's review. The current funding model in BC is grant-based. The central funding model categories are as follows:

Base Allocation is the most substantial category of funding, comprising 79% of operating funding. It is a full-time equivalent (FTE) student amount for every student enrolled, by school type.

In addition to the base allocations, several categories provide for additional grants. Districts receive grants based on several characteristics: unique districts, locations, climate conditions, low enrolment, and students with special needs.

Per-student funding for K-9 and 10-12 is different. Namely, while students in K-9 are funded on an FTE basis, students in grades 10-12 are allocated funding based on courses taken. Students in grades 10-12 have each eligible course (4 credits) funded at 0.125 FTE. The FTE amount is based on eight courses, but students are funded for more or less than that based on the number of courses taken.

For students taking classes in the summer, the Summer Learning grant funds grade 1-7 classes at a rate of \$212 per student, and grades 8 and 9 classes on the basis of courses. Eligible courses must comprise 40 hours or more of instruction, and they are funded at \$212 per course. For grade 10-12 classes, funding is allocated in 2 different ways: either on the basis of partial courses, which comprise of 40 hours or more of instruction (these are funded at \$212 per course); 4-credit courses are funded at \$423 per course.⁹

The Conseil Scolaire Francophone is a public-school board that covers all British Columbia, with 41 schools and almost 6000 students. In 2010, the board, alongside the Federation des Parents

Francophones and a group of parents, initiated a successful legal action to have the provincial government recognize the school board and provide it with the financial and resource means to run.

Inclusive Education

Inclusive education in British Columbia is currently based on an identification model. Students with special needs are assessed by a professional, and depending on the degree of their need, are categorized as one of the following, with the corresponding amount of funding attached to the identification: Level 1 (\$37,700); Level 2 (\$18,850); Level 3 (\$9,500). Supplementary funding for inclusive education falls under the Unique Student category of funding.

The Report of the Funding Model Review Panel recommended a shift to a prevalence model away from an identification model but the provincial government did not adopt this change in 2020.¹⁰

Although the funding allocated per student applies to whichever school district they are enrolled in, the money is not targeted to the student specifically.

Indigenous Student Funding

British Columbia was the first province to target Indigenous student funding in 1993, with several provinces subsequently doing the same. Students in British Columbia are required to self-identify as Indigenous for school boards to receive that funding on top of the base per-student amount. All Indigenous students are eligible for provincially targeted Indigenous student funding, including First Nations students who live on reserve. In the 2016/17 school year, there were 58,283 self-identified Indigenous students in British Columbia, with \$70.3 million in funding allocated in the 2017/18 school year. In the 2015/16 school year, funding rose to \$1,195 per student; previously, it had been \$1,160 per pupil.

It should also be noted that funding for Indigenous students is both a provincial and federal responsibility, thus it is a complex funding structure. All changes to Indigenous student education funding have to be discussed with other levels of government, and with the First Nations Education Steering Committee.⁹

Private Schools

British Columbia is one of 5 provinces that funds private schools. There are 4 categories of private schools in the province. While only Group 1 and Group 2 schools receive funding, Group 3 and 4 schools are eligible for property tax exemptions and donors receive tax receipts.^{11,12}

Group 1 schools receive 50% of the per-pupil operational funding provided to public schools where the private school is situated; characteristically, they are faith-based or religious schools.

Group 2 schools are “elite” private schools (many charging roughly \$20,000 or more in tuition annually) and are given 35% of the per-pupil funding where the school is located. Schools are defined as in Group 2 if per-student operating costs exceed the ministry grants paid to the local boards of education.

In the 2017/18 school year, Group 1 and 2 schools made up 321 of the 377 private schools in British Columbia and were allocated \$413 million in provincial funding. It should also be noted that Group 1 and 2 schools receive 100% funding of the supplementary amount for students of specific categories, including students with identified special needs.¹³

Funding for British Columbia private schools increased by 122.8% between 2000/2001 and 2018/2019. Funding for public schools only increased by 15.9% during the same timeframe. This increase in private school funding can not be linked solely to increased private school enrolment rates, because this funding increase exceeds student enrolment rates by 77.2%.

In addition to the public subsidy of independent schools, parents or guardians of students attending private schools can claim tax rebates. As the Canada’s *National Observer* notes, day-care is one of the

categories of rebates parents/guardians of private school students can claim.¹⁴ In Vancouver's Saint George's private school, the Canada Revenue Agency approves over \$3,600 annually for each student until the age of 16 for day-care costs, which are lunch time, recess supervision, and after-school activities.

