

REVIEW OF THE EDUCATION PreK-12 FUNDING DISTRIBUTION MODEL

Dan Perrins, Chair
January 26, 2017

Review of the Education PreK-12 Funding Distribution Model

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Honourable Don Morgan
Minister of Education
Room 361, Legislative Building
2405 Legislative Drive
Regina, SK
S4S 0B3

Dear Minister Morgan:

I am pleased to provide you with a report on the Review of the Education PreK-12 Funding Distribution Model.

Consistent with my mandate, I established a Technical Committee of school division and ministry representatives to engage school divisions from across the province to assess the funding model and how it can be improved to address any funding allocation inequities. We have made several recommendations for improvement and for follow-up work in the future.

I am very appreciative of the time and thoughtful consideration that school division representatives and ministry officials provided throughout the review process. Ultimately, this is about supporting Saskatchewan students to reach their potential through quality education, regardless of where they live. The commitment of the entire sector to this goal and achievement of the Education Sector Strategic Plan is commendable.

Thank you for providing me with the opportunity to hear from school divisions, learn from their expertise and contribute to improvement.

Sincerely,

Dan Perrins, Chair

Acknowledgements

I would like to acknowledge the contribution of the many individuals and organizations that assisted me throughout the review process including school division Board Chairs and trustees, Directors of Education, Chief Financial Officers (CFOs), the Conseil des écoles Fransaskoises, the Saskatchewan School Boards Association (SSBA), the League of Education Administrators, Directors and Superintendents of Saskatchewan (LEADS), the Saskatchewan Association of School Business Officials (SASBO), and the Saskatchewan Teacher's Federation (STF).

In particular, I want to thank the following members of the PreK-12 Education Funding Distribution Model Technical Committee and Working Committees for their time and expertise, and for their commitment to Saskatchewan's children:

Technical Committee

- Don Rempel, Director, North East School Division
- Joel Lloyd, CFO, St. Paul's Roman Catholic Separate School Division
- Naomi Mellor, CFO, Prairie Valley School Division
- Charlie McCloud, CFO, Northwest School Division
- Rod Quintin, CFO, Chinook School Division
- Garry Benning, CFO, Saskatoon School Division
- Angela Chobanik, Executive Director, Ministry of Education
- Laura Bennett, Senior Financial Policy Advisor, Ministry of Education

Transportation Working Committee

- Ryan Bruce (co-chair), Saskatchewan Rivers School Division
- Angela Chobanik (co-chair), Ministry of Education
- Derek Froese (co-chair), Ministry of Education
- Sharon Bender, Prairie Valley School Division
- Bruce Lipinski, Regina School Division
- Sheila May, Saskatoon School Division
- Rod Quintin, Chinook School Division
- Shelley Toth, South East Cornerstone School Division
- Curt Van Parys, Regina Roman Catholic Separate School Division

Base Instruction Working Committee

- Diana Welter, Prairie South School Division
- Lola Correia, Prairie Valley School Division
- Mike Walter, Regina Public School Division
- Al Boutin, St. Paul's Roman Catholic Separate School Division
- Angela Chobanik, Ministry of Education
- Laura Bennett, Ministry of Education

Special thank you to Shelley Whitehead for her invaluable support to the technical team and in the preparation of this report. In addition, I would also like to thank Donna Johnson, Assistant Deputy Minister, Josh Kramer and Janie Markewich, Directors of Education Financial Policy, for their hard work and assistance through this process.

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Executive Summary

In April 2015, Honourable Don Morgan, Minister of Education asked Mr. Dan Perrins to chair a review of the Education PreK-12 Funding Distribution Model to assess how it can be improved to address any funding allocation inequities. Mr. Perrins was requested to engage all school divisions in the review process and to establish a technical working committee comprised of school division and ministry representatives to examine options. The Minister indicated his continued interest in preserving unconditionality of funding and school division autonomy. Mr. Perrins was asked to focus on equity: sufficiency of funding was not within the scope of the review.

The funding distribution model allocates funding to all school divisions across the province. The model provides school boards with operating grants that are used to provide education services to students. Striving for an equitable distribution of funds is important because all children in the province should be able to access quality education; and parents, citizens and communities should be confident that public dollars are being allocated effectively and efficiently.

The funding model was launched in 2012-13 and has nine expense components that are based on the various functions of school divisions: instruction (which includes base instruction, supports for learning, instructional resources, local teacher benefits, and school based support), transportation, plant operations and maintenance, governance, administration, complementary services (Prekindergarten), tuition fee expenses, associate schools and debt repayment. In 2016-17, \$1.892 billion was distributed to school divisions through the fund.

The Technical Committee was established and, between May 2015 and October 2016, the review was conducted in consultation with school divisions. To ensure engagement of school divisions throughout the review process, an iterative process was used. School divisions were initially engaged in the identification of issues and, as options were identified and preliminary recommendations developed, further meetings were held to discuss the rationale and implications. At all stages of the review, school divisions were encouraged to provide feedback in and between meetings. Transportation and base instruction, for example, were two areas where school divisions played a critical role in directing the review. Initially, a new transportation formula was considered outside the scope of this project, and base instruction was not identified as requiring further examination; however, six months into the review process school divisions asked the Technical Committee to conduct further analysis. In response, two working committees (one on transportation and the second on base instruction) were struck to solicit additional school division expertise and to assist in the analysis.

In addition to the funding model components, the review also considered and makes recommendations regarding *The Education Regulations*, governance and accountability, sustaining the model and integrity of the model. In total, the Technical Committee makes 28 recommendations for consideration by government to improve equity of the model and sustain it into the future. When those with financial implications are considered all together, the review recommends a total funding shift between school divisions of approximately \$8.7 million or 0.5 per cent of the \$1.892 billion funding allocation for

2016-17. The shift ranges from an increase of \$1.3 million representing 2.2 per cent of total funding for one school division to a decrease of (\$2.8 million) and (3.5 per cent) for another.

On balance, the PreK-12 Funding Distribution Model works as intended and the recommendations from the review will strengthen it and enhance equity across the education system. The model itself is a methodology for allocating available education dollars to school divisions on an unconditional basis. School boards continue to have the autonomy to make budget decisions in accordance with local priorities.

Mandate

In April 2015, Honourable Don Morgan, Minister of Education, asked me to chair a review of the Education PreK-12 Funding Distribution Model to assess how it can be improved to address any funding allocation inequities. He clearly outlined his expectation that I engage all school divisions in the review to ensure all sides of the issues are heard and to make every effort to obtain consensus across the system about any proposed changes. He asked me to establish a technical working committee comprised of school division and ministry representatives to examine options. I was asked to focus on equity: sufficiency of funding was not within the scope of the review.

Approach to the Review

As requested by the Minister of Education, one of the first things I did in undertaking this review was to contact SASBO and LEADS to request their assistance to seek out volunteers to form a Technical Committee of experts from school divisions and the ministry. Several individuals put their name forward and I selected the following members who, throughout the review, were invaluable in helping me to understand the model; identify key issues; undertake detailed analysis; and develop options, implications and recommendations.

Technical Committee Members
<ul style="list-style-type: none">• Don Rempel, Director, North East School Division• Joel Lloyd, CFO, St. Paul's Roman Catholic Separate School Division• Naomi Mellor, CFO, Prairie Valley School Division• Charlie McCloud, CFO, Northwest School Division• Rod Quintin, CFO, Chinook School Division• Garry Benning, CFO, Saskatoon School Division• Donna Johnson, Assistant Deputy Minister, Ministry of Education• Angela Chobanik, Executive Director, Ministry of Education• Laura Bennett, Senior Financial Policy Advisor, Ministry of Education

As well, the Technical Committee was supported by two working committees: one on transportation and the second on base instruction.

Transportation Working Committee Members	Base Instruction Working Committee Members
<ul style="list-style-type: none">• Ryan Bruce, Saskatchewan Rivers School Division• Angela Chobanik, Ministry of Education• Derek Froese, Ministry of Education• Sharon Bender, Prairie Valley School Division• Bruce Lipinski, Regina School Division• Sheila May, Saskatoon School Division• Rod Quintin, Chinook School Division• Shelley Toth, South East Cornerstone School Division• Curt Van Parys, Regina RCSSD	<ul style="list-style-type: none">• Laura Bennett, Ministry of Education• Angela Chobanik, Ministry of Education• Lola Correia, Prairie Valley School Division• Al Boutin, St. Paul's RCSSD• Mike Walter, Regina School Division• Diana Welter, Prairie South School Division

I was committed to engaging all school divisions in the review process; however, especially over the 2015 summer months and during the writ period before the 2016 provincial election, this proved to be a challenge. To ensure all sides of the issues were heard, and to make every effort to increase understanding, discuss options and obtain consensus across the system; an iterative process was used. School divisions were initially engaged in the identification of issues and, as options were identified and preliminary recommendations developed, further meetings were held to discuss the rationale and implications.

At all stages of the review, school divisions were encouraged to provide feedback in and between meetings. Transportation and base instruction, for example, were two areas where school divisions played a critical role in directing the review. Initially, a new transportation formula was considered outside the scope of this project, and base instruction was not identified as requiring further examination; however, six months into the review process school divisions asked the Technical Committee to conduct further analysis. This is what led to establishment of the transportation and base instruction working committees referenced above.

Meetings were held as follows:

- May 27, 2015, April 14, 2016 meetings with Board Chairs;
- September 24, 2015 and February 4, 2016 meetings with SSBA Executive Committee;
- September 24, 2015, June 16, 2016, September 21, 2016 meetings with Board Chairs, Directors of Education and Chief Financial Officers;
- June 3, 2015, August 17, 2015, December 15, 2015 meetings with Directors of Education and Chief Financial Officers (CFOs);
- June 2, 2015, September 24, 2015 meetings with Conseil des écoles Fransaskoises;
- January 20, 2016 meeting with Chinook, Prairie South and Sun West school divisions; and
- November 15, 2016 meeting with Regina, Regina RCSSD, Saskatoon and St. Paul's RCSSD.

In addition, I met with representatives of individual school divisions and other educational stakeholders as requested and, throughout the review process, provided regular updates to the Minister.

Background to the Model

For more than 100 years (since 1905), financing for public education in Saskatchewan has been a shared responsibility of the provincial government and school boards. Government provides funding from general revenues on an equalizing basis distributed through an operating grant formula. School boards have autonomy to deliver educational services in their school divisions within the parameters of *The Education Act, 1995*. Prior to 2009, school boards also had autonomy to raise any remaining education funding requirements from the property tax base.

Several key events led up to a change, in 2009, whereby Government amended legislation to set all education property tax mill rates provincially:

- In 2003, the Boughen Commission recommended a number of measures to increase the proportion of education funding to a ratio of almost 70:30 at the end of four years. The report was clear in its assertion that the province relied too heavily on property tax to support education;
- In May 2004, Government responded to the Boughen Commission with a commitment to restructure school divisions, develop a new funding system and develop a solution to lowering the education property tax;
- In 2006-07, the funding mechanism that was in place at the time, the Foundation Operating Grant (FOG), was reviewed and changes were subsequently made in 2006-07, 2007-08 and 2008-09;
- In November 2007, MLA Jim Reiter, legislative secretary to the Minister of Education, was appointed by Government to conduct a review of the role of property tax in education funding, and the reliance of education funding on the property tax base. Mr. Reiter provided options for equitable and sustainable long-term property tax relief to the Minister of Education in February 2009; and
- In 2009, legislation was changed and development of the new funding model commenced. It was launched in 2012-13 and a revised supports for learning (SFL) calculation was implemented in 2014-15.

Education funding inequities are not a new thing for the province. We have always had them because, historically, school divisions varied in their ability to generate revenue through the tax system; and different choices were made by school divisions based on local circumstances, needs and priorities. Some of this carried forward into the new model since it was based on historical school division spending. Building on “what was” also reflected Government’s respect for the decisions school divisions made when they had the ability to supplement grant funding through property tax. If Government had not designed the model in this way, there would have been major impacts – both positive and negative – across the province. In some respects, it can be said that significant efforts have been made before and after implementation to strive for equity while minimizing negative impacts.

Despite this, some school divisions continue to express concern about equity of the model. This review comes in response to that concern.

Why Strive for Equity?

The Education Sector Strategic Plan (ESSP) is a province-wide plan developed in cooperation with all education sector partners, approved by all 28 school boards, and accepted by the Government of Saskatchewan. It provides short- and long-term outcome goals for education leading up to 2020. The ESSP prioritizes and deploys the work the sector needs to do in order to achieve the common goal of supporting every student to reach their full potential.

The funding distribution model allocates funding to school divisions across the province. While not directly tied to the ESSP, the model provides school boards with operating grants that are ultimately used to provide education services to students. The model was implemented in 2012-13 following three years of consultation with education sector representatives. Development of the funding model was guided by a set of principles which were mutually agreed upon by the ministry and sector representatives.

Funding Distribution Model Guiding Principles (PreK-12 Funding Distribution Model , 2016-17 Funding Manual)	
Principle	Funding Model
Mutual Responsibility: The ministry and boards of education will be guided by sustainable programs and services that support the broad range of factors required for student achievement.	<p>The funding model is unique to Saskatchewan and provides a balance between provincial responsibility and direction, and board of education autonomy.</p> <p>The annual overall funding allocation (“size of the pie”) is determined through government’s budget process. However, the model distributes funding in an unconditional way so boards of education have the authority to focus resources where needed to support provincial priorities and local needs.</p>
Accountability: The ministry and boards of education will maintain a respectful collaborative working relationship, and ensure that the principles are reflected in their actions and decisions and demonstrate their responsibility to stakeholders and the public.	<p>The ministry and boards of education are accountable for their respective decisions and have the responsibility to report to the public on how funds are used and the results that are achieved.</p> <p>Using the Chart Of Accounts (COA) as the framework of the funding model supports demonstration of this accountability by the ministry for allocation among boards of education and accountability for program and service delivery expenditures by boards of education.</p>

<p>Transparency: The ministry and boards of education will make decisions that are supported by evidence-based written policies that are consistently applied and easily understood.</p>	<p>The formulas within each component of the funding model are clear and easily understood. The ministry's Funding Manual and written policies identify rates and rationale of each formula within a component used to distribute funding. This allows for consistency amongst boards of education.</p> <p>The COA structure supports the transparency of ministry funding allocation among boards and boards of education expenditures among priority areas.</p>
<p>Equity: The ministry and boards of education will make decisions that support all students in reaching their full potential.</p>	<p>The distribution model recognizes cost differences amongst boards of education in providing programs and services. The formulas within each component of the funding model consider the cost drivers for delivery of education programs and services. Boards of education continue to have the authority to allocate resources among most cost areas and among schools to meet provincial priorities and student needs.</p>
<p>Stability: The ministry and the boards of education will make decisions that endeavor to provide the flexibility to deal with periods of economic stability, growth and decline.</p>	<p>The distribution formulas within each component of the model provide predictability and scalability, which will allow boards of education to budget and plan for the future.</p>

Striving for an equitable distribution of funds is important because:

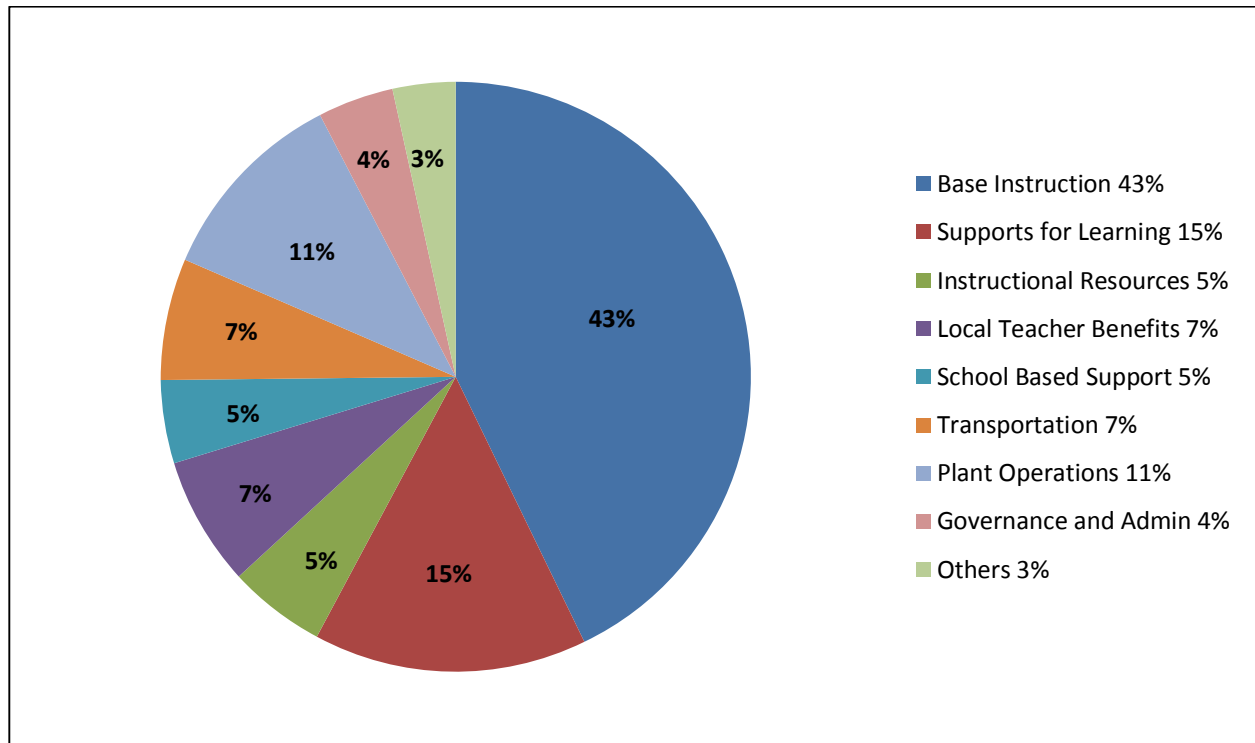
- All children in the province should be able to access quality instruction, the supports they need to learn, have a safe and welcoming environment at school, and be able to travel safely to and from school every day;
- Parents, citizens and communities need to be confident that public dollars are being allocated effectively and efficiently in support of quality education outcomes. This means that the ministry and school divisions need to be transparent and accountable, and able to communicate in a way that is understandable to the public; and
- School divisions need some level of predictability and stability, within the context of Government's fiscal circumstances, so that they can plan and deliver quality education.

