

**ONTARIO FUNDING FOR TEXTBOOKS AND LEARNING MATERIALS
TOWARDS EQUITY AND STABILITY: MEETING THE CHALLENGE**

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A Report Prepared for The Canadian Education Resources Council (CERC)

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Ontario Funding for Textbooks and Learning Materials Towards Equity and Stability: Meeting the Challenge

A Consultant's Report to CERC – December, 2005

The Issue:

The subject of this report is an apprehended shortfall of funding for the acquisition of textbooks and related learning materials by Ontario's public education system in the 2006-07 school year. How will the system respond to this immediate challenge? In the longer term, Ontario needs to identify and implement a constructive, sustainable approach to the planning, funding and acquisition of appropriate learning materials throughout the public education system, not only meeting the anticipated challenge in 2006-07, but also leading the way to longer-term, predictable and stable funding.

Context for this Report:

The Canadian Education Resources Council (CERC) and the Council of Directors of Education (CODE) share a concern that the continuing acquisition of approved textbooks and learning materials by District School Boards could be threatened in the 2006-07 school year as the result of competing priorities within the Foundation Grant envelope.

Specifically there is concern that in 2006-07 Ontario's school boards will need to confront a situation in which new collective bargaining obligations pertaining to teachers' salaries and benefits may exceed the specific funding allocation provided by the Ministry within the Foundation Grant envelope. This Foundation Grant encompasses funding for diverse categories: classroom teachers and teaching assistants, classroom supplies and computers, library and guidance services, professional supports, in-school administration as well as textbooks and learning materials. [Further details in Appendix A.]

If as a consequence of meeting teacher and staff compensation requirements District School Boards redirect funding designated in the Foundation Grant for the purchase of student textbooks and learning materials, there is reason to believe that classroom learning and individual student achievement will be jeopardized, and more broadly, social equity in Ontario will be diminished.

Evidence for the previous five-year period suggests that such reallocation has been commonplace throughout the education system, and that, on average, 23 to 25 percent of the annual funding targeted for textbooks and learning materials has typically been reallocated.

Key factors in learning achievement have generally been recognized as excellent teaching, environmental factors especially peer interest, and exemplary learning materials. This report affirms that if one of these key factors is compromised or missing, student learning objectives will not be attained and the laudable objectives of the Ontario

Ministry of Education will fall short.

Background:

In 2005-06, out of overall Ontario government funding of \$ 17.2 billion for public education, specific formula provision for the acquisition of learning materials was set at \$80 per elementary student and \$107 per secondary school student. Moreover, to ensure that students in Ontario's education system were adequately supplied with high quality learning materials, textbooks and other learning resources, the Ministry of Education made available one-time special funding in the amount of \$ 44 million. This funding was intended to meet the requirements for new and replacement learning materials, and is consistent with and supports the Ministry-mandated five-year curriculum renewal cycle.

Clearly the Government of Ontario and the Ministry of Education recognize learning materials as an important and current need. Highlighting the significance of new textbooks and library books to student learning, both Premier McGuinty and Minister Kennedy launched the school year in September, 2005 with a "textbook tour" delivering textbooks and related library resources through Toronto, Hamilton, London, Guelph and Ottawa. "In today's knowledge economy" the Premier said, "Education is the prerequisite for prosperity. . . We are two years into a four-year plan to deliver improvements to education and ensure the basics, like textbooks, are available to students." Minister Kennedy added that the province has set measurable targets for student improvement and that part of getting there is putting resources in place to help students succeed.

Historical circumstances suggest the need for an immediate as well as a continuing review of Ministry allocations for textbook and related classroom learning materials:

- for six previous school-years (1999 – 2005) district school boards have not been able to spend targeted allocations for textbooks and classroom learning materials, apparently because of other pressures and priorities;
- special funding of \$65 million had to be earmarked by the Eves government in 2002 to meet urgent system-wide needs related to the acquisition of new textbooks, learning materials and computer software; and
- special funding of \$44 million was again provided by the McGuinty government in 2005-06 to ensure the availability of basic learning materials and books for classrooms and libraries.

An additional, highly relevant factor relates to the Ministry-mandated five-year curriculum renewal cycle intended to ensure that the content and presentation of subject-centered learning materials is regularly updated, in fact state-of-the-art. In operational terms, this cycle requires that classroom textbooks and learning materials must be reinvented and replaced every five years to be in step with revised curricula. This transformation (for all grade levels) centered on the social sciences in 2004 and mathematics in 2005; in 2006, learning materials for all language-related courses will require replacement, and the same need will apply for science and technology textbooks and learning materials in 2007. Such system-wide renewal does not come cheaply, yet it must be sustained since the five-year curriculum renewal cycle represents a key strategy

in the Ministry's forward planning, responsiveness and quality assurance

Discussion

The context of education has changed dramatically over the past generation as Canadians have come to realize that teaching and learning issues are of international and world-wide significance, and in some sense our young students are players in a dynamic, highly competitive global economy. The Government's explicit determination to enhance the learning levels and achievement of students in Ontario's publicly funded education system necessarily places demands on all elements of teaching and learning – especially teaching staff, school resources, and exemplary learning materials.