Fundraising

School districts in British Columbia can raise funds directly in addition to government funding, including but not limited to fundraising activities, international student tuition, and international K-12 school programs. Not surprisingly, different districts have different fundraising generation potential, oftentimes reflecting the general socioeconomic status of families in the district.

International student tuition makes up a considerable amount of funding outside the Ministry of Education grants. This funding creates large discrepancies between districts; for example, in the 2017/18 school year, one district, Arrow Lakes, raised no money through international student tuition, while Coquitlam generated the highest amount: \$36,959,533. Total tuition revenue for international students in the province in the 2017/18 school year was \$256,829,094, representing about 5% of expenditures, was mostly generated by eight school districts.

Inequities are subsequently exacerbated as school districts offload costs to parents and the communities.¹⁵ The ability of schools to fundraise favours communities of higher socioeconomic status, as wealthier parents have more time to devote to fundraising, and more resources to draw on. As Fallon and Poole note, Northern regions in British Columbia, typically with much higher concentrations of Indigenous students, have considerably lower levels of revenue generated from fundraising than communities in the Lower Mainland.¹⁶ Moreover, international students tend to choose wealthier communities.

Academies

In 2002, the BC government produced policy changes aimed at introducing competition within and between school districts. Amendments to the School Act in 2002 allow parents and guardians to send students to schools outside their catchment area, or even their school district, and facilitates student choice through online courses and specialized programs. Academies are one example of specialized programs offered to students whose families can pay.

Students can be charged fees to cover costs incurred by a board. Boards are not limited in the amount of fees they can charge students enrolled in academies, nor do regulations limit the number of programs or who administers them within a district.

The uptake of academies has been considerable, especially in the West Vancouver school district, which now offers "15 'premier academies', such as Robotics, Animation, and Hockey, where tuition fees range from \$3,000-\$18,000 per year" (R. Thind, unpublished data, December 2018). The result of academies has been to shift enrolment trends in BC school districts, as some students travel across district boundaries to attend specialty programs. Indeed, in West Vancouver, roughly 25% of the students who attend school there are not residents (R. Thind, unpublished data, December 2018). That is excluding international students, who are also a substantial component of the district population.

Academies, although positioned as offering increased choice and opportunity to parents and students, raise a series of concerns over issues such as resources, access, and exclusion. One issue concerns the use of space. As students enrolled in academies pay fees, they often have priority over school space and resources. This trend of allocating spaces and resources to academy students underserves other students.

British Columbia is not the only province offering academy programs; others include Alberta, Manitoba, and Saskatchewan. These are mainly sports academies, and they, too, are depicted as offering students and parents greater choice. Quebec permits schools to create selective, fee-paying options.

Alberta

After the election in 2019, the new United Conservative Party government reduced funding to school districts and has indicated that it is considering changing the funding model. The information here is based on the existing model in 2020.

Alberta Education has 92 school districts. The funding framework allocates funding to school districts based on demographics, including number of students served, their geographic environment, and the socioeconomic conditions of students. In 2014/15, the baseline amount allocated per-student was \$14,337 amounting to 3.18% of Alberta's GDP. The total amount spent on K-12 education in 2017/18 was \$8,834,510,000, with \$7,537,196,000 of that spent on operational costs.¹⁷

Sources of Funding

In Alberta, operational funding for K-12 comes from two sources: general government revenues and education property taxes. Local school districts are not permitted to set their own property taxes, nor can they spend the money that is raised by local property taxes. The provincial government sets the tax levies for school purposes, with the Lieutenant Governor in Council setting the tax rates for the province. Funding is collected by the Alberta School Foundation, which then distributes funds to each school board on a per-pupil basis with additional targeted grants.

Funding Model

There are 25 grants grouped into 5 main categories in Alberta.¹⁸ This list illustrates the types of grants (although it does not include each individual grant), as well as the percentage that each category accounts for of the total operating education budget.¹⁹

1. Base Funding 63.7%

K-9 students are funded on a per-student basis.
Grade 10-12 students are funded based on the number of high school credits taken.

2. Differential Funding 28.9%

Severe Disabilities-Kindergarten
English as a Second Language
Francisation
Socio-Economic Status
Northern Allowance
Equity of Opportunity
Inclusive Education
Plant Operations and Maintenance
Transportation

3. First Nations, Metis, and Inuit (FNMI) Related Funding..... 1.2%

FNMI Education
FNMI Inclusive Education
FNMI Related Regional Collaborative Service Delivery
FNMI Collaboration and Capacity in Education

4. Targeted Funding 5.7%

Regional Collaborative Service Delivery
High-Speed Networking Services
Class Size
School Nutrition Program
School Fees

School Transportation Fees

5. Other Provincial Support 0.4%

General Observations

Most of the funding distributed by the Ministry of Education is flexible, and school boards have the discretion to allocate based on local priorities. Base funding comprises 63.7% of funding spent, and, for K-9 students, is allocated based on enrolment. For students in grades 10-12, it is allocated based on the number of courses they take.