For students, equity goes beyond providing all students with the same opportunities. Equity means ensuring that students who experience barriers to learning have the supports they need to achieve the same benefits and successes as all other students. Equity is about outcomes, results and opportunities.

For boards of education, education equity means equity of resources. Education equity means funding models that recognize it costs more to deliver the K-12 education program in some situations than in others and provides appropriate and adequate dollars so all boards of education can offer comparable, equitable, and high-quality programs to their students.

- 2011 SSBA Education Equity Working Advisory Group

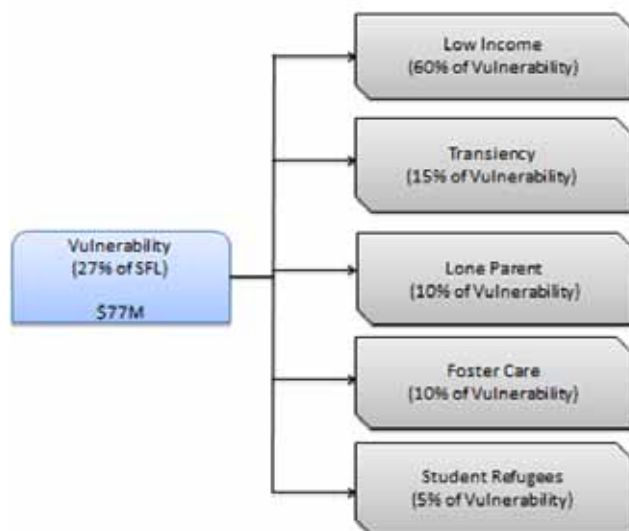
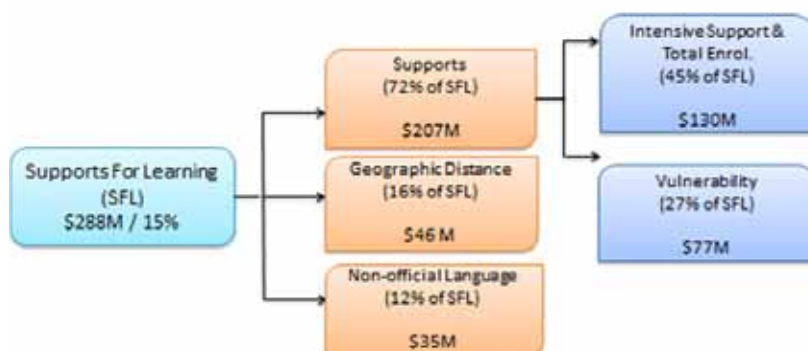
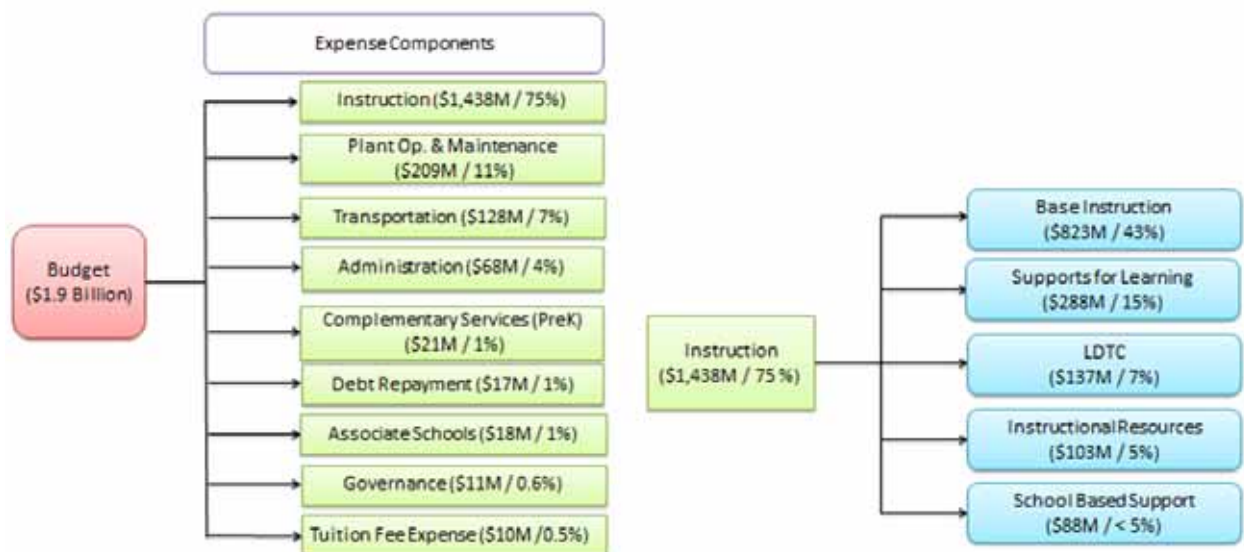
How The Funding Distribution Model Works



The funding distribution model has nine expense components that are based on the various functions of school divisions such as instruction, transportation, plant operations, administration and so on. The largest components are base instruction which represents 43 per cent of the allocation, supports for learning which is 15 per cent, and plant operations which is 11 per cent. A detailed description of model components and the data used to allocate funding can be found in the *PreK-12 Funding Distribution Model 2016-17 Funding Manual* at <http://publications.gov.sk.ca/documents/11/90071-2016-17%20Funding%20Manual.pdf>.

Education costs are based on more than just enrolments. That's why the funding model considers not just how many students, but also the type of students, where they are located, and what type of schools the students are in.

The flow chart below, illustrates how the funding model is broken out by component (2016-17 budget allocation):



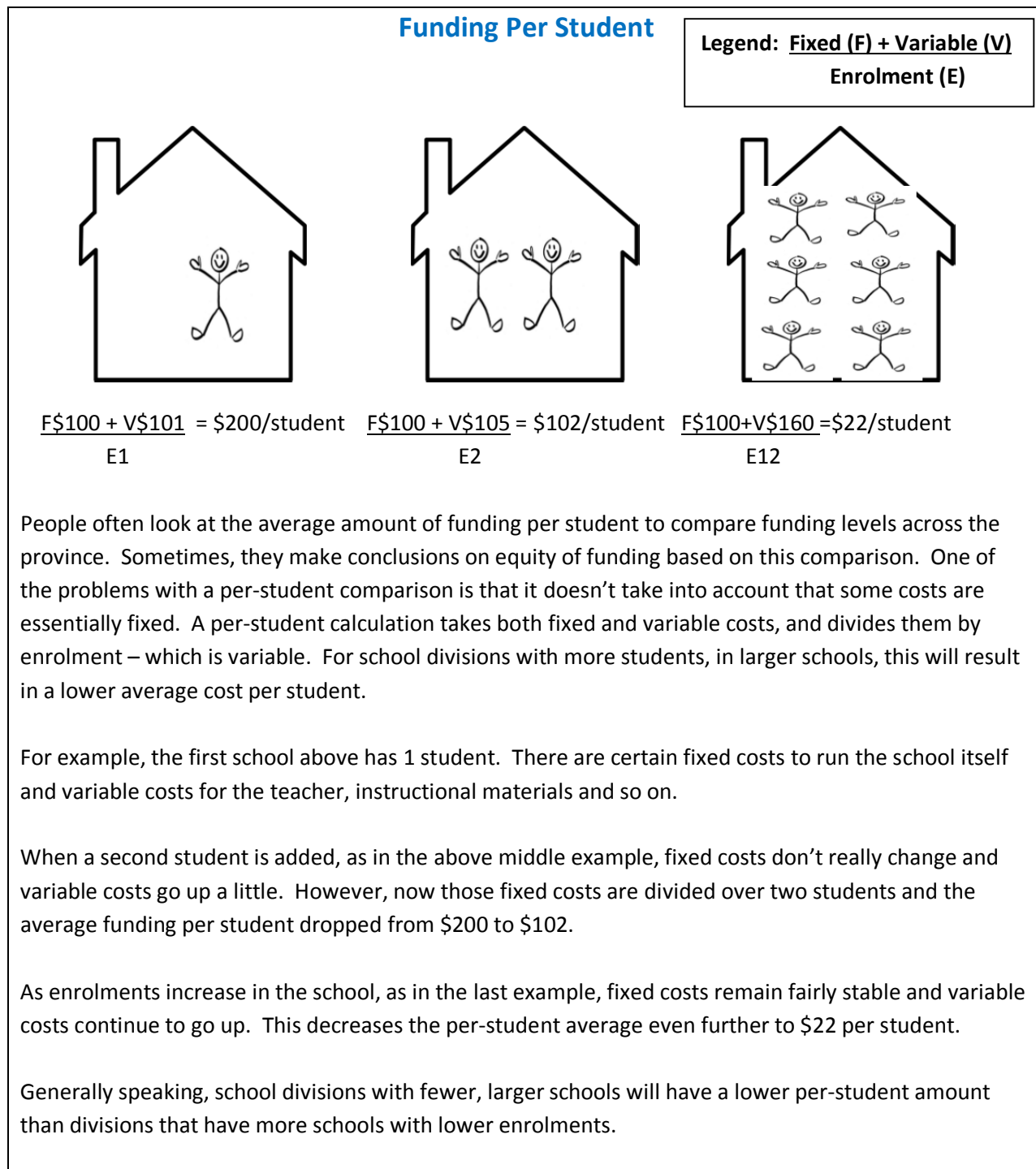
As can be seen, the model is complex. Within the nine expense components, there are a total of fifty-six weighted factors. While there is one funding model that is applied to all 28 school divisions, the model recognizes cost differences across the province and responds to different circumstances for small, medium and large divisions; and whether they are urban, rural or in the north. Equitable funding does not mean equal per-student funding.

The funding model recognizes fixed and variable costs across the various components with some components looking at both.

Expenses								
Gov.	Admin.	Instruction	Plant Op & Maintenance	Comp. Services	Transp.	Tuition Fee Exp.	Associate Schools	Debt Repay.
B	B	B	F	B	F	B	B	F
Base Instr.	School – based Support	Supports for Learning	LDTC	Instr. Resources		Transp. Operations	School Bus Renewal	
B	B	V	F	B		F	F	

Based on Fixed costs, Variable costs, or a Blend

Per-student comparisons don't tell the complete picture – funding is based on more than just enrolments.



Issues, Options and Recommendations

The Technical Committee considered each of the components of the funding model to determine which factors required further review. The following issues were identified:

- Transportation
- Locally Determined Terms and Conditions (LDTC)
- Instruction
 - *Base Instruction*
 - *Enrolment Counts for Graduated Students*
 - *First Nations and Métis Education Achievement Fund*
 - *Instructional Resources*
- Plant Operations and Maintenance
- Supports for Learning (SFL)
 - *Students Requiring Intensive Supports*
 - *Geographic Distance*
- Revenue
 - *First Nations*
 - *International Students*
- Education Regulations
- Governance and Accountability
- Sustaining the Model
- Concurrent Analysis

A discussion of each follows.

Transportation

Issue

Since the PreK-12 Funding Distribution Model was implemented in 2012, transportation has been funded in a variety of ways, primarily based on past transportation expenditures along with adjustment factors such as inflation, enrolment growth and funding availability. It includes school division operating costs associated with the transportation of students, and a school bus renewal sub-component that allocates funding for the purchase and/or leasing of school buses. School divisions transport approximately 75,000 students per school day with buses travelling approximately 300,000 kilometers per day on rural routes (the equivalent of more than 50 million kilometers per year). Total transportation funding in 2016-17 is \$128.1 million, or 6.7 per cent of the total provincial funding recognition.

There is wide variation in transportation services and delivery methods across the province including different policies on walk distances, ride times, and which students are eligible for transportation.

Some school divisions express concern with the transportation allocation because it is based on an average of the three past years of transportation expenses which freezes-in existing inequities. They are concerned that since the transportation allocation is based on historical costs, there is no incentive for school divisions to reduce spending as savings are subsequently removed from their funding allocation.

Background

In 2012, a Transportation Funding Working Group comprised of chief financial officers and transportation managers from eight school divisions and the ministry, was struck to develop a new transportation formula. Objectives of the committee were to develop a transportation funding formula that reflected best practices and cost pressures while encouraging efficiency and promoting equity; and was predictable, stable, and could operate effectively with limited data resources. Over the next two years the committee tested many different approaches to provide a “best fit” to historical spending levels while minimizing funding shifts between school divisions as much as possible.

An approach was developed and presented to school divisions in December 2013. For rural transportation, it was based on the student density of the school division and the actual distances school buses travel on rural routes; and, for urban transportation, the type of student and size of the urban centre. The approach was not implemented because the shifts in funding to school divisions were significant and, in some cases, were difficult to fully explain.

In December 2015, the Funding Distribution Model Technical Committee was asked by school divisions to re-examine the formula developed in 2013-14 and consider whether a new approach could be implemented to replace the current funding method. The Transportation Funding Working Group was re-convened to build on the 2013-14 work. The Working Group and the Technical Committee agree that the following proposed changes will improve equity and better address the major cost drivers school divisions are facing.

We Recommend:

1. That **rural transportation** funding be allocated based on:
 - a. the number of PreK-12 rural students transported daily to and from school; and
 - b. the total distances of rural routes transporting students to and from school.

That provincially, 20 per cent of rural transportation funding be allocated on students and 80 per cent be allocated on distance.

That rural intensive supports transportation funding be allocated to reflect average costs and percentage of PreK-12 students transported who require specialized transportation due to intensive needs. This results in 1 per cent of transported rural PreK-12 students be funded at five times the rural per student rate.

2. That **urban transportation** funding be allocated based on the number of eligible PreK-8 students living in urban centres of over 5,000 population.

That students who live further than the following distances from their school of attendance be funded at a standard per student rate: 0.5 km for PreK children; and 1.0 km for K-8 students.