All authorities, government ministries and district school boards included, are challenged to find the right balance between resources which are not unlimited, and desirable objectives that are not necessarily responsive to cost considerations or compromise. Moreover, Ontario's publicly funded education system is large and complex, encompassing some 2.1 million students in 4010 elementary and 870 secondary schools operating in the two official languages, and addressing the diverse geographic, demographic and societal circumstances that characterize this province. In the present context – appropriate funding levels for textbooks and learning materials for all grades and subjects in Ontario's publicly-funded schools – it would be desirable to make exact calculations and definitive projections for the specific resource needs of each grade level. However, much of the relevant data is not immediately available.

In the following review some estimates will be used to create models and to project possible scenarios relevant to one basic question -- will special funding (i.e. beyond the per student provisions in the Foundation Grants) be required for textbook and learning materials acquisition in 2006-07? On the basis of the calculations and projections that are possible within the limits of existing data, it is clear that additional targeted financial support will be needed. The contention of this report is that the \$44 million funding made available by the provincial government for this purpose should be repeated in 2006-07. There are cogent reasons for this advocacy:

- In all recent years, in various regions of the province, schools, school councils and parents have had to fall back on a range of diverse fund-raising initiatives to secure improved library resources and textbooks for classroom use;
- Currently, there seems to be no credible, transparent mechanism in place to encourage forward planning specifically for the purchase of classroom learning materials. A more inclusive, longer-term approach seems to be needed, but it will take time to develop the appropriate protocols. For the funding of textbooks and learning materials, an interim solution for 2006-07 will be necessary;
- Over the previous five-year period the reallocation of funds targeted for textbooks and learning materials to meet other priorities has averaged 24 percent. The reallocated funds have been used to address other system pressures, notably teaching-related salaries. For the foreseeable future, and certainly for 2006-07, the costs of new collective agreements will mean no diminution of pressures on Board expenditures within the Foundation Grant, and there is serious downside

risk that foundation grant allocations intended for textbook and learning materials will need to be reallocated to other purposes;

- Fairness and equity considerations across the province, serving all students at all grade levels, suggests that there should be no compromise or gaps with respect to student access to classroom learning materials;
- Funding arrangements need to ensure that Boards are able to meet the Province's education objectives and serve as instruments for achieving the policy goal of continuous improvement in student learning and achievement. To be effective, the funding formulae need to be updated on a regular basis, but time is required to design and implement improvements. Continuing relief as in 2005-06 for the classroom learning materials budget line would buy time for a more comprehensive overview, as well as avoiding localized crises and criticism.

On the strength of the points outlined above, continuing review of appropriate funding formula modification seems appropriate, but in the short term a continuation of the dedicated supplemental funding put forward in 2005-06 (in the amount of \$44 million) would offset anticipated shortfalls and ensure an adequate supply of classroom textbooks and learning materials for the school year 2006-07.

Observations and Research

Reviewing the Foundation Grant allocations by EDU and the estimated sales figures for the education publishing industry (Table 1) reveals a disconcerting five-year picture. Over the period 1999-2005, annual allocations from the Ministry intended for textbook and learning materials acquisition by district school boards have increased from \$167.9 million to \$175.1, whereas estimated acquisitions of learning resources from the industry have declined from about \$133.3 million to an estimated \$122.3 million over the period.

Relative change (1999 to 2005)	\$ millions	as a percentage
EDU support increase for textbook acquisition	7.2	4%
Observed decrease in textbook purchases	11.0	8%

Research for this report has centered on presently available data and extrapolations from this data. Tables 1 and 2 demonstrate significant if preliminary findings:

Table 1 displays published enrolments in three categories (JK and K, elementary, and secondary) for the school years 1999-2000 through 2004-05. For each year, total funding for classroom textbooks and learning materials generated by the per student allocation in the Foundation Grant has been calculated, and then compared with publishing industry estimates of total system expenditure for the relevant classroom learning materials. In each year reviewed, the expenditures fall short of the designated funding, on average by about 24 percent. On the basis of the calculations in Table 1, it is reasonable to suggest that funding intended for textbooks was required to meet other priorities of the District School Boards, even though other interpretations of the data might be possible.