There are differential factors that impact funding formulas. For example, the Northern Allowance is a multiplier applied to the funding formula and increases the amount of funding provided. Schools need to meet the applicable criteria for these modifying factors.

Inclusive Education

In Alberta, special education funding uses the prevalence model and is based on FTE enrolment as well as differential modifiers addressing diversity factors. Some examples of differential modifiers include average income, percentage of those who own a dwelling, and the mother's average years of education. The formula for inclusive education is as follows:

$$\text{Inclusive education} = \text{Supports and services allocation} + \text{Differential modifiers allocation} + \text{Equity program allocation} + \text{Additional per-student allocation}$$

Charter Schools

Alberta is the only province with charter schools. These are publicly funded schools run by non-profit organizations. Alberta has 13 charter schools in 23 buildings, primarily in Calgary and Edmonton. Charter schools are eligible for both Inclusive Education Funding and the Severe Disabilities Grant.

Designated Special Education Private Schools

Designated special education private schools are funded private schools that have been given special approval and funding by the Minister of Education, and where the sole purpose of the school is to serve students who are identified as having a mild, moderate, or severe disability.

Private Schools

Alberta funds 35,000 students, or roughly 5%, of Alberta's students in private schools. Schools are categorized as either Level 1 or Level 2 and receive funding levels accordingly. Alberta allocates the highest rate of private school funding in all Canadian provinces, with some private schools eligible for 70% of the amount of per-student funding that goes to public school students. In the 2017/18 school year, private schools and early childhood services received \$263 million. However, no property tax funds may be used for private schools in Alberta. Private schools are eligible for the Severe Disabilities Grant.

Parents and guardians of private school students are eligible for tax rebates, usually citing religious education or childcare. For example, the private Calgary Waldorf School shared in their February 2017 newsletter that "lunch supervision fees are included in tuition fees and this portion of the tuition fees is tax deductible as a child care expense."²⁰ For parents of Glenwood Christian Academy students, over 40% of the school's total tuition was refunded to parents through tax receipts.²¹

Saskatchewan

Saskatchewan has 28 school districts. In 2014/15, education expenditure was 4.07% of the province's GDP; In 2017/18, education expenditure was \$2,019,100,000.²² Saskatchewan spends the highest amount per student of all the provinces; the per-student operating expenditure in 2014/15 was \$16,051.

Sources of Funding

The 2 sources of funding for education are general provincial revenues and the education property tax (EPT). Due to historical funding inequities, the EPT system was redesigned in 2009, lowering property taxes greatly and removing local taxing authority. Education property tax mill rates have since been set by the province and are collected by municipalities. Municipalities then send the revenues to the province. Since the redesign in 2009, the government operates with a 60/40 split, with 60% of funding coming from government, and 40% from the EPT.

Funding Model

There are 10 components to Saskatchewan's the funding model:

1. **Governance**
2. **Administration**
3. **Instruction**
 - a. Base Instruction
 - b. School-Based Support
 - c. Supports for Learning
 - d. Locally Determined Terms & Conditions
 - e. Instructional Resources
 - f. First Nations & Métis Education Achievement Fund
4. **Plant Operations and Maintenance**
5. **Complementary Services**
6. **Transportation**
7. **Tuition Fee Expense**
8. **Associate Schools**
9. **Language and Culture**
10. **Debt Repayment**

The Instruction category for the Saskatchewan Ministry of Education comprises 75% of operating costs and includes the following: Base Instruction, School-based Support, Supporting for Learning, Locally Determined Terms and Conditions of Employment of Teachers, and Instructional Resources. Overall, 65% of funding is allocated based on enrolment and 35% on actual costs. As an illustration, instructional resources are funded as a flat standard school rate (\$76,080 per school + a per-student rate in 2019).

The Saskatchewan education finance model includes categorical adjustment factors. Among these factors are:

- Northern Factor
- Hutterian Factor
- Francophone Factor
- Small schools of necessity adjustment
- Lloydminster school adjustment
- Geographic distance

Inclusive Education

Inclusive education in Saskatchewan falls under the Supports for Learning (SFL) category and utilizes a prevalence model. Saskatchewan allocates funding based on projections of proportional ranges for specific needs within the province.²³ It is based on these proportions and the number of FTE students enrolled in a district.