That urban intensive supports transportation funding be allocated to reflect average costs and percentage of PreK-12 students transported who require specialized transportation due to intensive needs.

That, for the urban allocation, 2 per cent of PreK-12 students living in Saskatoon and Regina and 1 per cent of PreK-12 living in all other urban centres (over 5,000 population) be funded at five times the urban per student rate.

3. That **northern transportation** funding be allocated based on rural and urban funding rates as follows:
 - a. For the rural allocation, all PreK-12 rural students who are transported be funded and a northern factor of 1.3 be applied to Northern Lights School Division's rural rates in recognition of the costs associated with the school division's extreme sparsity; and
 - b. For the urban allocation, 35 per cent of K-12 urban students and 65 per cent of urban PreK children be funded, regardless of the northern community's size.

That, for intensive supports, 1 per cent of PreK-12 students be funded and a northern factor of 1.3 be applied to all urban rates to recognize the higher costs of providing transportation in the north.

That those students whose remote location requires them to be transported by airplane to live and attend school in another community will be recognized for flights and room and board.

4. That for the **Conseil des écoles Fransaskoises**, 2016-17 transportation funding be maintained for 2017-18 until a method is developed for Francophone funding.

Rationale

Rural Transportation

There are two significant changes and one minor change to rural transportation funding since the 2013-14 funding method was developed. The proposed changes follow:

1. Apply one per student rate to rural PreK-12 students

The 2013-14 funding formula applied three rural per student rates based on the student density of each school division. Student density was determined by dividing the number of rural students by the primary transportation area of each school division. Most divisions received the middle rate and only a few divisions received the high and low per student rates based on their student densities. In some cases, school divisions with marginal differences in density received different funding rates.

Further analysis showed that weighting a greater proportion of funding to distance addressed the student density cost pressures without having to apply different per student rates. By allocating a greater portion of funding to rural route kilometres, funding more accurately reflects rural density cost pressures. The decision was therefore made to recommend applying one per student rate to all school divisions, and increase the share of funding to route kilometres (i.e. distance).

2. Increase funding allocation to distance (rural route kilometres)/decrease funding allocation to students transported

The 2013-14 funding formula allocated 50 per cent of rural transportation funding to distance (rural route kilometres) and 50 per cent to rural PreK-12 students transported. The new formula applies 80 per cent of funding to distance and 20 per cent to students transported. Correlation analysis with actual rural transportation costs supports this higher allocation to distance, although the differences in the analysis at 70/30, 80/20 and 90/10 are small. The highest correlation between funding and transportation costs among the 12 primarily rural school divisions existed when 70-90 per cent of funding was allocated to distance. There was also a higher correlation with costs of individual rural routes when 80-85 per cent of funding was allocated to distance. Allocating less than 80 per cent of rural funding to distance tended to under-fund longer routes of school divisions while over-funding shorter routes. This analysis, conducted on four primarily rural school divisions, showed that allocating 80 per cent of funding to distance more closely reflected actual route costs.

Applying 20 per cent of the funding allocation to students recognizes that the number of students continues to influence rural transportation costs. While not to the same degree as distance, the number of students can impact the number of rural routes. By maintaining a 20 per cent allocation to students, school divisions also continue to have a financial incentive to amalgamate routes and increase efficiency. Test scenarios demonstrated a net financial benefit to school divisions when amalgamating rural routes, with cost savings exceeding potential reductions in funding.

3. Change to rural intensive supports funding factor

The rural intensive supports factor is proposed to be increased from three to five times the rural per student rate. It should be noted that since the 2013-14 method used a higher per student rate (since 50 per cent of funding was allocated to students as opposed to 20 per cent), this factor increase maintains the rates that were previously determined. The funding rate for intensive supports reflects the approximate average costs that school divisions have reported in rural areas to transport students requiring alternate transportation services. It is recognized that this is only an average cost estimate, and that costs can vary significantly by student.

Urban Transportation

There are four significant changes to urban transportation funding since the 2013-14 funding method was developed. The proposed changes are as follows:

1. Fund urban PreK-8 students based on actual student location relative to school of attendance

In the 2013-14 method, eligibility for funding was based on the average percentages of urban students living further than a specified distance from school. This applied to all students living in urban centres with a population of at least 5,000. In this method, 35 per cent of all urban K-8 non-immersion students were funded and 75 per cent of all urban immersion students were funded. On average, 35 per cent of non-immersion students and 75 per cent of immersion students lived over 1 km from their respective school of attendance. However, further analysis showed there was considerable variation among school divisions depending on the location of their schools and students.

To address this variation, the proposed method will account for the actual location of each urban student relative to their school of attendance by school division. School divisions with students who live further than the following distances from their school of attendance will be funded:

- PreK: 0.5 km
- K-8: 1.0 km

These distances are not prescriptive walk distances, but rather are approximate averages of what school divisions currently use as walk distances in their transportation policies. (Note that these are straight-line distances from residence to school.) For non-immersion students, students will be funded up to a maximum of 6 km from school, and for immersion students, students will be funded up to a maximum of 12 km from school. These thresholds ensure that students in the largest attendance areas are funded, while at the same time excluding those students who are likely being transported to school by other means than the school division provides.

The use of actual student and school locations ensures that the unique cost pressures facing each school division are addressed. For example, one school division that would have had 35 per cent of its students funded using the original method will now have 99 per cent of its students funded. Since virtually all of the school division's students live further than 1.0 km from school, the school division will now receive full funding recognition for this cost pressure. This approach most closely correlates with the actual number of students requiring transportation.

2. Apply one per student rate to urban PreK-8 students

The 2013-14 funding method applied two per student rates based on the size of the urban centre. Students in smaller urban centres received a lower per student rate than students in the largest cities. These differing rates were to account for the average difference in costs per student as experienced by school divisions in small and large cities. The highest costs per student, on average, exist in Saskatoon and Regina school divisions, and are largely associated with intensive supports transportation. Since the cost differential is primarily related to intensive supports transportation, it has been addressed through this funding allocation (see point #4 below).

Applying one per student rate assumes every school division faces the same transportation cost pressures for non-intensive supports students, whether transporting in a small or large city. While the average cost per student varies by school division and by urban centre, depending on factors such as contract costs and transportation policies, this variance is largely independent of the city's size.

The 2013-14 funding formula had also applied two different rates for immersion and non-immersion students. The recommended new formula will provide the same per student rate to both immersion and non-immersion students. The higher rate for urban immersion students (1.5 times the regular per student rate) was originally created to account for the further distances that immersion students typically travel and the assumed higher costs of transporting longer distances. Using the actual distances between students and schools, as described above, eliminates the need for a separate immersion rate. As well, costs in urban areas are primarily driven by the number of students, whether they are immersion or non-immersion (although it is recognized that distance can also pose an additional cost pressure).

To address this cost pressure, a distance factor was considered for urban transportation. When a funding rate was applied to student distances from residence to school, however, the funding impact on school divisions was minimal. This is largely because school divisions' average distances per student are so similar. Since the funding impact and costs associated with distance in urban centres were both minimal, the decision was made to allocate all urban funding through the student funding rate.

3. Urban high school students no longer funded in small urban centres

The 2013-14 funding method funded high school students in smaller urban centres but not in larger cities. This was to reflect current practice, where transportation services were less likely to be provided in large cities where public transit was available. The new method proposes to not allocate funding for any urban high school students. The rationale for this decision is as follows:

- High school students are the most mobile of the age groups and can typically find other means to attend school;
- A high percentage of urban high school students is currently not transported provincially (most high school students in Regina and Saskatoon are currently not transported);
- By not funding high school students, a higher per student rate can be applied to urban PreK-8 students; and

- By not funding high school students, public expectations will be minimized, granting school divisions greater flexibility in determining which students are eligible for transportation services.

Total transportation funding will not be reduced by not funding urban high school students. Instead, the rates for urban PreK-8 students will increase accordingly to ensure that urban transportation funding is maintained. School boards will continue to have the autonomy to make decisions on whether to transport high school students in urban areas or not. In addition, intensive supports funding will continue to allocate funding for a percentage of urban high school students who require specialized transportation services.

4. Changes to urban intensive supports funding factor

The 2013-14 funding method funded 2 per cent of PreK-12 students living in urban centres at three times the urban per student funding rate. The proposed method will increase the intensive supports rate to five times the urban per student rate. This is intended to more closely reflect the current average costs of transporting students that require specialized transportation in urban centres.

The proposed method will continue to fund 2 per cent of all PreK-12 students in Regina and Saskatoon, but will fund 1 per cent of PreK-12 students in all other cities. This change is intended to better reflect the cost pressures facing the largest and smaller urban centres. Higher costs per student in Saskatoon and Regina relate primarily to the transportation of intensive supports students. In these cities, on average, a higher percentage of intensive supports students receive specialized transportation (approximately 2 per cent of PreK-12 students), while in smaller centres a lower percentage of students receive specialized transportation (approximately 1 per cent of students). The percentage of intensive supports students transported is higher in Saskatoon and Regina largely due to the presence of centralized programming for these students.

Northern Transportation

Changes to northern transportation funding largely incorporate the changes to urban and rural funding. In the case of urban transportation, however, it is proposed that urban students continue to be funded using provincial average percentages to determine eligibility for funding, as the data is not available to determine actual distances from student residence to school. Based on 2015-16 average percentages of urban students living further than 0.5 km (PreK) and 1.0 km (K-8) from school, 65 per cent of urban PreK children and 35 per cent of urban K-8 students will be recognized for funding. For the purposes of northern transportation, urban students are defined as those that live within the community where the school is located.

A northern factor will continue to be applied to the rural and urban per student rates and funding for room and board and flights will continue to be provided for students living in remote areas.

Francophone Transportation

Francophone funding has yet to be determined. Until a method is developed, 2016-17 transportation funding will be maintained for 2017-18.

School Division Feedback

Following the presentation of the recommendations for a transportation funding formula to all school divisions in June 2016, the committee invited school divisions to provide questions, comments and feedback.

The committee received some informal questions, and a letter from one school division in October 2016. Regina Public School Division expressed concerns about the impact of the proposed formula as well as some of the mechanics within the calculations. In summary, the concerns were regarding:

- The balance of funding provided for urban transportation versus rural transportation;
- Funding for students requiring specialized transportation is based on enrolment rather than a count of students requiring additional services (1 per cent of enrolment in rural areas and 2 per cent of enrolment in urban areas);
- The cost for contracted services are subject to market forces and as such transition adjustments should be considered;
- Using prior year data disadvantages school divisions with growing enrolments;
- Whether the measurement of walking distances recognizes safety considerations (where students walking is not feasible); and
- The ability to verify student addresses within the provincial student data system.

The Technical Committee discussed these concerns and considered whether any of its recommendations should be adjusted. A subset of the Technical Committee discussed these items with Regina Public and the other large urban school divisions in November 2016. A letter was subsequently provided to Regina Public with the Technical Committee's response. That response is included as an Appendix A.

Implications

Implications of the proposed recommendations regarding student transportation follow, and are also displayed in concert with all review recommendations in the Concurrent Analysis section of this report.

Funding impacts compare current funding and past expenses of school divisions. The shifts in funding caused by the proposed method reflect the variance among divisions in their transportation practices and costs. Every division has a different starting point with regard to their current transportation operations. Every division faces its own unique cost pressures and every division has made its own service delivery choices. As a result, when a set of standard funding factors is applied to all divisions, shifts in funding occur.

Current 2016-17 transportation funding is primarily based on each school division's three-year average of transportation costs. Comparing to past expenses is not always a good comparator, as costs can change from year to year. Depending on the school division's transportation contract, the price of fuel and enrolment pressures, costs can vary significantly from year to year. Even average costs can change substantially based on the number of years included. These factors must all be taken into account when assessing the impacts on funding.

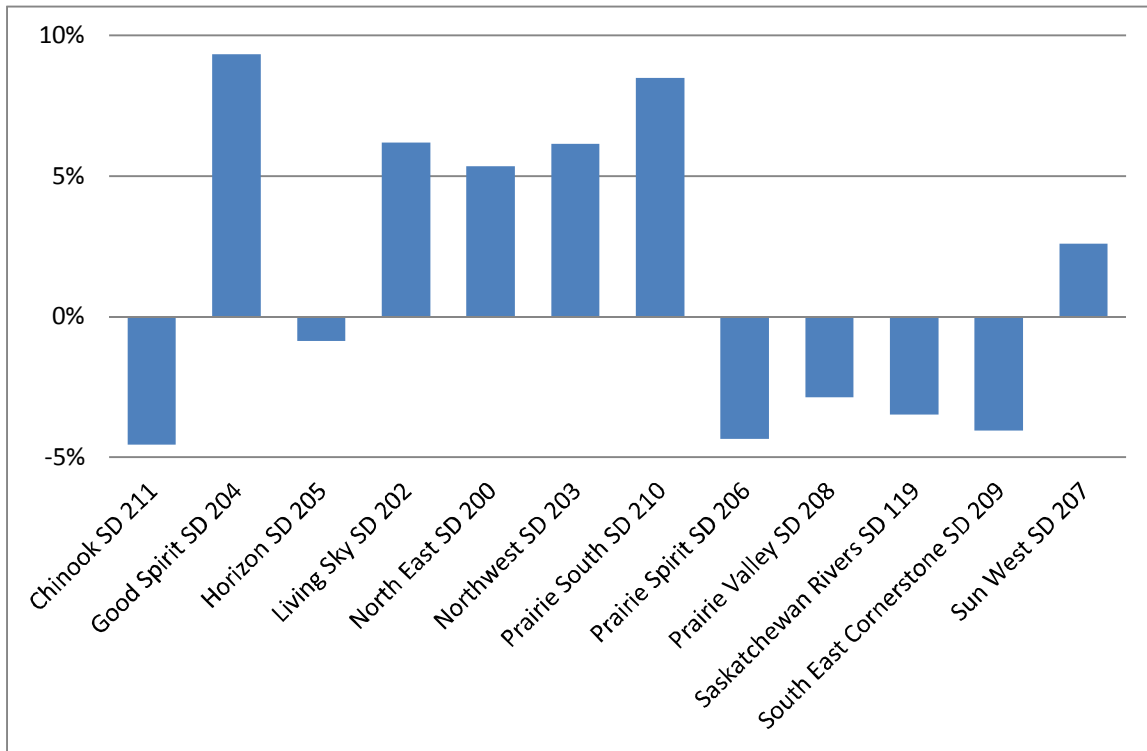
The following information compares 2016-17 actual transportation funding to the proposed method's funding, assuming the proposed method had been implemented in 2016-17. Actual transportation funding for 2016-17 includes both Transportation Operations and Bus Renewal funding. Funding for the proposed method is based on the rates outlined in the previous section. All rates are subject to change for 2017-18.