TABLE 1 TEXTBOOK AND LEARNING MATERIALS: EDU FUNDING AND SYSTEM EXPENDITURE

School Year	Level	Enrollment	EDU \$ Grant Per Student	Enrollment x \$ grant (000s)	Total EDU Grant (000s)	Estimated System Expenditure *	EDU Grant less Expenditure	Percent Shortfall
1999-2000	JK and K	253744	.5 x \$75	9515	167963	133329	34634	21%
	Elementary	1173614	\$75	88021				
	Secondary	704268	\$100	70427				
2000-2001	JK and K	249847	.5 x \$75	9369	169121	130499	38622	23%
	E	1184898	\$75	88867				
	S	708854	\$100	70885				
2001-2002	JK and K	249486	.5 x \$75	9356	170749	127026	43723	26%
	E	1198786	\$75	89909				
	S	714838	\$100	71484				
2002-2003	JK and K	246640	.5 x \$75	9249	170966	152501	18465	11%
	E	1204501	\$75	90337				
	S	713799	\$100	71380				
2003-2004	JK and K	245056	.5 x \$77	9435	172411	122500	49911	29%
	E	1197923	\$77	92240				
	S	686763	\$103	70736				
2004-2005 preliminary data	JK and K	240624	.5 x \$78	9384	175130	122307	52823	30%
	E	1185120	\$78	92439				
	S	698160	\$105	73307				
2005-2006	JK and K	not available	.5 x \$80		* Industry estimates	Average Shortfall 24%		
	Elementary	available	\$80					
	Secondary		\$107					

NOTE: Enrollment data from EDU Quick Facts. Grant Information from EDU Technical Papers. Expenditure data from industry estimates.

Observations and Research (continued)

Table 2 assumes another perspective and compares the Foundation Grant funding for textbooks and learning materials with the corresponding costs for student enrolment at three levels (elementary, intermediate and high school), specifically Grades 3, 6 and 9. Unfortunately it was necessary to utilize 2003-04 enrolment data (the latest published) with current textbook costs. Nonetheless the results demonstrate very significant variations in per student costs among the different grade levels. The results also indicate that the current allocations in the Foundation Grant for textbook and learning materials for secondary school students may be inadequate. For example, the numbers for Grade 9 students in Table 2 suggest that the formula allocation falls short of actual need by more than 8 million dollars for that grade level.

Taking the basic approach of Table 2 and making a “heroic” assumption that the costs of textbooks and learning materials for grades 3, 6 and 9 can be applied to other primary, intermediate and secondary grade-level enrolments (i.e. JK to 5, 6 to 8 and 9 to 12 respectively) leads to an arithmetic projection of costs in the amount of \$193.4 million compared with Foundation Grant allocations of \$172.4 million. This extrapolation has not been reproduced in table form in view of the fact that enrolment numbers are for 2003-04 whereas textbook costs are current estimates. However, it does seem reasonable to presume that the apprehended shortfall evident in Table 2 might be exacerbated in the higher years where textbooks are more specialized and costly. Moreover, the presumed shortfall within these preliminary calculations suggests the need for further detailed examination using grade by grade cost estimates of classroom learning materials together with current enrolment numbers.

Summary of Preliminary Findings

On the basis of calculations within this report, there would appear to be a significant and continuing gap between those amounts *notionally allocated* within the Foundation Grant envelope for textbook and learning materials acquisition and the *actual purchase* of relevant published materials.

Systematic follow up of this preliminary study for all grade levels, including JK and K, would lead to improved precision and transparency in any future deliberations respecting the appropriate level of funding for the portion of the Foundation Grant that should apply to classroom textbooks and learning materials.

Collection of data and systematic projections and cost estimates for future years will take some time to implement efficiently and effectively. This study suggests, as an interim step, that to alleviate apprehended learning resource gaps and consequent public concern and criticism, a continuation of the special funding made available in 2005-06 should be continued for at least one more year.

TABLE 2 Comparison of EDU Grant Income with Cost of Learning Materials – Grades 3, 6 and 9

2003-04 Enrolment	Student Grant Funding	Total Grant Income	Estimated Initial Year	\$ Cost of Textbook Resources	Per Year	Per student	Per student System Cost (5 Years)	Annual
Grade 3			Per student class/teacher	167	Workbook 12% replace x 4 years	6	309	9220251
149195	77	\$11,488,015		42		19	46101255	
			209			100		
Grade 6			per student class/teacher	198	Workbook 12% replace x 4 years	6	360	11146608
154814	77	\$11,920,678		42		24	55733040	
			240			120		
Grade 9			per student class teacher	442	12% replace x 4 years	53	779	25732394
165163	105	\$17,342,115		125		212	128661970	
			567					

* Funding of \$11.49 million less estimated costs of 9.22 million

* Funding of \$11.92 million with estimated costs of \$ 11.15 million

* Funding of \$ 17.34 million with estimated resource costs of \$ 25.73 million

NOTE: Enrolment numbers are for 2003-04; costs of textbooks and learning materials are current costs. Ignoring cash flow issues, this table assumes equal expenditure for each year of a five-year cycle. Estimated class/teacher costs for classes of 24 students are \$1000 for Grades 3 & 6, and \$3000 for Grade 9. Enrolment data from EDU Quick Facts. Textbook costs are industry estimates.