The total allocation for the SFL subcomponent in 2015/16 was \$286.5 million, or 15.2% of total provincial education funding. The formulas for this funding allocation are:

SFL funding = supports + geographic distance + non-official language

Intensive supports and total enrolment = SFL pool * percentage of SFL pool (45%) * proportion of enrolment

Vulnerability = low income (60%) + lone parent (10%) + transiency (15%) + FC (10%) + Ref. (5%)

Private Schools

There are 5 categories of independent schools in Saskatchewan:

1. **Qualified Independent Schools:** independent schools that meet all Ministry requirements and receive 50% of per-pupil funding
2. **Associate Schools:** independent faith-based schools and receive 80% of per-pupil funding
3. **Historical High Schools:** independent schools that offer education that fills historical gaps and receive 70% of per-pupil funding
4. **Registered Independent Schools:** independent schools that do not usually received provincial funding
5. **Alternative Independent Schools:** independent schools funded through individual service contracts

Only students who are Saskatchewan residents are allocated funding for private schools.

Fundraising

Saskatchewan allows school districts to supplement their allocated funding through fundraising. Another source of revenue is international student tuition. According to a survey conducted by The Canadian Centre for Policy Alternatives, The Canadian Teachers' Federation, and the Fédération des syndicats de l'enseignement, 39% of Saskatchewan's schools have advertising on or in the school and 38% of schools have a marketing arrangement with either Coke or Pepsi.²⁴

Manitoba

The Manitoba Ministry of Education and Training has 39 school districts and utilizes a per-student funding model.²⁵ In the 2014/15 school year, the Ministry operated with a \$14,676 baseline expenditure per student, including grants for various factors such as geography, special needs, and Indigenous students. The total amount spent for that school year was \$2,835,900,000, with an operating cost of \$2,339,981,607.²⁶ In 2014/15, the province allocated 4.45% of its GDP to education.

During the 2019 provincial election, the re-elected Progressive Conservative government indicated an intention to eliminate school taxes and has appointed a commission to make recommendations for changes in financing, possibly including the amalgamation of school districts.

Sources of Funding

Currently, 2 sources of funding are provided for education in Manitoba: locally generated property taxes and provincial funding.²⁶ Manitoba is the only province where local school boards can set their own local property tax rates. Roughly 70% of funding is obtained provincially, of which 75% comes from consolidated revenues and 25% from a provincial levy on property assessment. The remaining 30% of funding comes from school divisions' local levy on property assessment.

There are two types of school taxes in Manitoba: Education Support Levy (ESL) and a School Division, or Special Levy. For the ESL tax, the province sets mill rates on commercial and industrial properties, not residential or farms. Municipalities collect this tax and funnel it to the province. The province then adds a grant and redistributes the amount to school divisions for the purpose of operating expenses. The School Division, or Special Levy, is a tax on all assessed, taxable property, which includes farmland within the school division's area. It begins with the school district setting its budget; the municipality then sets the mill rate based on the province's rules on the Special Levy.

Funding Model

The Manitoba funding model is enrolment driven, and operates largely in the form of grants, as shown in the following categories with the indicated percentage of the total operating fund²⁷:

Base Support	51%
Categorical Support	19%
Equalization Support	27%
Formula Guarantee	2%
Other Support/Revenue	1%

General Observations

The three largest categories of grants are Base Support, Categorical Support, and Equalization Support, all of which fall under operational funding. As funding in Manitoba is enrolment driven, the Formula Guarantee category provides support to schools with declining enrolment, ensuring school districts receive 98% or more of the previous year's funding.

Manitoba provides allowances and grants for students and schools in exceptional categories. For example, a Northern Allowance is allocated to school divisions that are north of the 53rd parallel, which, as of September 2018, had a funding rate of \$670 per eligible student.

Inclusive Education

Funding for special needs students falls under Categorical Support. It is based on an identification model where students need to be assessed by a qualified professional, and can fall under the category of Level 1, Level 2, or Level 3. Funding for special needs encompasses the following costs:

A) Coordinator/clinician:

Includes salaries, allowances, benefits, professional services fees, travel and meetings for qualified clinicians and up to one qualified special education coordinator reported through the Calculation of Allowable and Unsupported Expenses in the 2019/20 FRAME financial statements.

B) Level 2 and Level 3:

Based on 2018/19 data, school boards will receive the same amount of funding this school year for students with Level 2 and Level 3 special needs. Students with Level 3 Emotionally/Behaviourally Disordered (EBD3) and Level 3 Unified Referral and Intake System (URIS) Group A pupils are excluded from this funding, as these students need to have student specific applications completed by their school divisions and submitted to the Funding Review Team, Inclusion Support Branch.²⁸

Funding for EBD3 and URIS Group A pupils is set at \$21,130 per eligible enrolled full-time pupil at the time of September 30, 2019, with a portion available for eligible students enrolled on October 1, 2019 or later.