Transportation Funding Impacts
Proposed Method Compared to 2016-17 Actual Funding

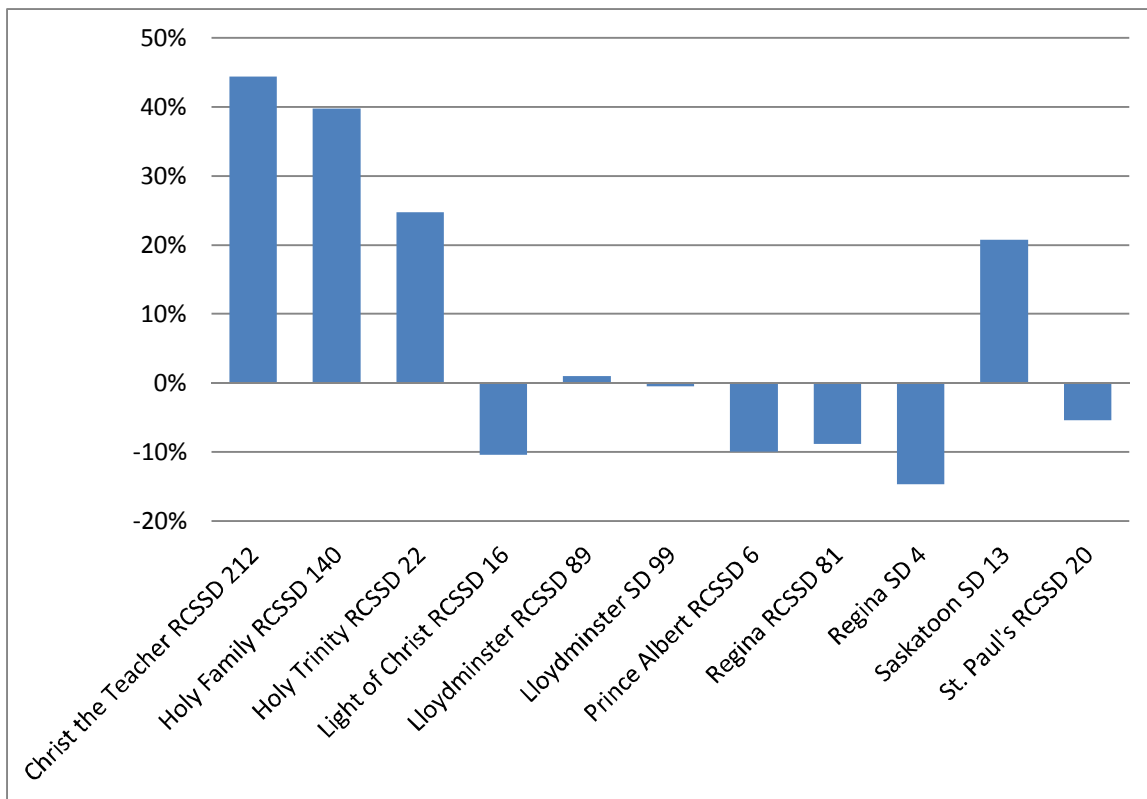
Rural Divisions	2016-17 Transportation Funding (Proposed Method)	2016-17 Actual Transportation Funding	Change	% Change
Chinook SD 211	9,222,266	9,662,947	(440,681)	-5%
Englefeld PSSD 132	120,902	140,713	(19,811)	-14%
Good Spirit SD 204	7,190,115	6,575,529	614,586	9%
Horizon SD 205	7,442,665	7,507,097	(64,432)	-1%
Living Sky SD 202	7,202,296	6,782,311	419,985	6%
North East SD 200	4,371,007	4,148,390	222,617	5%
Northwest SD 203	5,887,599	5,545,855	341,744	6%
Prairie South SD 210	7,636,407	7,038,721	597,686	8%
Prairie Spirit SD 206	8,270,372	8,645,821	(375,449)	-4%
Prairie Valley SD 208	9,011,118	9,276,205	(265,087)	-3%
Saskatchewan Rivers SD 119	6,579,978	6,816,550	(236,572)	-3%
South East Cornerstone SD 209	9,181,332	9,568,706	(387,374)	-4%
Sun West SD 207	6,396,062	6,233,580	162,482	3%
Urban Divisions	2016-17 Transportation Funding (Proposed Method)	2016-17 Actual Transportation Funding	Change	% Change
Christ the Teacher RCSSD 212	432,134	299,125	133,009	44%
Holy Family RCSSD 140	490,030	350,391	139,639	40%
Holy Trinity RCSSD 22	1,013,433	811,837	201,596	25%
Light of Christ RCSSD 16	490,716	547,795	(57,079)	-10%
Lloydminster RCSSD 89	447,585	442,917	4,668	1%
Lloydminster SD 99	449,402	451,281	(1,879)	0%
Prince Albert RCSSD 6	1,582,902	1,757,698	(174,796)	-10%
Regina RCSSD 81	4,797,605	5,261,218	(463,613)	-9%
Regina SD 4	7,662,968	8,979,780	(1,316,812)	-15%
Saskatoon SD 13	7,640,524	6,322,882	1,317,642	21%
St. Paul's RCSSD 20	7,011,651	7,410,255	(398,604)	-5%
Northern Divisions	2016-17 Transportation Funding (Proposed Method)	2016-17 Actual Transportation Funding	Change	% Change
Creighton SD 111	413,008	347,038	65,970	19%
Ile a la Crosse SD 112	269,590	224,235	45,355	20%
Northern Lights SD 113	2,969,514	2,938,840	30,674	1%
Francophone Division (CEF)	3,986,080	3,986,080	-	0%

Note: A correction has been made to the calculation for the three northern divisions since June 16, resulting in changes to their funding and an increase to the total funding allocation.

**Percentage Transportation Funding Change
2016-17 Actual to Recommended Approach
12 Rural Public Divisions**



**Percentage Transportation Funding Change
2016-17 Actual to Recommended Approach
11 Urban Divisions**



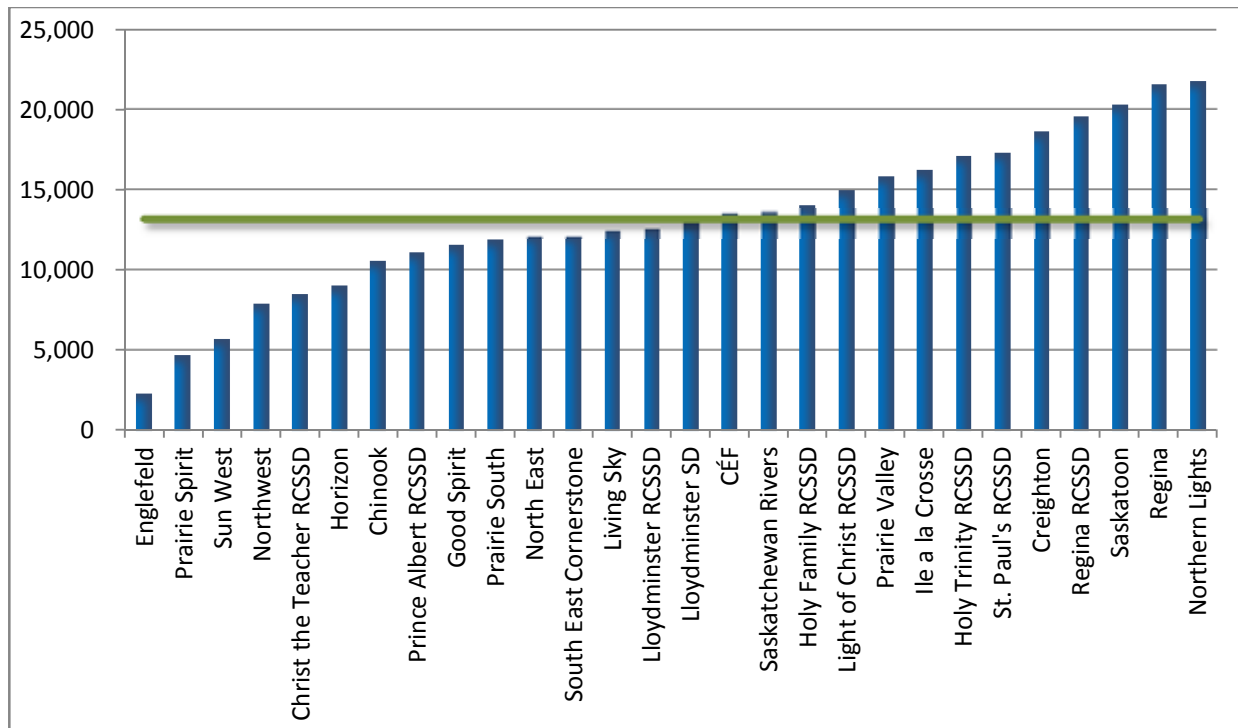
Locally Determined Terms and Conditions (LDTC)

Issue

The Locally Determined Terms and Conditions of Employment of Teachers (LDTC) subcomponent of instruction allocates funding for teacher benefits at the local level. This includes benefits and conditions of employment that are typically bargained through Local Implementation and Negotiations Committee (LINC) agreements, outlined in policy, or agreed to at the board level. It includes funding for classroom teachers, non-school based instructional support and school administration. LINC agreements include provisions such as preparation time, professional development, leaves, recruitment and retention, allowances and other provisions. The provincial funding allocation for LDTC in 2016-17 is \$137.0 million, or 7.1 per cent of the total funding allocation.

Some school divisions express concern about the current LDTC allocation because it is based on historical costs from 2011-12. They believe a longer term funding strategy is required because of historical inequities which have resulted from local bargaining, along with local school board policy and practice. LINC agreements have been highly influenced by local priorities and pressures, and there is disparity in teacher working conditions and benefits across the province.

The graph below shows the LDTC cost-per-teacher based on costs reported for 2012-13 for all school divisions with the green line indicating the weighted average cost. As can be seen, there is a wide variation in costs across the province. The biggest contributor to the differences is teacher preparation time. Also, there are additional benefits provided to teachers in the northern school divisions to address recruitment and retention issues.



The Technical Committee and I considered the potential implications of making any changes to LDTTC, given school division obligations to collective agreements. We did not want to, in any way, undermine these as they are locally bargained pursuant to section 235 of *The Education Act* and any amendments to existing items must be bargained.

We recommend:

5. That the three parties involved in the collective bargaining process continue discussions regarding the content of provincial versus locally bargained agreements (including prep time) and, upon completion, the sector develop an equitable method to fund the solution.

Implications

A provincial solution to equitable funding of locally determined teaching conditions will require common understanding and agreement on issues such as teacher preparation time among the parties signatory to the Provincial Collective Bargaining Agreement. Legislative changes may also be required.

Instruction

Base Instruction

Issue

The base instruction funding subcomponent of instruction allocates funding for K-12 instructional activities. It includes funding for the salaries and benefits of teachers, instructional support and school administrators, as well as an additional discretionary amount to enable boards of education to address local needs and priorities. Base instruction does not allocate funding for specific schools and students.

As enrolments increase or decrease, a sliding scale is used to recognize costs and efficiencies of scale. Consideration is also given within base instruction for Small Schools of Necessity and Hutterian schools. The total allocation for base instruction in 2016-17 is \$823.4 million, or 42.8 per cent of the total provincial funding recognition.

Initially, school divisions did not express a great deal of concern about the base instruction component of the funding model. However, recognizing it is the largest component of the total allocation, in September 2015, Board Chairs requested it be examined in some detail. A Working Group was formed in October 2015 with representatives from the ministry and three school divisions. An additional member from Regina School Division was added to the group in August 2016, based on a request from the four divisions in Regina and Saskatoon. The Working Group was asked to evaluate whether the base instruction calculation is distributing funds equitably and develop recommendations for the technical committee to consider.

Approach

As the Working Group progressed in its analysis, it became clear that additional funding model components needed to be considered in the analysis of base instruction. There is overlap between the base instruction, supports for learning, locally determined terms and conditions, and PreK components. For example, school divisions have different service delivery approaches, with different complements of base instruction and SFL staff, which cause overlap between the two components. For PreK, counts of educational assistants (EAs) were included in the data and could not be easily removed. All PreK staff and funding needed to be considered together to ensure cost estimates were accurate. The base instruction review needed to consider the balance of costs and funding for the four components to gain a better understanding of base instruction. This did not change the scope of the review: the focus remained on the base instruction calculation and whether it allocates funds equitably.

The Working Group identified a method of evaluating equity in base instruction: there is variation in staffing across schools, even within the same school type; however, on average, base instruction funding should be somewhat higher than actual staffing for each school type (e.g., elementary, high school, K-12). The base instruction component includes a discretionary portion of funds that provides flexibility for boards to address local needs and sector priorities. This discretionary portion should be similar for each school type, on average.

Throughout the review process, the Working Group provided updates to the Funding Distribution Model Technical Committee, and received and incorporated feedback from the Technical Committee into the review. The final recommendation represents the conclusions of both the Working Group and the Funding Distribution Model Technical Committee. Both groups agree that the revised base instruction calculation represents a more equitable distribution of base instruction funds.

Methodology

Current Base Instruction Calculation

Under the current calculation, funding is allocated using the enrolments of each funded school in a division. School-level enrolments are multiplied by the sliding scale threshold, resulting in the total instruction units per school. This calculation is carried out for each school in the division, and total units are summed and multiplied by the base instruction unit rate to determine total funding recognition for each school division. There are separate factors for small schools of necessity (SSONs) and Hutterian schools. These adjustment factors have distance (SSONs only) and enrolment criteria: schools that meet these criteria are eligible for additional funding recognition.

The current calculation does not differentiate between school type (e.g., elementary, high school, K-12 schools) or the location of schools. When school enrolments are the same, funding recognition is also the same.

School and School Division Profiles

The goal of the review was to evaluate whether the base instruction calculation is distributing funds equitably. The findings of the review show that, provincially, there is a pool of base instruction discretionary funding at a level that provides flexibility for boards of education to address local needs and priorities. However, at the school level, base instruction funding is not being distributed equitably across different school types.

A key finding of the review is that there are school profiles and school division profiles, both of which have an impact on a division's level of discretionary funding. A school's profile is based on the type of school (e.g., elementary, high school, K-12) and the enrolment level (school size). The combination of these school profile elements affects the school's level of discretionary funding for each school. The school division profile is based on the configuration of all the schools in the division.

Certain types of schools have a higher level of discretionary funding than others. Elementary schools have the highest amount of discretionary funding while high schools and K-12 schools have a lower amount. Elementary schools in Regina and Saskatoon have a significantly higher level of discretionary funding than elementary schools outside of Regina and Saskatoon ('rural' elementary schools).

In terms of school size, those schools with less than 100 students, and high schools and K-12 schools with 400 or more students tend to have a lower level of discretionary funding than similar schools with mid-range enrolments (between 100-399 students). The optimal mid-range enrolment level varies depending on the school type (e.g., it occurs between 100-399 students for high schools, and between 200-399 students for K-12 schools).

Certain types and sizes of schools are able to function optimally, creating a higher level of discretionary funding. Because of these optimal school profile elements, there are certain efficiencies that can be achieved. Most elementary schools fall within this category. However, when the school type and enrolment levels are not optimal, a lower level of discretionary funding is available: these schools are not able to achieve the same efficiencies, as a function of their profile. This is the case with smaller 'rural' elementary schools, high schools, and K-12 schools.

The school division profile is based on the configuration of schools in the division; that is, the balance of schools with and without optimal school profile elements determines whether a school division has lower or higher discretionary funding overall. The table below shows an example of two fictitious school divisions with different profiles.

School Division 1 ('Rural'*)	School Division 2 (Large Urban)
<ul style="list-style-type: none"> 10 K-12 schools (low discretionary) 5 high schools (low discretionary) 8 elementary (reasonable discretionary) TOTAL non-optimal: 15 TOTAL optimal: 8 	<ul style="list-style-type: none"> no K-12 schools (low discretionary) 4 high schools (low discretionary) 23 elementary schools (high discretionary) TOTAL non-optimal: 4 TOTAL optimal: 23
<u>School Division Profile</u> : lower discretionary funding overall	<u>School Division Profile</u> : higher discretionary funding overall

**for the purposes of the base instruction analysis, 'rural' means those schools outside Regina and Saskatoon, including schools located in smaller urban centres*

School Division 1 has 15 schools with low discretionary funding, which is equivalent to 65 per cent of the schools in the division. There are eight schools with a level of discretionary funding that would be considered reasonable, compared to other school types. The reasonable amount of discretionary funding for those eight schools provides some flexibility for the school board; however, due to the higher number of low discretionary funding schools, this is a lower discretionary funding division overall.

In School Division 2, there are four low discretionary schools and 23 high discretionary schools. With 85 per cent of the schools in the high discretionary funding category, this division has been able to find efficiencies and is considered a higher discretionary funding division overall.

When a number of high discretionary funding schools are concentrated in an urban centre, greater efficiencies can be achieved: most of the schools have an optimal profile (both the school type and enrolment levels are optimal), and greater economies of scale can be achieved at the division level given the overall size and density of the school division.

When a school has a lower amount of discretionary funding, it means that actual staffing and funding are similar or actual staffing is higher than funding levels. Based on discussion during the review, there are unavoidable costs for the lower discretionary funding schools. For example:

- A lower pupil-teacher ratio (PTR) may be needed in order to deliver core programming.