The Need for a Longer Term Perspective

An adequate, stable and predictable funding protocol for the classroom textbooks and learning materials required by Ontario's public education system would bring a number of demonstrable benefits:

- confidence within the provider industry
- adequate lead time for review, purchasing and related logistical concerns
- timely, appropriate responses to curriculum renewal cycles
- synergies related to the Trillium list review process
- superior quality learning materials that would support student achievement
- "externalities" including broader recognition of Ontario's public education system
- commensurate opportunities for the export of education-related products, services and expertise beyond Ontario and internationally

Further Examination of this Issue

This report is a preliminary study. In the time available and using presently accessible data, only a limited number of avenues pertinent to the research subject were pursued. Nonetheless the observations and data suggest that there are evident gaps between the planned funding levels and the actual acquisition of classroom learning resources. In general terms, funding concerns such as those articulated in this report represent a "recurrent issue" – and therefore a subject for ongoing and careful review by all parties directly concerned.

The Foundation Grant

The Foundation Grant within the Student-Focused Funding Formula is intended to cover the components of a classroom education that are required by, and common to, all students. It allocates the same amount per student to all school boards and is based on a board's average daily enrolment, calculated twice yearly, in October and March.

The Textbook and Learning Materials portion of the Foundation Grant provides for textbooks, workbooks, equipment, computer software, library books and classroom resource materials.

Other categories within the Foundation Grant funding envelope [arguably categories competing for funding priority] include classroom teachers, supply teachers, staff development, teaching assistants, classroom supplies, classroom computers, library and guidance services, professional and para-professional supports, teacher's preparation time, in-school administration, and classroom consultants.

1999-2000 The Foundation Grant provided \$75 per elementary student and \$100 per high school student for the acquisition of textbooks, workbooks, equipment, computer software, library books and resource materials. JK and K enrolments were funded on a A-half-time@ basis. These per student grants continued at the same rate for the next three fiscal years (2000-01 to 2002-03).

2002 In response to a recommendation from the Education Equality Task Force (Rozanski) to adjust learning supplies benchmarks, the Government announced that it would provide additional new annual funding for textbooks, learning materials classroom computers and supplies, and that \$22 million would be applied to 2003-04 benchmarks.

2003-2004 Per student grants for textbook and learning materials increased to \$77 for elementary and \$103 for high school students.

2004-2005 Per student grants for textbook and learning materials increased to \$78 for elementary and \$105 for high school students.

2005-2006 Special funding in the amount of \$44 million made available by the McGuinty government for the acquisition of textbooks and learning materials. Per student grants have been increased to \$80 for elementary and \$107 for secondary school students.

Note: The open question for consideration in this report is whether all district school boards will find it possible to provide adequate, appropriate, approved textbooks and learning materials without a continuation of the special funding (\$44 million) provided by the Ministry in 2005.

Perspectives

Education Equality Task Force

In the Report of the Education Equality Task Force (2002) Professor Mordechai Rozanski identified a crucial goal for Ontario's education system B the continuous improvement of student learning and achievement. Dr. Rozanski had been appointed to make recommendations on ways to improve on equity, fairness, certainty and stability in the funding of Ontario's students and schools. He enunciated six interrelated and interdependent principles to guide the funding of public education B adequacy, affordability, equity, stability, flexibility and accountability. In his vision, strategic investments were the key where funding was limited, as were allocations that must keep up with enrolment changes and recognized cost pressures. Funding arrangements should ensure that Boards are able to meet the Province's education objectives. In his view, the funding formula was an instrument for achieving the policy goal of continuous improvement in student learning and achievement, but to be effective, the formula would need to be updated on a regular basis.

People for Education

In a report for People for Education, Ms. Annie Kidder stated " Finally, it's a question of fairness." She observed that a widely published Report Card of The Fraser Institute

confirms the effect of socio-economic status on a child's academic performance without offering solutions. This is not to say that we should have low expectations of schools in lower income neighbourhoods. But we must recognize that students from economically advantaged families have numerous academic advantages. They usually have more books at home and their parents can pay for tutors. They are likely to have access to enriching experience like music lessons. Their parents raise tens of thousands of dollars a year to provide their schools with adequate books, computers and supplies. . . . But the job of the publicly funded school system is to ensure that all students, regardless of their background, have a chance to succeed.