Private Schools

Manitoba is one of 5 provinces that provides funding to private schools. The 3 categories of independent schools are: Funded Independent Schools, Non-Funded Independent Schools, and Homeschools. Only Funded Independent Schools are eligible for public funding, which is allocated for operational costs, including salaries and resources. Manitoba private schools are not eligible for capital financing, but are eligible to receive curricular support, which is \$60 per pupil, out of which \$30 must be spent through the Manitoba Learning Centre.²⁹

Independent Schools receive 50% of public-school net operating expenses from 2 years prior to the current year. In the 2017/18 school year, there were 62 funded independent schools in Manitoba.

Fundraising

As per the Public Schools Act, subsection 56(4), schools are able to fundraise. There are two types of public-school generated funds: Type A and Type B. Type A funds include fundraising activities of the school, including but not limited to: dances, school pictures, bottle drives, bake-a-thons, etc. Money is raised by the school for the use of that school. In the context of funds generated from cafeterias or vending machines, the funds go to whomever operates or contracts them. This can be a student council (making them student council funds) or the school itself (making them school funds). Type B funds include the following: allocations from school division (such as capital grants, specific purpose grants, vocational revenues, like cosmetology or business education initiatives) and revenues from cafeterias and vending machines operated or contracted by the school division. The school division administers these funds.³⁰

Ontario

Ontario has the largest number of K-12 students in Canada, with 2,006,700 students reported in 2016/17 across 72 school boards. In 2017/18, the costs incurred by the school boards totaled \$27,300,000,000.³¹ The province allocated 3.57% of its GDP to education in the 2014/15 school year, with a per-student expenditure of \$13,236.

The Ontario government has indicated that it may review the existing funding model for the province and has reduced total funding.

Sources of Funding

The Minister of Education uses the provincial funding formula Grants for Student Needs (GSN) to determine the operational funding level of school boards. There are 2 sources of funding for Ontario: the Consolidated Revenue Fund and the provincially determined property tax levy, which goes directly to school boards. The school boards in Ontario have no recourse to change the funding from local property taxes.

Funding Model

The funding model in Ontario is driven largely by student enrolment. A Pupil Foundation Grant covers the employment of teachers, specialist teachers, library and guidance services, consultants, professionals and paraprofessionals support, and basic learning materials. The School Foundation Grant covers the employment of school office employees and supplies, including principals, vice-principals, school office support staff, and school office supplies. The 13 special purpose grants provide financial supports for a number of programs and needs, including but not limited to Indigenous education, geographic circumstances, and safe and accepting schools.

Pupil Foundation Grant	45.5%
Classroom Teachers	
Early Childhood Educators	
Textbooks and Learning Materials	
Classroom Supplies	
Classroom Computers	
Library and Guidance Services	
Specialist Teachers	
Student Success Teachers	
Classroom Consultants	
Professional and Para-professional Supports	
School Foundation Grant	6.2%
Principals	
Vice-Principals	
School Office Support Staff	
School Office Supplies	
Special Education Grant	12%
School Facility Operations and Renewal Grant	10.1%
Cost Adjustment and Teacher Qualifications and Experience Grant....	9.6%
Student Transportation Grant	3.9%
Language Grant	3.2%
Learning Opportunities Grant	3.2%
School Board Administration and Governance Grant	2.6%
Debt Service Support.....	1.9%
Geographic Circumstances Grant	0.8%
Continuing Education and Other Programs	0.6%
Indigenous Education Grant	0.3%
Safe and Accepting Schools Supplement	0.2%
Declining Enrolment Adjustment	0.1%

General Observations

The 15 grants vary in size and requirements. Most of the funding is flexible; however, a small number of grants, such as the Indigenous Education Grant, are targeted.

The 2018 provincial election in Ontario has led to sizable budget cuts. People for Education estimates an additional \$986.8 million will be cut from March 2019 onward, in addition to 2018 education budget cuts. This was driven by changing some components of funding formulas and increasing the number of students per teacher.

Ontario does not provide funding for private schools; however, Catholic schools are defined as public schools and are administered by district school boards and authorities. There are 29 English Catholic school boards and 8 French Catholic school boards.³²

Inclusive Education

Ontario's inclusive education funding uses a prevalence model. Based on a statistical predication model, ministry officials predict the number of students with inclusive education needs within a district and allocate funding accordingly.