- Congregated programming may not be an option.
- Certain positions may need to be staffed in-school, at a higher allocation because it may be difficult to recruit itinerant staff.
- In some cases, allocations may need to be increased to recruit staff [e.g., an increase from a 0.7 full time-equivalent (FTE) to 1.0 FTE].
- Students may not be equally dispersed in grades (lower enrolment levels may not permit a higher PTR).

Some of the analysis involved a review of where low / high discretionary funding schools are located and how they are distributed across the province. The table below shows the percentage of schools that have a high and low amount of discretionary funding, in both the 'rural' and large urban divisions.

School Division Type	% of Schools that are Lower Discretionary (average)	% of Schools that are Higher Discretionary (average)
'Rurals'	70%	30%
Large Urban	15%	85%

In 'rural' divisions, 70 per cent of schools have a lower level of discretionary funding while 30 per cent have a higher amount, on average (range of 14 per cent to 88 per cent). In large urban divisions, 85 per cent of schools have a higher amount of discretionary funding while 15 per cent have a lower amount (range of 84 per cent to 86 per cent).

The current base instruction calculation treats schools of the same size in the same way. Regardless of the location of a school and the school type, when enrolments are the same, funding recognition is also the same. However, the base instruction review shows a different pattern. **There are differences in staffing needs and in the costs associated with the school type, enrolment level, and location of a school. The configuration of schools in each division—whether the schools have mostly high or mostly low discretionary funding—determines the profile of the school division.**

We recommend:

6. Establishment of a new 'school profile' adjustment factor (similar to the SSON and Hutterian factors) to distribute base instruction funding more equitably. The school profile factor will:
 - Cap funding for large urban elementary schools and redistribute the funds to eligible schools that have a lower amount of discretionary funding. Three high schools also be capped: Carlton Comprehensive High School, and the adult campus schools in Regina and Saskatoon.
 - Cap and redistribute funds as follows:
 - i. cap base instruction units (BIUs) for large urban elementary schools at 95 per cent;
 - ii. Carlton Comprehensive High School: BIUs capped at 90 per cent;
 - iii. adult campus schools in Regina and Saskatoon: BIUs capped at 65 per cent; and
 - iv. redistribute funds to eligible low discretionary funding schools, with an increase of 3.5 per cent applied to BIUs.

Schools Eligible for the Adjustment	Schools Not Eligible, Not Capped	Capped Schools
<ul style="list-style-type: none"> • 'rural' elementary schools with <100 students • high schools (excluding the 3 capped high schools) • K-12 schools 	<ul style="list-style-type: none"> • 'rural' elementary schools with 100+ students • SSONs • small schools that do not meet the SSON criteria 	<ul style="list-style-type: none"> • large urban (Regina and Saskatoon) elementary schools • adult campus schools in Regina and Saskatoon, and Carlton Comprehensive

7. That the existing Hutterian factor be adjusted to increase the number of base instruction units from 1 to 1.25.
8. That the existing SSON factor be maintained, without additional funding recognition.

Implications

Assumptions related to the new factor were identified as follows:

- It is a high-level approach, similar to other components of the funding model;
 - one adjustment will be applied at the same rate for the school types and sizes that are eligible, rather than using different rates;
- It represents the best fit in discretionary funding across different school types;
 - since a high-level calculation is involved, the proportion of discretionary funding may not be the same across all school sizes;

- It does not over-correct: the amount of discretionary funding for large urban schools will not be lower than other school types, on average;
- It promotes the right incentives (e.g., it will not be a barrier to finding efficiencies such as school consolidation; and
- Carlton Comprehensive High School, Regina Public Schools Adult Campus and Royal West Campus are capped as they have a much lower level of actual teacher FTEs than base instruction funding FTEs. The cap levels for these high schools were determined by considering actual staffing compared to funding levels for the four components. It was decided that the cap amount would provide these schools with an amount equivalent to 25 per cent of the existing discretionary funding, and would redistribute the remainder to schools eligible for the increase.

Not all schools are eligible for the adjustment. 'Rural' elementary schools with 100 or more students and small schools of necessity already have a reasonable amount of discretionary funding, on average. Small schools that do not meet the SSON criteria are excluded from the increase. The Working Group and Technical Committee have discussed at length that the model should not build in incentives for particular school division decisions.

The tables below provide examples of the school profile factor. The first table shows how the cap works while the second table illustrates the increase.

School Type	Enrolment	Total Unadjusted BIUs	Cap on BIUs at 95%	Total Adjusted BIUs
Large urban elementary	200.0	12.5	(0.58)	11.92

School Type	Enrolment	Total Unadjusted BIUs	Increase to BIUs at 3.5%	Total Adjusted BIUs
Large urban high school	200.0	12.5	0.44	12.94

The adjustments for both the cap and the increase are proportional. The cap and increase are applied to base instruction units, which are based on school-level enrolments. When base instruction units (and enrolments) are low, the adjustment is lower; when base instruction units (and enrolments) are high, the adjustment is also higher. The table below shows an example of the increase. The cap is also proportional, with lower values for smaller schools and higher values for larger schools, and all schools capped at 95 per cent.

Schools	K-12 Enrolments	Base Instruction Units	School Profile Adjustment	School Profile Adjustment %
School 1	200.0	12.50	0.44	3.5%
School 2	365.0	20.68	0.72	3.5%
School 3	665.0	32.21	1.13	3.5%

The table below shows the average adjustment amounts for the capped schools (primarily large urban elementary schools).

School Size	Large Urban Elementary Schools
<100 students	-
100-199 students	(44,329)
200-299 students	(61,293)
300-399 students	(83,452)
400-599 students	(104,390)
600-799 students	(134,805)

When schools have lower enrolments, the cap amount is lower. That amount increases as enrolments increase. Using the provincial average teacher salary, the equivalent amount in FTEs is -0.51 FTEs for the smaller schools (100-199 students) and -1.56 FTEs for the largest school grouping in the table.

The table below shows the average adjustment amounts for schools that are eligible for the increase, by school type and school size.

School Size	'Rural' Elementary Schools	High Schools	K-12 Schools	All School Types
<100 students	15,318	13,934	18,009	15,882
100-199 students	-	29,738	29,957	29,863
200-299 students	-	48,209	47,087	47,404
300-399 students	-	61,131	60,805	60,943
400-599 students	-	82,418	77,776	81,838
600-799 students	-	104,938	94,388	104,059
800+ students	-	133,462	131,492	133,363

Like the cap results above, when enrolments are lower, the increase is also lower. Conversely, when enrolments are higher, the amount of the increase is also higher. For all eligible schools, the adjustment amount represents a 3.5 per cent increase on unadjusted base instruction units. Using the provincial average teacher salary, the equivalent amount in FTEs is 0.16 FTEs for the smaller schools (<100 students) and 1.54 FTEs for the largest school grouping in the table.

For the different school types, the average adjustment amount is somewhat different within the same school size groupings. For example, the average for 'rural' elementary schools with less than 100 students is 15,318 while the average for high schools of the same size is 13,934. These values are averages, based on the actual enrolments and base instruction units for each school. Since school-level enrolments vary within the different school types, the average adjustment amounts are somewhat different.

The table below shows the total adjustment amounts by school type.

'Rural' Elementary Schools <100 students	High Schools	K-12 Schools
\$505K	\$7.2M	\$4.4M

The highest redistribution amount is in the high schools, followed by K-12 schools, while the lowest amount is for 'rural' elementary schools with less than 100 students.

School Division Feedback

Following the presentation of the recommendations for a revised base instruction formula to all school divisions in June 2016, the committee invited school divisions to provide questions, comments and feedback.

The committee received feedback from Saskatchewan Rivers SD regarding the funding cap for Carlton Comprehensive High School. The original recommendation capped base instruction funding for Carlton Comprehensive at 85 per cent. Saskatchewan Rivers SD expressed concern that the analysis the cap was based on did not reflect actual staffing levels at the school. The committee worked with the school division to confirm their detailed staffing information and found that a program located at Carlton Comprehensive had not been included in the school's staffing levels. Once the staffing information was updated, the Technical Committee reviewed the analysis again. The original approach used to determine the cap for Carlton Comprehensive involved providing the school with 25 per cent of its pre-cap discretionary funding: the same approach was used, resulting in an adjusted cap level of 90 per cent. This change adjusted the funding implications slightly from draft numbers calculated in fall 2016.

The committee also received a joint letter from Regina SD, Regina RCSSD, Saskatoon SD, and St. Paul's RCSSD in October 2016 expressing concerns about the proposed base instruction changes. The concerns raised by the four divisions related to:

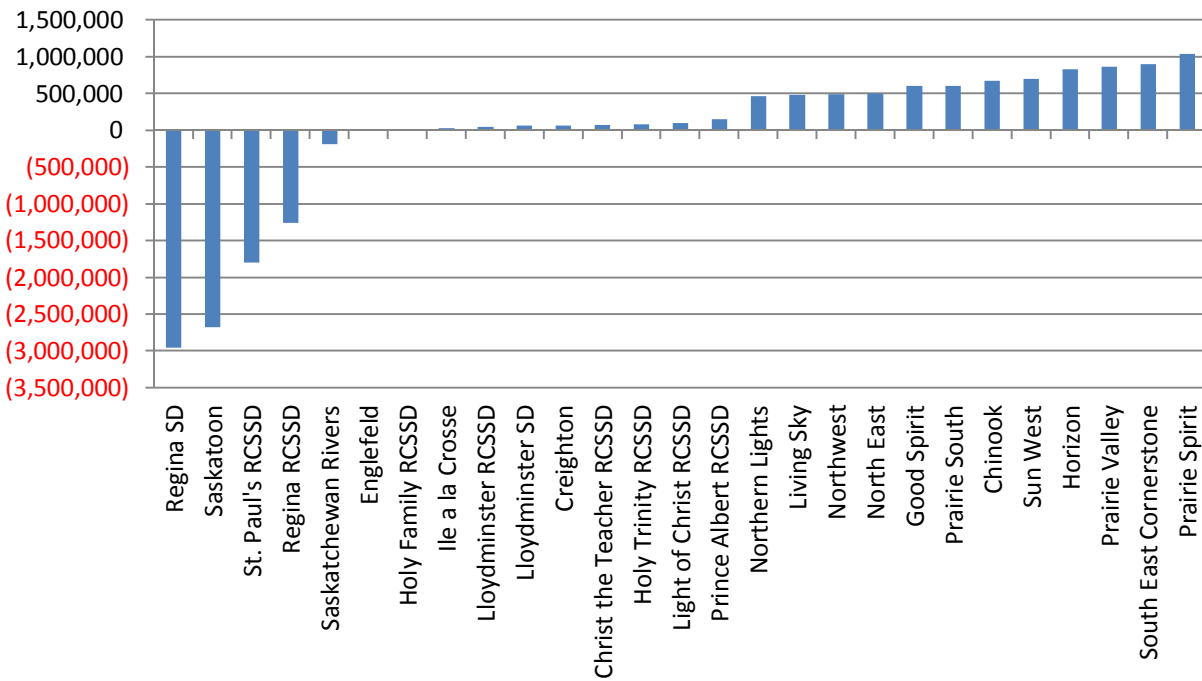
- the process, roles, and responsibilities of the Technical Committee;
- the analysis and recommendations are inconsistent with the funding model's principle of unconditionality;
- all schools operating in urban centres (including those outside Regina and Saskatoon) should be included in the proposed school profile factor cap;
- the proposed changes penalize large urban divisions for closing schools;
- per-student funding is lower in large urban school divisions than in rural areas; and
- concerns around implementation of the proposed changes, including requests to receive transition funding and defer implementation because of transformational change and uncertainty related to Locally Determined Terms and Conditions.

The Technical Committee discussed these concerns and considered whether the base instruction recommendation should be adjusted. A subset of the Technical Committee discussed the concerns listed above with the four large urban school divisions in November 2016. A letter was subsequently provided to Regina SD, Regina RCSSD, Saskatoon SD, and St. Paul's RCSSD with the Technical Committee's response. That response is included as an appendix. The committee ultimately determined that it will continue with the recommendations for base instruction that were presented to school divisions in September 2016.

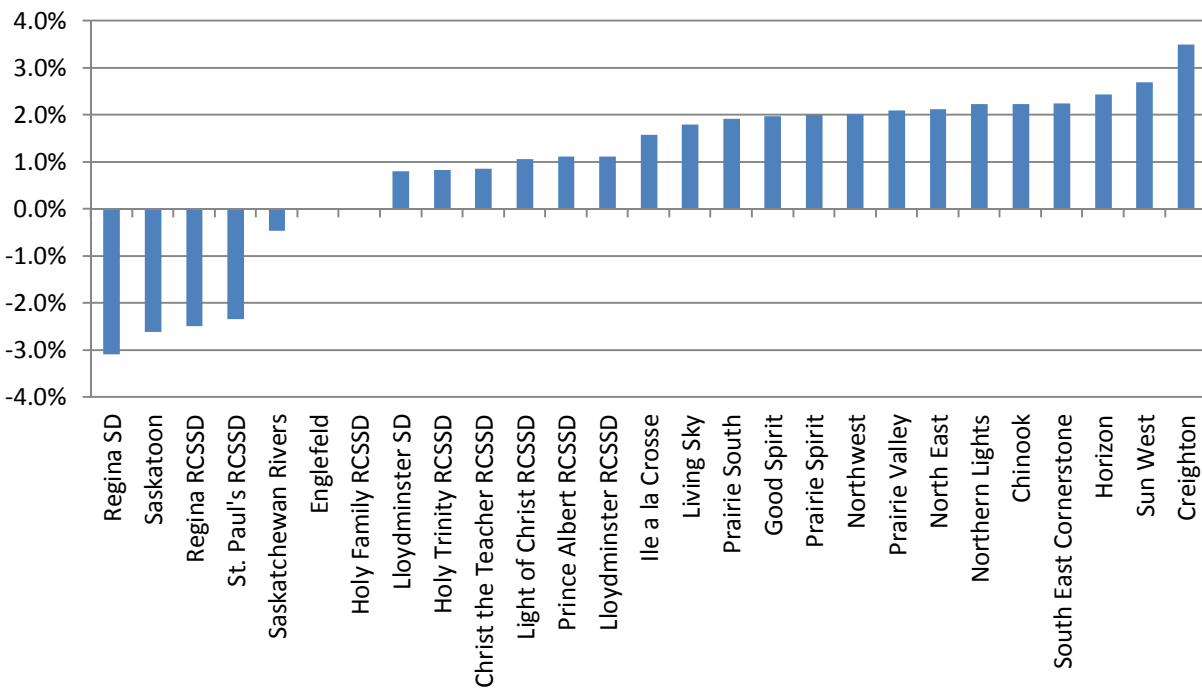
Impact

The impact of the proposed recommendations regarding base instruction follow, and are also displayed in concert with all review recommendations in the Concurrent Analysis section of this report. The comparison shows funding changes using the proposed formula as compared to what school divisions received under the existing formula in 2016-17. Funding shifts range from **(\$2.95 million)** to \$1.04 million.

2016-17 Base Instruction Funding Change



2016-17 Base Instruction % Change



Recommended Base Instruction Funding Method: Funding Impacts

School Division	2016-17 Budget Day Funding	Adjusted Base Instruction Funding*	Variance	% Change
Chinook	30,382,887	31,062,411	679,524	2.2%
Christ the Teacher RCSSD	8,782,262	8,857,183	74,920	0.9%
Creighton	2,018,966	2,089,630	70,664	3.5%
Englefeld	601,780	601,780	0	0.0%
Good Spirit	30,449,077	31,052,200	603,123	2.0%
Holy Family RCSSD	6,267,054	6,267,054	0	0.0%
Holy Trinity RCSSD	10,466,569	10,553,358	86,789	0.8%
Horizon	34,085,852	34,914,328	828,477	2.4%
Ile a la Crosse	1,969,457	2,000,553	31,096	1.6%
Light of Christ RCSSD	9,332,185	9,430,861	98,675	1.1%
Living Sky	26,870,131	27,353,348	483,217	1.8%
Lloydminster RCSSD	4,664,810	4,716,887	52,077	1.1%
Lloydminster SD	8,016,088	8,080,608	64,520	0.8%
North East	23,742,897	24,247,023	504,126	2.1%
Northern Lights	20,826,233	21,291,969	465,736	2.2%
Northwest	24,283,735	24,774,619	490,884	2.0%
Prairie South	31,609,892	32,215,030	605,138	1.9%
Prairie Spirit	52,157,469	53,201,340	1,043,871	2.0%
Prairie Valley	41,357,337	42,224,872	867,535	2.1%
Prince Albert RCSSD	13,750,519	13,903,805	153,286	1.1%
Regina RCSSD	50,305,883	49,051,412	(1,254,471)	-2.5%
Regina SD	95,653,664	92,703,162	(2,950,501)	-3.1%
Saskatchewan Rivers	40,859,324	40,671,231	(188,093)	-0.5%
Saskatoon	102,493,975	99,822,589	(2,671,386)	-2.6%
South East Cornerstone	40,149,113	41,050,596	901,483	2.2%
St. Paul's RCSSD	76,855,930	75,059,295	(1,796,635)	-2.3%
Sun West	26,124,121	26,828,201	704,080	2.7%

The ministry and the CEF will be working through a separate process to determine funding.

Enrolment Counts for Graduated Students

Issue

Concerns were expressed that graduated students that return to attend school receive the same recognition in the funding model as a full-time student. The 2011-12 to 2014-15 four-year average of secondary students shows 834 students graduated from high school the previous year and subsequently enrolled in Grade 12. Of these, 74 per cent registered in less than three courses per year (excludes students enrolled in on-line courses).

Option

On average, graduated students are taking only a partial course-load while their school division receives full recognition for them through the model. There is an option to recognize graduated students as a partial FTE (0.25 FTE) rather than as a full FTE (1.0 FTE). This would more accurately reflect student FTEs across the province and would redistribute approximately \$3.1 million within the funding model.

A “graduated” student is calculated in the Student Data System after a student meets all the requirements for their program. The requirements for the different programs are in the Registrar’s Handbook which is available online at <https://www.saskatchewan.ca/government/government-structure/ministries/education>. The funding policy for graduated students uses a field in the Student Data System which shows the date the student met all the requirements for their program. The policy does not replicate the calculation or try to estimate when students achieve their program requirements. Below are some examples of how returning students would be counted in the policy.

Example 1: A student is changing programs from French Immersion to Regular English. At the end of the Grade 12 year, the student may have 30 credits but be missing an English class. When returning the following year, the student would not be considered a returning graduate. The student would take the missing English class and be counted as a full FTE.

Example 2: A student met all of the requirements for Adult 12, but is missing the science classes needed to get into a desired post-secondary program. The student would return the following year to take the missing science classes and be counted as 0.25 FTE.

Example 3: A student met all the requirements for the Regular English Program but the student’s grades were not high enough to be accepted into university. The student would return to try to achieve higher grades and would be counted as 0.25 FTE.

Example 4: A student meets all the requirements for the Regular English Program after the first semester in grade 12 and continues to earn credits in the second semester (the first and second semesters are in the same school year). The policy only applies to students who graduated in a previous year. The student would be counted as a full FTE for the entire school year.

We recommend:

9. That graduated students returning to school be recognized as 0.25 of an FTE rather than 1.0.
10. That savings which result be re-distributed within the base instruction component of the model.

First Nations and Métis Education Achievement Fund

Issue

First Nations and Métis children are not explicitly recognized in the funding formula. Rather, the model provides funding for vulnerable students based on socioeconomic indicators such as low income. Outside the model, a \$3.8 million First Nations and Métis Education Achievement Fund is available on a conditional basis to school divisions for culturally responsive instructional practices. First Nations and Métis student achievement is a primary area of focus within the Education Sector Strategic Plan (ESSP) and some school divisions are concerned that it is dissociated from the broader planning and funding process.

Option

Discussion with school divisions reveals general support for moving the First Nations and Métis Education Achievement Fund into the funding distribution model to improve planning and funding processes, and ensure a connection to the ESSP. This would not shift the distribution of funds from how they are currently allocated.

We recommend:

11. That the First Nations and Métis Education Achievement Fund be moved into the instruction component of the Funding Distribution Model as a standalone line for culturally responsive teaching practice.

Instructional Resources

Issue

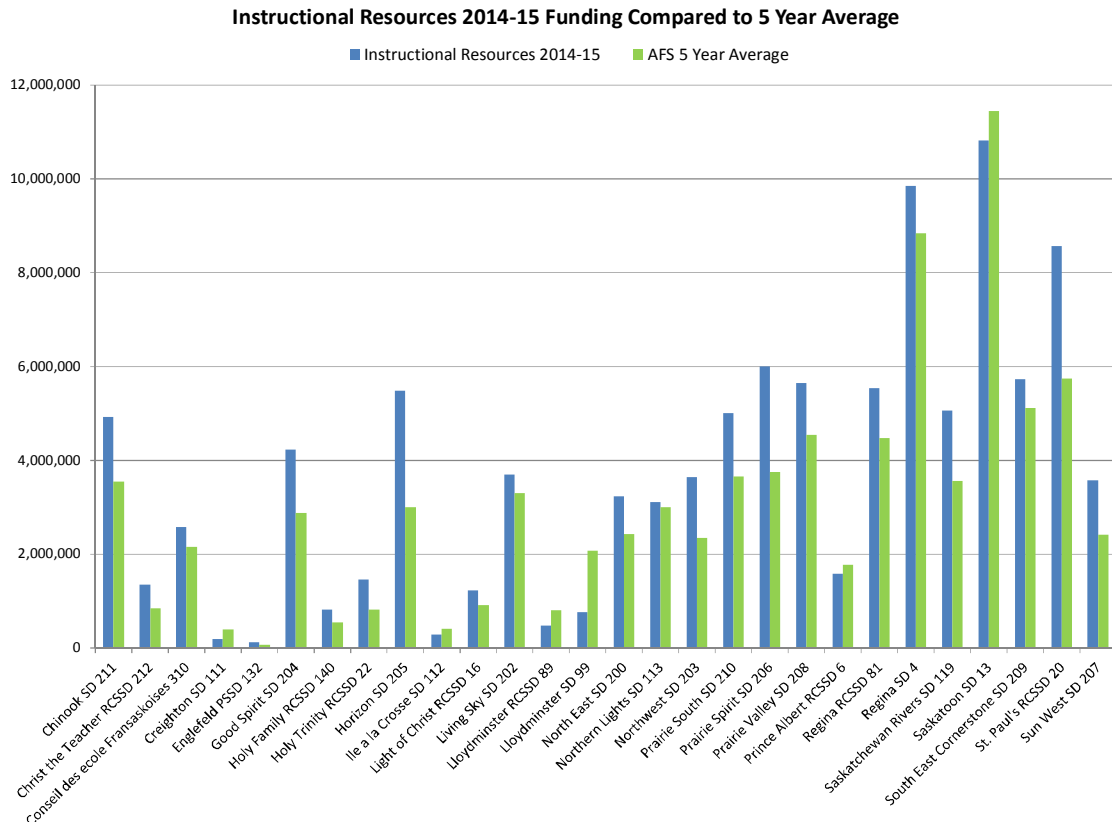
Funding for instructional resources covers supplies and equipment required for instruction activities including textbooks, library books, supplies, computer hardware and software and other technology support, furniture, equipment, communications and student-related expenses. Additional funding is provided for language immersion and Francophone schools. Hutterian schools are eligible for a portion of the per-school rate. Total provincial funding for instructional resources in 2016-17 is \$102.8 million, or 5.3 per cent of the total funding allocation.

Some school divisions expressed concern about a possible disincentive to school closure or consolidation given the level of per-school funding in this component. They also question the weighting in this component of the model between the number of students (a variable cost) and the number of schools (a fixed cost). The current weighting is 32 per cent on the number of students, and 68 per cent on the number of schools. Some school divisions believe the balance may be too far in favour of the number of schools.

Options

Considerable work was undertaken to examine the instructional resources component of the model. Current budgeting practices and per school expenditures were reviewed, similar student populations were compared across school divisions, and school division budget allocation formulas were examined. The Technical Committee determined that actual spending is difficult to use for comparability due to the cyclical nature of some of these purchases, the variation in school board spending priorities and differences associated with centralization versus decentralization. However, we recognized that the number of students is a significant cost driver and questioned whether the current weighting of 32 per cent on number of students versus 68 per cent on number of schools may be balanced too far in favour of fixed costs (number of schools). We also wanted to ensure that decisions about keeping schools open or closed were not influenced by incentives or disincentives inadvertently built into the funding distribution model.

The five year expenditure average was updated from school division financial statements. Unfortunately, significant challenges to further analysis were encountered because comparable data was not available at the school division level. Recognizing that it is the best information available, the 2014-15 instructional resources allocation was compared to the five year average (some purchases, such as computers, are cyclical and may not require replacement every year). As the following graph indicates, most school divisions have been allocated greater funding than they actually spent.



Several scenarios were then constructed to test against the current weighting of students versus schools: 32/68 versus 60/40, 50/50, 45/55, and 30/70.

There is no question that the number of students at a school is a significant cost driver. We found that the correlation between the number of students to actual expenditures is higher than the level of recognition currently provided in the funding model.

We recommend:

12. That the weighting in the formula for instructional resources be changed from 32 per cent on the number of students and 68 per cent on the number of schools to a 50/50 weighting.

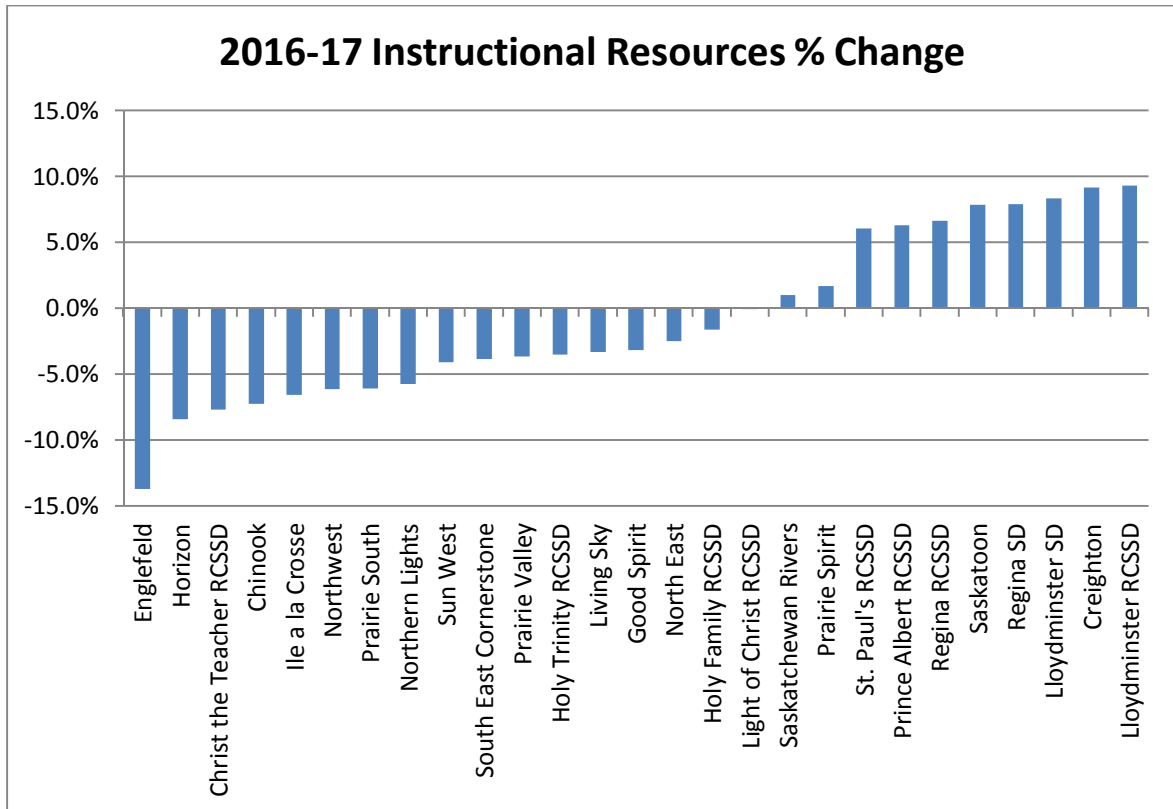
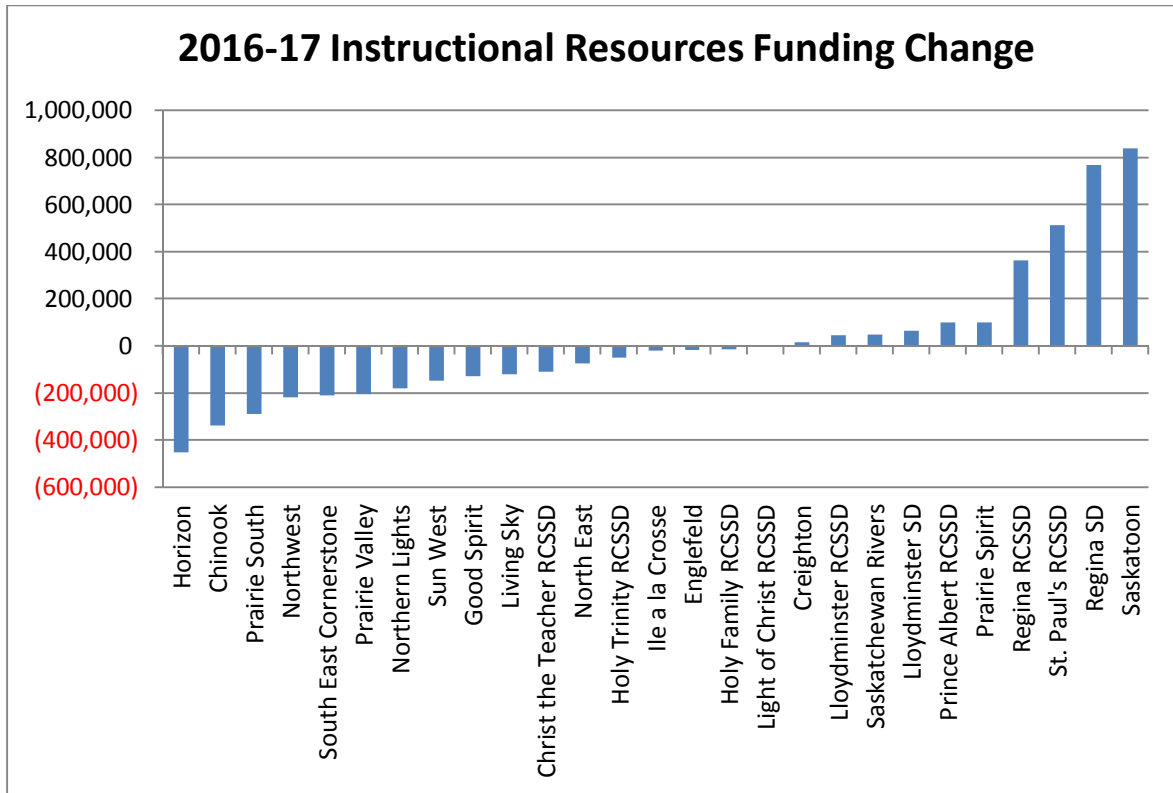
Implications

The 50/50 scenario is presented below and is also displayed in concert with all review recommendations in the Concurrent Analysis section of this report. Based on the 2016-17 budget, a cost neutral approach to funding the change will reduce the per school rate by \$28,639 and increase the per student rate by \$110.84. This results in funding shifts between school divisions of (\$451K) to \$841K.