The Special Education Grant is comprised of the following components:

1. Special Education Per-Pupil Amount
2. Differentiated Special Education Needs Amount
3. Special Equipment Amount
4. Special Incidence Portion
5. Care, Treatment, Custody and Correctional Amount
6. Behaviour Expertise Amount

The special education per-pupil amounts are allocated by grade levels, as follows:

\$1,015.60 per Junior Kindergarten to Grade 3 student
\$780.12 per Grade 4 to 8 student
\$515.04 per Grade 9 to 12 student

In addition, the differentiated special education needs include the following four components:

1. Special Education Statistical Prediction Model (SESPM)
2. Measures of Variability
3. Base Amount for Collaboration and Integration
4. Multi-Disciplinary Supports Amount

Special Education Statistical Prediction Model

According to the Ontario Ministry of Education, the SESPM amount is estimated to be \$779.9 million in 2019/20. Using anonymized student data from the Ontario Ministry of Education from 2016/17, as well as data from the University of New Brunswick-Canadian Research Institute for Social Policy Census indicators from the 2006 Canadian Census data, the number of students who will require special education services is predicted. The following factors are considered in the prediction model:

- Occupational structure
- Median income
- Parent level of education
- Percent families below Statistics Canada's low-income cut-off occupational structure
- Percent unemployed
- Percent Aboriginal families
- Percent recent immigrants
- Percent moved in previous year
- Metropolitan influence zone

Using a regression model, the Ministry predicts the likelihood of a student receiving special education programs or services. There are 14 separate logistic regression models: 12 total for the definitions of categories of exceptionalities that the Ministry has, 1 for students who are “non-identified with an Individual Education Plan,” and 1 for students who are “non-identified without an Individual Education Plan.” Further details are available in the Ontario Ministry of Education’s Special Education Grant Funding For 2019-20: Memorandum to Directors of Education, Superintendents of Special Education.³³

Fundraising

All school districts in Ontario are permitted to generate funds through fundraising and international students tuition. The ability of districts to fundraise and attract international students varies, and oftentimes exacerbates inequalities between neighbourhoods and among students.

According to People for Education, many schools are reliant on fundraised revenue to supplement necessary services and tools for education. In 2019, 99% of elementary schools and 89% of high schools reported fundraising. Using 2018 audited financial statements from all Ontario school boards, People for Education calculate that over \$583 million was fundraised for school districts in the province. These funds are unequally distributed as districts with higher socioeconomic levels generate more funds than less wealthy districts, exacerbating inequalities.

People for Education also found the top 10% of elementary schools in fundraising revenue raised 33 times as much as the lowest 10% of fundraising schools.³⁴ Several elementary schools raised as much as \$100,000. For high schools, the top 5% of fundraising schools generated as much as the bottom 82% of schools combined. The high correlation between the amount of fundraising schools do and the socioeconomic backgrounds of the community is clear.

Quebec

The Education Ministry of Quebec (Ministere de l’Education et de l’Enseignement Supérieur) spent 3.54% of provincial GDP in the 2014/15 school year. The operating expense per student in 2014/15 was \$12,636.

Quebec has had 69 public school boards, of which 60 are French-language and 9 are English-language. There are also 3 special-status school boards: Littoral, Kativik and Cree, and the Naskapi School.

The Quebec government has announced that as of February 2020, school boards are abolished. They have been replaced by service centres administered by an unpaid board of directors made up of parents, community representatives, and school staff. In the French-language system, boards will be elected by parent and student representatives. In the English-language system, board members will be elected by universal suffrage.

Sources of Funding

The two central sources of education funding are Quebec’s general revenues and property taxation. Education is funded through the following:

- Quebec government grants
- School taxes
- Other revenues (includes fees paid by parents)

Funding Model

There are 6 main categories within Quebec’s funding model and 11 sub-categories:

Base Allocation for Education Services	75.4%
Adjustments to Base Allocation	17.1%

Organization of Services	1.7%
Equalization Grant.....	1.3%
Optimization Metric	0.2%
Supplementary Allocations	4.2%

Inclusive Education

Quebec follows an identification model for students with inclusive needs, where students need to be diagnosed by a qualified professional. After a student is diagnosed, measures are provided to support them.