Instructional Resources
School/Student Funding Split

School Division	2016-17 Instructional Resources (Approx. 70/30)	2016-17 Instructional Resources (50/50 Split)	Change	% Change
Chinook SD 211	4,686,184	4,347,814	(338,370)	-7.2%
Christ the Teacher RCSSD 212	1,426,915	1,317,498	(109,418)	-7.7%
Creighton SD 111	186,399	203,537	17,137	9.2%
Englefeld PSSD 132	126,588	109,254	(17,334)	-13.7%
Good Spirit SD 204	4,023,073	3,894,833	(128,240)	-3.2%
Holy Family RCSSD 140	812,356	799,295	(13,061)	-1.6%
Holy Trinity RCSSD 22	1,426,602	1,376,594	(50,007)	-3.5%
Horizon SD 205	5,359,492	4,908,964	(450,528)	-8.4%
Ile a la Crosse SD 112	281,350	262,921	(18,429)	-6.6%
Light of Christ RCSSD 16	1,199,389	1,199,013	(377)	0.0%
Living Sky SD 202	3,601,094	3,482,467	(118,627)	-3.3%
Lloydminster RCSSD 89	490,567	536,371	45,804	9.3%
Lloydminster SD 99	789,496	855,357	65,860	8.3%
North East SD 200	3,019,692	2,945,203	(74,489)	-2.5%
Northern Lights SD 113	3,133,032	2,953,217	(179,815)	-5.7%
Northwest SD 203	3,538,715	3,321,837	(216,877)	-6.1%
Prairie South SD 210	4,745,050	4,455,957	(289,094)	-6.1%
Prairie Spirit SD 206	5,954,618	6,054,743	100,125	1.7%
Prairie Valley SD 208	5,577,966	5,374,339	(203,627)	-3.7%
Prince Albert RCSSD 6	1,581,945	1,681,959	100,015	6.3%
Regina RCSSD 81	5,486,726	5,851,705	364,979	6.7%
Regina SD 4	9,736,599	10,504,934	768,335	7.9%
Saskatchewan Rivers SD 119	4,957,348	5,007,302	49,953	1.0%
Saskatoon SD 13	10,696,452	11,537,636	841,184	7.9%
South East Cornerstone SD 209	5,482,827	5,272,221	(210,605)	-3.8%
St. Paul's RCSSD 20	8,457,876	8,972,298	514,422	6.1%
Sun West SD 207	3,585,322	3,439,548	(145,774)	-4.1%

The ministry and the CEF will be working through a separate process to determine funding.



Plant Operations and Maintenance

Issue

The funding allocation for plant operations and maintenance is to address operating costs for schools, and for maintaining school grounds, storage facilities, maintenance workshops and warehouses. Not included in this component of the model are building operating costs for administration and transportation, or costs for preventative maintenance and renewal, and major capital. Total provincial funding allocated for plant operation and maintenance in 2016-17 is \$209.9 million, or 10.9 per cent of the total provincial funding recognition.

The major area of concern identified by school divisions regarding plant operations is school utilization. Particularly in rural school divisions, there is a high prevalence of under-utilized schools (although in many small communities, schools are used for broader community purposes). As well, 21 per cent of the 700 schools across the province have utilization in excess of 115 per cent. Some school divisions indicate this leads to additional caretaking and maintenance costs which are not provided for in the funding model.

Options

Since April 2015, a Utilization Review Working Group has been examining options for changes to the calculation of school utilization. The result of their work is not expected until 2017, and it could impact Plant Operation and Maintenance funding. In the meantime, the Technical Committee recognizes that there are additional costs for caretaking and maintenance in over-utilized schools. A cost-neutral option was developed to reduce recognition for under-utilized space and add recognition for over-utilization.

We Recommend:

13. That the funding model be adjusted to provide additional recognition for caretaking and maintenance costs associated with over-utilized schools (from 0 per cent currently, to up to 20 per cent), and to reduce recognition for underutilized schools (from 80 per cent to 71 per cent).

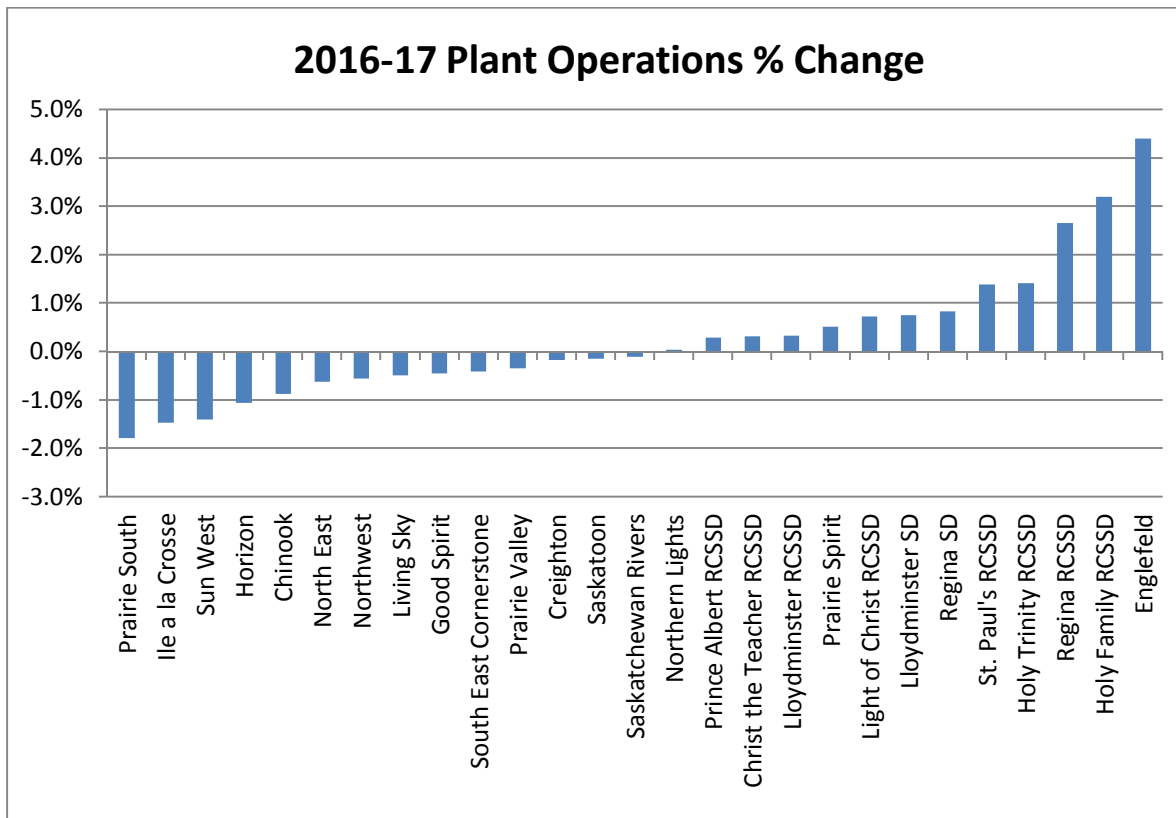
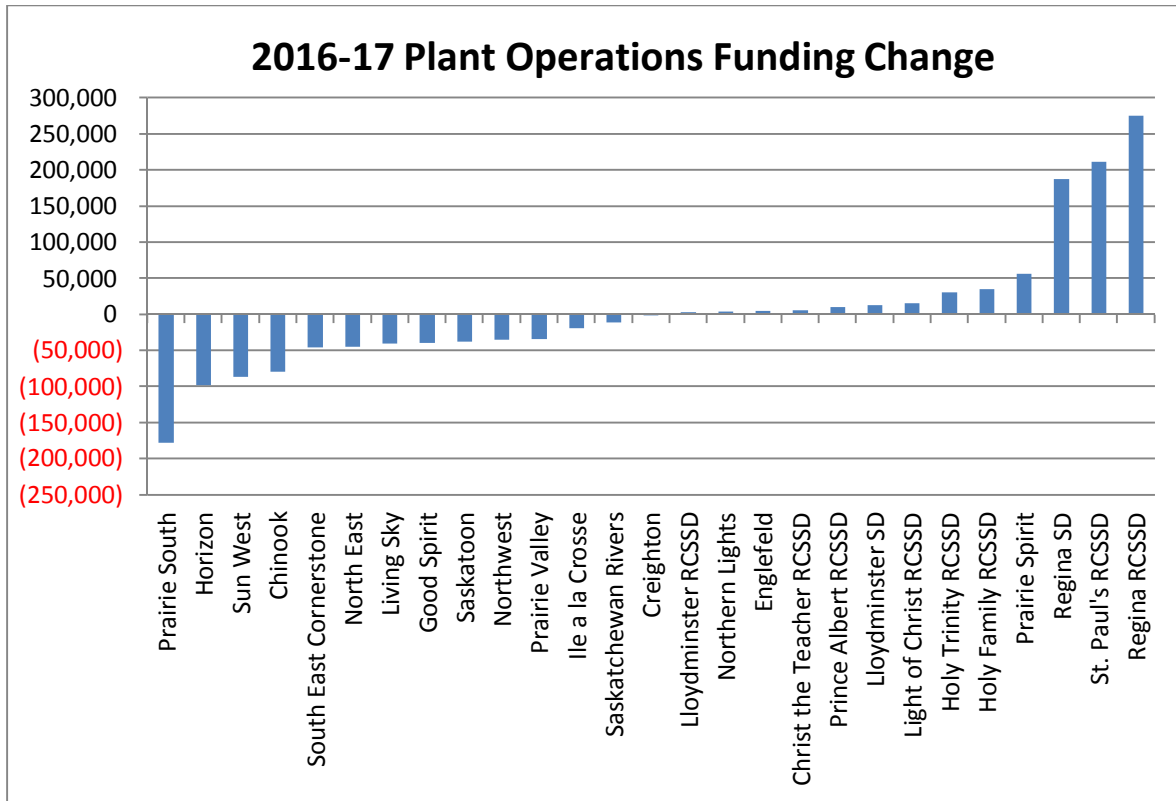
Implications

The implications of adjusting the model to fund over-utilized space at an additional 20 per cent are presented below and are also displayed in concert with all review recommendations in the Concurrent Analysis section of this report. To maintain a cost neutral approach, under-utilized space would be recognized at 71 per cent, a drop from 80 per cent in the current model. Funding shifts between school divisions range from (\$177K) to \$275K.

**Plant Operation and Maintenance
Recognition for Over- and Under-Utilized Schools**

School Divisions	2016-17 Funding (with over- utilized space)	2016-17 Funding (Budget day)	Change	% Change
Chinook SD 211	9,102,606	9,182,233	(79,627)	-0.87%
Christ the Teacher RCSSD 212	1,994,997	1,988,682	6,315	0.32%
Creighton SD 111	759,831	761,107	(1,276)	-0.17%
Englefeld PSSD 132	114,164	109,128	5,036	4.41%
Good Spirit SD 204	8,632,757	8,671,691	(38,934)	-0.45%
Holy Family RCSSD 140	1,090,797	1,055,940	34,857	3.20%
Holy Trinity RCSSD 22	2,169,282	2,138,582	30,700	1.42%
Horizon SD 205	9,314,065	9,412,000	(97,935)	-1.05%
Ile a la Crosse SD 112	1,284,779	1,303,600	(18,821)	-1.46%
Light of Christ RCSSD 16	2,103,805	2,088,376	15,429	0.73%
Living Sky SD 202	8,140,443	8,180,337	(39,894)	-0.49%
Lloydminster RCSSD 89	897,441	894,512	2,929	0.33%
Lloydminster SD 99	1,712,452	1,699,461	12,991	0.76%
North East SD 200	7,106,969	7,151,259	(44,290)	-0.62%
Northern Lights SD 113	8,800,964	8,797,240	3,724	0.04%
Northwest SD 203	6,299,184	6,334,281	(35,097)	-0.56%
Prairie South SD 210	9,981,223	10,158,705	(177,482)	-1.78%
Prairie Spirit SD 206	10,808,435	10,751,992	56,443	0.52%
Prairie Valley SD 208	9,874,014	9,907,752	(33,738)	-0.34%
Prince Albert RCSSD 6	3,609,847	3,599,214	10,633	0.29%
Regina RCSSD 81	10,368,886	10,093,788	275,098	2.65%
Regina SD 4	22,503,641	22,316,006	187,635	0.83%
Saskatchewan Rivers SD 119	10,541,811	10,553,004	(11,193)	-0.11%
Saskatoon SD 13	26,324,628	26,362,363	(37,735)	-0.14%
South East Cornerstone SD 209	11,333,766	11,379,656	(45,890)	-0.40%
St. Paul's RCSSD 20	15,205,520	14,993,420	212,100	1.39%
Sun West SD 207	6,160,556	6,246,499	(85,943)	-1.40%

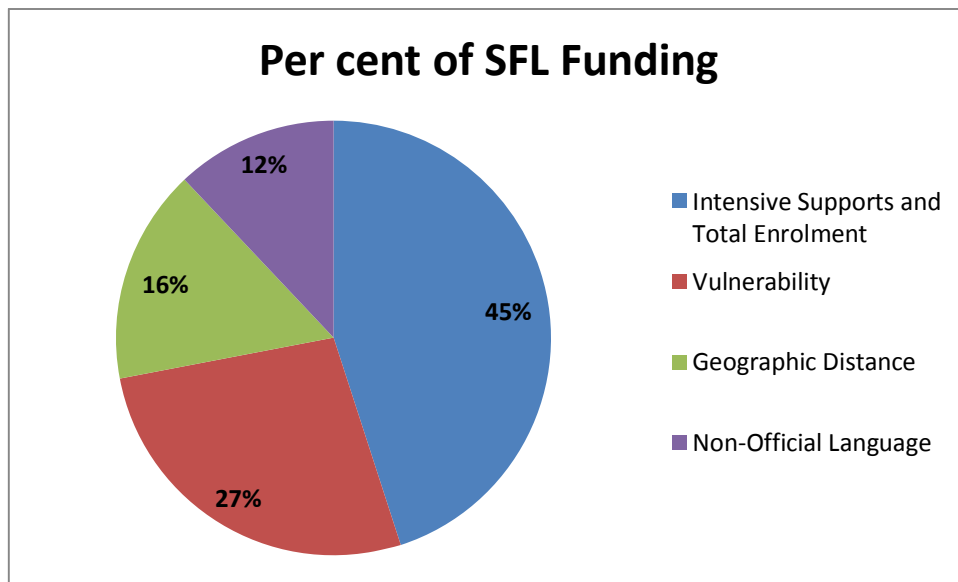
The ministry and the CEF will be working through a separate process to determine funding.



Supports For Learning (SFL)

The supports for learning sub-component of instruction allocates funding for the salary costs of professionals, paraprofessionals and teachers who provide services, supports and related programming for students requiring intensive supports, vulnerable students, students with English as an additional language needs, and so on. Funding is provided based on a number of cost indicators including intensive supports and total enrolment, vulnerability (low income, lone parent, transiency, foster care, refugees), geographic distance and non-official languages. The total allocation for supports for learning in 2016-17 is \$288.0 million, or 15.0 per cent of the total provincial funding recognition.

In response to requests from school divisions, the SFL component of the model was reviewed in 2013-14 and a revised calculation was implemented in 2014-15. At that time, the historical approach of funding based on school division counts of students requiring intensive supports, was replaced with one based on enrolment. As the following chart shows, 45 per cent of SFL funding (\$130 million), is now enrolment-based and vulnerability represents 27 per cent (\$77 million), geographic distance 16 per cent (\$46 million), and non-official languages 12 per cent (\$35.0 million).



School divisions have identified several issues within SFL including concerns about the approach taken to allocating funding for intensive needs, vulnerability and geographic distance.

Students Requiring Intensive Supports

Issue

The enrolment-based approach adopted in 2014-15 included an assumption that there is an equal distribution of students requiring intensive supports across all school divisions. Some school divisions are concerned that this does not appropriately capture the student population with intensive needs in urban centres. They believe families of children requiring intensive supports are more inclined to move to large cities where they can access specialized supports. As a result, they believe these children to be disproportionately represented in urban centres and do not believe the formula appropriately funds the need.

Action

The Technical Committee reached out to the Saskatoon Health Region to explore the availability of data regarding prevalence rates for children with intensive needs in urban versus rural parts of the province. Unfortunately, data is not available and little is known about the distribution of children with intensive needed across the province. Agreement has been reached to explore this area further as additional data becomes available and, in the meantime, the Technical Committee has concluded that the existing approach is based on the best information available.