Students with inclusive education needs generally receive either sustained support or regular support. Students in need of sustained support receive services provided for several hours daily. A staff member always must be on site in the school and be able to provide additional assistance when needed. Sustained support needs to be available to all students with the following conditions: severe behavioural disorders, moderate to severe intellectual impairments, profound intellectual impairments, severe motor impairments, pervasive developmental disorders or psychopathological disorders. Regular support, on the other hand, involves a minimum of assistance for several hours weekly. Regular support is available to students with the following: mild motor impairments, organic impairments, language disorders, and hearing or visual impairments, must be provided minimally with regular support.³⁵

Private Schools

In 2008 there were 187 private schools in Quebec eligible for public school funding. One hundred and three private schools are certified but receive no grants.³⁶

In Quebec, all private schools must follow the regulations of Bill 101, the Charter of the French language, in order to be eligible for funding. An important distinction is that English-language private schools only receive funding for high school students, but not elementary students. Moreover, these English-language private schools must also follow the province’s French Language Charter. To be eligible for funding, schools must cap their tuition at the provincially agreed upon amount; however, schools are free to not follow these regulations, and not receive funding. The Canadian Centre For Policy Alternatives reports that the government provides approximately 60% of the costs of private schools; the rest is collected from tuition fees and donations.³⁷

New Brunswick

Basic Information

New Brunswick has 7 school districts.³⁸ As the only officially bilingual province, there is a deputy minister for each of the 2 official languages. In the 2014/15 school year, education expenditures were 4.29% of the provincial GDP, with \$12,928 per student.³⁹ In the 2017/18 school year, the Ministry spent \$1,238,888,000 on provincial education.⁴⁰

Sources of Funding

In New Brunswick, public education funding comes from the provincial government’s general and consolidated revenues; New Brunswick has no education property taxes.

Funding Model

Education expenses in New Brunswick are cost driven, with the following cost-drivers:

Instruction and School Services

Enrolment; FTEs

School Management and Support

Number of teachers; number of schools; FTEs

Education and Support Services

FTEs

Transportation

Number of buses; Kilometers

Facilities

Square footage; FTEs

District Management

FTEs

Operating Expenses

Enrolment

Benefits

FTEs

Programs

Enrolment; FTEs

Additional Funding/District Specific Spending

Limited term funding agreements; PLOE; teacher maternity leaves; and retroactive and certification awards

General Observations

New Brunswick bases its funding model on actual costs incurred, adjusted annually for inflation. Francophone school districts receive slightly higher funding for instruction and school services, reflecting the higher cost of providing resources and materials in French.⁴¹ New Brunswick does not provide funding to private schools.

Fundraising

New Brunswick schools are empowered to fundraise, with several conditions. As per their School Act, the sources of acceptable fundraising revenue are:

- From the operation of a cafeteria
- From the operation of a driver education program
- From the operation of a daycare
- From fees obtained from an international pupil under subsection 13 (2)
- From or in support of extra-curricular activities
- From or in support of pupil activities

New Brunswick did not record fundraising data until 2015. As a result of the Auditor General's report, \$27 million is the estimated amount raised by schools in the province in 2015; however, data for years prior are not documented.⁴² Perhaps due to considerable increases or improved reporting data, in 2017/18, the estimated amount raised was \$66,614,000.

Newfoundland and Labrador

Basic Information

The Newfoundland and Labrador Department of Education and Early Childhood Development is comprised of 2 districts. The operating expense per pupil in 2014/15 was \$13,511. The expenditure on education in 2014/15 was 2.94 of GDP. In 2017/18, the provincial operating cost of education was \$769,880,350 (Newfoundland and Labrador Finance).⁴³

Sources of Funding

The provincial Consolidated Revenue Fund is used to finance public education in the province, with funds allocated to school boards from the fund.

Funding Model

The funding model allocates based on cost of activities rather than on a per-pupil model. These allocations fall under the following categories:

Teaching Services	69.8%
Student-teacher ratios and cost per teacher, according to collective agreements	
School Board Operations	15.8%
Budget based on actual school needs	
Transportation	8.1%
Number of eligible students & contractual obligations	
Instructional Resource Teachers (IRT)	3.3%
Special needs support, psychologists, guidance, etc. Student-IRT ratios and cost per teacher, according to collective agreements	
School Supplies and Instructional Resources	0.8%
Based on enrollment	
Center for Distance Learning	0.3%
Based on enrollment	

Inclusive Education

The Newfoundland and Labrador Ministry of Education uses the term “exceptionality” to identify patterns of strengths and needs in students. They may be cognitive, emotional, behavioural, medical, social, and/or physical strengths and needs. Not all exceptionalities have an impact on funding formulas, as some receive no additional funding.

Funding is provided for students based on categories: Acquired Brain Injury, Developmental Delay, Gifted and Talented, Hearing Loss, Intellectual Disability, Medical Condition, Mental Illness/Mental Health, Neurodevelopmental and Related Disorders, Physical Disability, Specific Learning Disorder, Speech and/or Language Disorder, and Vision Loss.

Fundraising

The Newfoundland and Labrador English School District (NLESD) allows schools to fundraise.⁴⁴

Nova Scotia

The Nova Scotia Department of Education and Early Childhood Development spent a total of \$1,712,204,000 in 2017/18, of which \$1,619,279,000 was for operational costs.⁴⁵ In 2014/15, the per-student amount was \$13,511. In 2014/15, the expenditure on education was 3.89% of the provincial GDP.

The 7 elected English-language school boards of Nova Scotia were dissolved in 2018 and replaced by a provincial advisory council appointed by the Minister of Education. The French-language school board, Conseil scolaire acadien provincial, still exists.

Sources of Funding

Education funds come from 2 sources in Nova Scotia: the consolidated revenue fund and a provincially determined property tax. The property tax is collected by municipalities.

Funding Formula

The funding formula in Nova Scotia is currently under review and predicted to change soon.

At the time of this report's publication and prior, Nova Scotia uses an enrolment-based funding formula; however, the Ministry of Education is considering moving to a formula that is based on student needs. According to a statement from Education Minister Zach Churchill made in May 2018, the new funding formula will be focused on needs-based funding.^{46,47} However, the specifics of that formula, or what "needs-based" means, has yet to be released.

The current funding formula has the following central categories:

- Program Funding
- Special Education
- Enrolment Supplement
- School Support

The Enrolment Supplement provides additional funding outside of the base amount to school boards with declining enrolment rates that are greater than 2% per year over a 5-year period.

The School Support funding category is based on the number of FTE students, as well as teachers' salaries.

Inclusive Education

Inclusive education is currently funded based on an identification model. Funding is based on the number of students with identified special needs, teachers' salaries (including teacher assistants), with a support component also funded at \$500 per 1.76% of enrolment.

Nova Scotia does provide some funding for special education private schools. However, students must meet a set of requirements and apply for program eligibility, including writing a letter explaining how moving to a special education private school will positively impact their educational outcomes.

Prince Edward Island

Prince Edward Island has 2 school districts. Education in Prince Edward Island is managed by the Department of Education, Early Learning, and Culture. In the 2017/18 school year, \$255,400,000 was the total amount allocated to all public education funding.⁴⁸ In 2014/15, the baseline per-student amount was \$12,656. Education expenditure was 3.98% of the provincial GDP.

Sources of Funding

The province's operating fund is the sole source of education funding for Prince Edward Island. There is no education property tax in place.

Funding Model

The Prince Edward Island funding model is based largely on actual costs incurred. Funding is provided to education authorities subject to budget approval by the Education Minister. Budgets must be developed according to the provisions in the Education Act. There are 4 central categories of grants:

- Finance and Administration
- External Relations and Educational Service
- Innovation, Education, and Programs
- Leadership and Learning

Inclusive Education

Inclusive education is funded on an identification model basis. Students are assessed then funds are allocated based on the assessment.

Fundraising

School districts in Prince Edward Island are empowered to fundraise.⁴⁹

Table 2. Summary Comparison of Provinces on School Funding Features

Province	Enrollment	Per-Pupil Expenditure, \$	Amount of GDP, %	Funding Sources	Funding Model	Inclusive Education	Funds private Schools?	Fundraising Permitted?
BC	555,738	10,927	2.57	General operating budget; property tax revenue	Per pupil; grant based	Identification	Yes	Yes
AB	665,868	14,337	3.18	General revenue; property tax revenue	Per pupil; grant based	Prevalence +	Yes	Yes
SK	181,272	16,051	4.07	General revenue; property tax revenue	Per pupil; cost based	Prevalence	Yes	Yes
MB	184,710	14,676	4.45	General revenue; provincial & local property tax revenue	Per pupil; grant based	Identification	Yes	Yes
ON	2,020,248	13,326	3.57	Consolidated revenue; local property tax revenue	Per pupil; grant based	Prevalence +	No	Yes
QC	925,809	12,636	3.54	General revenue fund; property tax revenue	Per pupil; grant based	Identification	Yes	Yes
NB	97,755	12,928	4.29	Consolidated revenue	Cost based	Prevalence	No	Yes
NL	65,283	13,511	2.94	Consolidated revenue	Cost based	Identification	No	Yes
NS	118,962	13,321	3.89	Consolidated revenue fund; property tax revenue	Per pupil but under review	Under review	No	Yes
PEI	20,184	12,656	3.98	General Operating budget	Cost based	Identification	No	Yes

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