Vulnerability

Issue

The SFL component of the model uses a population health approach to capture student vulnerability which typically results in a need for higher levels of supports and services for students. When viewed in combination with one another, population indicators accumulate and can reflect increasing levels of vulnerable circumstances for students. Some school divisions express concern about the validity of data sources used to capture student vulnerability.

Action

The Technical Committee completely reviewed all of the following data sources and concluded the approach to capturing student vulnerability is rigorous and appropriate:

- Social Services' low income data including the Saskatchewan Assistance Plan, Saskatchewan Assured Income for Disability Program, Saskatchewan Employment Supplement, Transitional Employment Allowance and the Saskatchewan Housing Supplement;
- Data from Indigenous and Northern Affairs Canada (INAC) regarding dependency rates on-reserve and applied to the Non-Instructional Personnel and Administration (NIPA) counts reported by school division;
- Census data regarding lone parent status;
- Student Data System (SDS) information regarding transiency;
- Foster care data; and
- Student refugee counts.

Geographic Distance

Issue

Some school divisions express concerns about the geographic distance factor in the SFL component of the funding model. A primary concern is that it focuses too heavily on the number of schools (fixed costs), without adequately recognizing the importance of the number of students in each school as a determinant of services and, therefore, costs. Several key issues related to geographic distance have been identified:

- Some divisions are more dispersed geographically than others [i.e., some have a higher number of kilometers (kms) to travel overall than others];
- Multiple trips to and from a school are required when enrolments are high;
- There is less opportunity for efficiency in providing services to small schools since contact time is spent behind a windshield travelling to the next school, rather than with students providing services;
- Small schools have lower internal capacity, therefore requiring more itinerant SFL supports; and
- There is increased efficiency related to geographic distance when there are two or more schools within a community.

Questions have also been raised about the cost of Hutterian schools and whether school divisions with a large number of these schools are receiving a disproportionate funding allocation. There are 68 hutterian schools across the province located in ten of the twenty-eight school divisions: Chinook has 29, Sun West has 15, Prairie Spirit has 9 and the other 7 school divisions have 5 or fewer.

Providing funding recognition for the costs associated with a geographically dispersed student population is premised on the belief that all Saskatchewan students, regardless of their circumstances, should have the opportunity to access a reasonably comparable range of learning supports. This is consistent with the rationale for recognizing other significant differences among school divisions; for example, high incidences of EAL students and building locations or footprints that cannot easily be changed.

The geographic dispersion factor reflects that there are additional costs associated with delivering supports and services in a geographically dispersed area. Supports required to meet the needs of students (e.g. psychologists, speech-language pathologists, occupational therapists) often must travel to multiple school locations. As these supports must spend time in transit between locations, they have less time available to work with students. Therefore, a geographically dispersed school division requires more SFL staff to serve the same number of students as a less dispersed school division. A distance factor recognizes the additional costs associated with delivering supports and services in a geographically dispersed area.

Wherever possible, the education system service delivery model brings specialized professional services to students, rather than requiring students to travel to an urban centre to receive them.

Students receive services on a regular and sustained basis, based on their individual needs, as they progress through the PreK-12 education system. These services are provided during the instructional day and as part of an individualized education program to ensure that all students receive the supports required for them to succeed. This model is in place in order to provide equitable learning opportunities to all students, regardless of their circumstances or where they live.

The geographic distance category of SFL is 16 per cent representing \$46.1 million of the total 2016-17 SFL funding pool. It increased from 15 per cent in 2013-14 to 16 per cent in 2014-15 to reflect costs and issues school divisions described in an SFL survey undertaken in August 2013.

The current geographic distance calculation excludes urban centres with 5,000 or more residents. It has two factors - distance and dispersion:

1. Distance (currently weighted at 70 per cent) is allocated as a percentage of the provincial total. For example, if a school division has 5 per cent of total eligible kilometers in the province, then it would receive 5 per cent of the available distance funding. Rural kilometers are based on the distance from the board office to each rural school, round trip.

<i>Current Distance Calculation</i>	Rural kms	% Rural kms in the Province
School Division 1	10,291	55%
School Division 2	2,420	13%
School Division 3	5,952	32%
TOTALS	18,663	100%

2. Dispersion (currently weighted at 30 per cent) involves rural kilometers, rural FTEs, and the number of rural schools. The calculation is $(\text{kms} \div \text{FTEs}) \times (\# \text{ of schools in the division} \div \# \text{ of schools in the province})$, with a funding cap for several divisions.

<i>Current Dispersion Calculation</i>	Rural kms	Rural FTEs	# of Rural Schools	% Dispersion in the Province
School Division 1	10,291	3,286	52	78%
School Division 2	2,420	2,435	15	7%
School Division 3	5,952	7,657	39	15%
TOTALS	18,663	13,378	106	100%

Options

Weighting

In 2014, as part of a review of SFL, school divisions expressed concern about the factor weighting for distance. A SFL survey was sent out to all divisions, and included questions about how services were delivered to geographically dispersed students, windshield time, and potential alternatives to the existing distance calculation.

Windshield time was an important cost driver; however, school divisions also reported a number of additional costs associated with geography, including accommodations costs, meals, lost time due to road conditions, and additional costs for recruitment and retention of SFL professionals in remote areas. Based on this feedback, the factor weighting was increased from 15 per cent to 16 per cent to address the high costs of serving geographically dispersed students.

As part of this review, the weighting associated with geographic distance was, once again, examined. We considered moving SFL geographic dispersion funding to a new geographic distance component to recognize that rural school divisions experience geographic distance costs not only in SFL, but also in other cost areas. However, the Technical Committee and I decided that since the distribution of these dollars would not change, we should leave all recognition of distance costs within the SFL component. As a result, we decided to keep the weighting at 16 per cent and we focused instead on the formula for geographic dispersion.

Estimating the Costs of Dispersion

To better understand the relationship of different cost drivers to distance and students, the review committee created a costing model. The costing model was used as an estimate of costs and assisted in the development of a new formula; it was not intended to identify the actual cost of dispersion by school.

For analytical purposes, the review committee identified parameters for SFL dispersion, including an estimate of 10 per cent of students requiring supports for learning, five hours of professional staff-student contact time per day, and one hour of service per student. Based on these parameters, the number of trips required per school was calculated and translated into windshield time. The amount of windshield time was then multiplied by the cost per km for driving and by an average hourly wage for SFL professionals, to determine the cost to serve each school. The analysis was run including and excluding these parameters. Because the parameters are applied to all rural schools in the same way, the impact is neutral mathematically (i.e., the number of hours per day and salaries act as a constant since the same numbers are used for every school). As a result, the costing model was simplified into a formula that multiplies kms x FTEs for each school.

KMs x FTEs Calculation

The kms x FTEs calculation continues to use rural kms and FTEs. Rural schools are defined as those located outside of centres with a population of 5,000 or more, while kms are measured as the round trip distance between the school and the board office.

In order to address small schools that are not eligible for closure, an adjustment to 50 FTEs minimum was included for small schools of necessity (SSONs) and Hutterian schools. The 50 FTEs was determined based on the assumptions about students requiring services stated above. Since it was assumed that 10 per cent of students require support, and five students could be served in a day, a school would need 50 students to generate one visit to a school within the calculation. Since professionals need to travel to any student requiring supports, at least one visit would be required regardless of the number of FTEs attending the school. The increase to 50 FTEs was meant to ensure that one trip was counted for each school within the formula (to recognize the fixed cost of delivering SFL services to a rural school).

When schools are grouped together in a community, there are increased efficiencies related to geographic distance (e.g., the distance between schools is low and a separate measurement from the board office to each school is not necessary). To address this issue, any schools within the same community were grouped and counted as one school. This affects the kms portion of the calculation only: school divisions still receive recognition for the total number of FTEs.

Since schools within a close proximity of urban centres do not experience significant geographic distance costs, those schools are not eligible for additional funding through this factor. The greatest distance between two urban schools within the same centre was chosen as the measurement to determine which schools were eligible to be counted as rural schools. Therefore, any schools within 18 kms of the board office (one way) were removed from the calculation.

Because this funding is only meant to recognize the cost of windshield time, the kms x FTEs calculation compares the estimate of distance funding per school to the number of additional SFL professionals that could be hired. An average SFL professional salary of \$90,000 per year was used.

The kms x FTE calculation was presented to school divisions in December 2015. Several divisions raised concerns and, in January 2016, there was a follow up meeting with Chinook, Prairie South, and Sun West school divisions. These school divisions felt that the kms x FTEs approach did not provide appropriate recognition for small, remote schools and over-recognized the impact of enrolments.

These divisions articulated that smaller schools have less internal capacity, and more trips are often required per student. For example, in larger schools there tends to be a broader complement of teachers, some of whom have already been trained to provide supports for

learning on a day-to-day basis to students. In small schools, there are fewer teachers generally and, thus, a reduced complement of teaching staff who have received this training, so additional SFL resources are required to address student needs. The internal capacity of schools (based on school size) was not previously addressed in the kms x FTEs calculation.

Based on their concerns, additional information about trips per student was collected from six school divisions. The divisions chosen were those seeing the largest increases and decreases in funding from the proposed change in formula. As the following table shows, a higher number of trips per student was required in smaller schools.

Category	Average Trips/Student	# Schools in Category	Average Trips excl. Hutt / SSON
Hutterian Schools	1.26	53	N/A
SSONs	1.56	19	N/A
<50 students	1.46	67	2.54
50-100 students	1.51	37	1.42
100-150 students	0.98	35	0.95
150-250	0.73	32	0.70
250+	0.71	27	0.71

Weighted kms x FTEs Calculation

In order to address the higher number of trips per student required in smaller schools, an option that added a weighting to the kms x FTEs calculation was tested:

- Schools with 50 or fewer students received a weighting of 1.5. This weighting decreased to a minimum of 0.75 for schools with 150 students or more; and
- Hutterian schools and SSONs continued to receive an adjustment to a minimum of 50 student FTEs. When enrolments were adjusted to 50 FTEs, these schools did not receive an additional boost through the use of the enrolment weighting.

However, adding the enrolment weighting still did not provide a minimum level of funding for rural schools. This failed to recognize that there were a number of fixed costs associated with each school, regardless of the number of student FTEs. Additionally, there were still schools receiving over \$450,000 each in funding. In terms of professionals, this would mean that five or more professionals were travelling full time to these schools. This included windshield time only and did not take into account contact time spent with students.

A maximum funding level of \$270K per school (equivalent to three SFL professional FTEs) was then tested. This would provide funding recognition for a maximum of three professionals to cover the windshield time required to serve each school. The intent was to continue to provide higher funding for schools that are both large and far away from the board office, but to limit the total funding to a more reasonable level. To address the concern that each school has a minimum level of fixed costs regardless of size, a minimum funding level was included in addition to the maximum of \$270K used above. The minimum was set at \$45K, or 0.5 SFL professionals.

Simplified Method

The committee also tested a simplified formula where funding was based 50 per cent on kms and 50 per cent on FTEs, along with a formula where funding was based 60 per cent on kms and 40 per cent on FTEs.

A strong correlation was found between the weighted kms x FTEs calculation (with minimum and maximum funding levels) and the simplified formula that used the percentage of total kms and the percentage of total FTEs. The weightings of 60 per cent kms and 40 per cent FTEs was chosen due to the lower internal capacity in small schools and the related higher impact of distance on costs.

The simplified calculation provides results that are similar to the weighted kms x FTEs calculation, without the need for a complicated formula or a number of adjustments. Another major advantage is that the new calculation is easy to understand and recreate.

Northern Dispersion

The committee separately analyzed the two northern single-community school divisions, Creighton SD and Ile-a-la-Crosse SD, to determine if the revised formula is appropriate for these divisions due to their uniqueness and remoteness.

The revised dispersion formula can be applied to the north, with the continuation of a small northern factor. The small northern factor doubles the kilometre distance for the two small northern divisions in recognition of their increased costs in delivering supports and services for students. Both divisions' kilometres are now measured as the distance from La Ronge to their respective board offices.

We recommend:

14. That the simplified geographic distance calculation be adopted with the two factors of distance and enrolment and, like the rest of SFL, be implemented through a rate-based method (for illustrative purposes, the following example is still on the pool-based method):
 - i. That distance, which is weighted at 60 per cent, be allocated as a percentage of the provincial total eligible kms.

Distance Calculation	Rural kms	% Rural kms in the Province
School Division 1	10,291	55%
School Division 2	2,420	13%
School Division 3	5,952	32%
TOTALS	18,663	100%

- ii. That enrolment, which is weighted at 40 per cent, be allocated as a percentage of the provincial total.

Enrolments Calculation	Rural FTEs	% Rural FTEs in the Province
School Division 1	3,286	25%
School Division 2	2,435	18%
School Division 3	7,657	57%
TOTALS	13,378	100%

15. That the calculation excludes urban centres with a population of 5,000, and schools that are 18 kms or less from the division's board office.
16. That total kms be calculated as the distance round trip from each rural school in the division to the board office.
17. That, in cases where there is more than one school in a community, schools be grouped so that the distance from the board office to that community is only counted once. This has no effect on enrolments.
18. That a small northern factor is maintained, and distance is calculated as the number of kilometres between the board offices and La Ronge.

Rationale

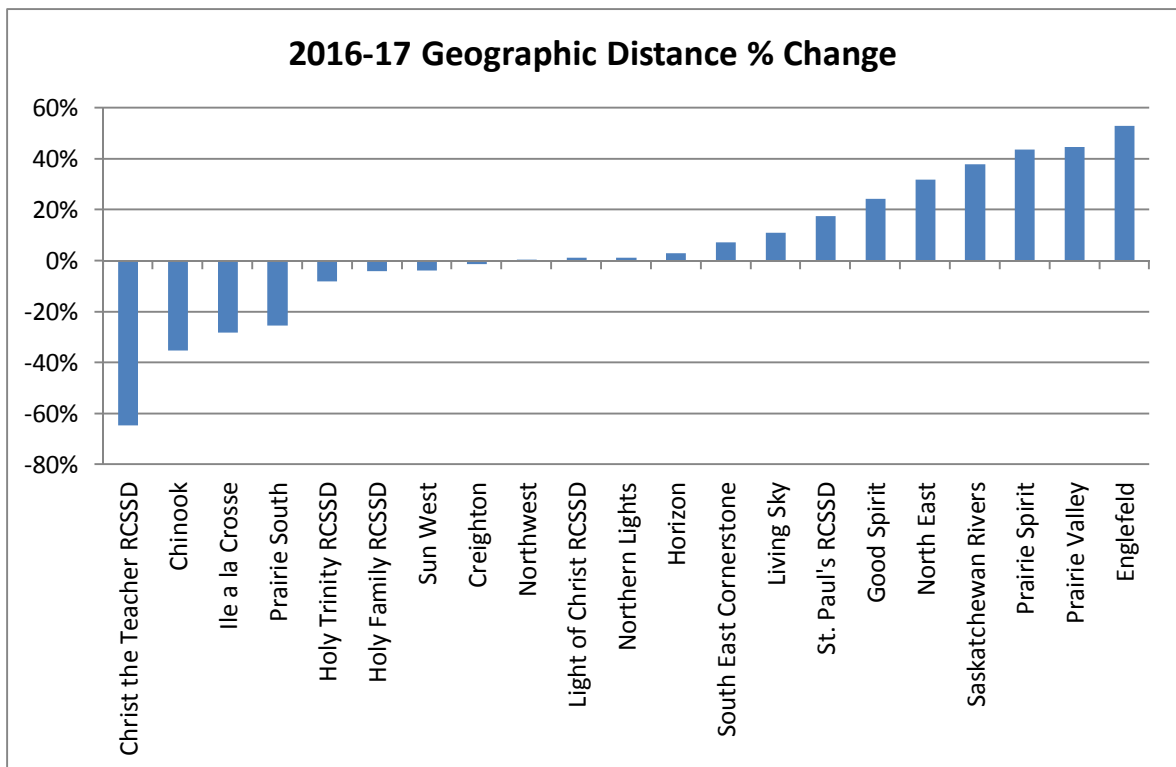
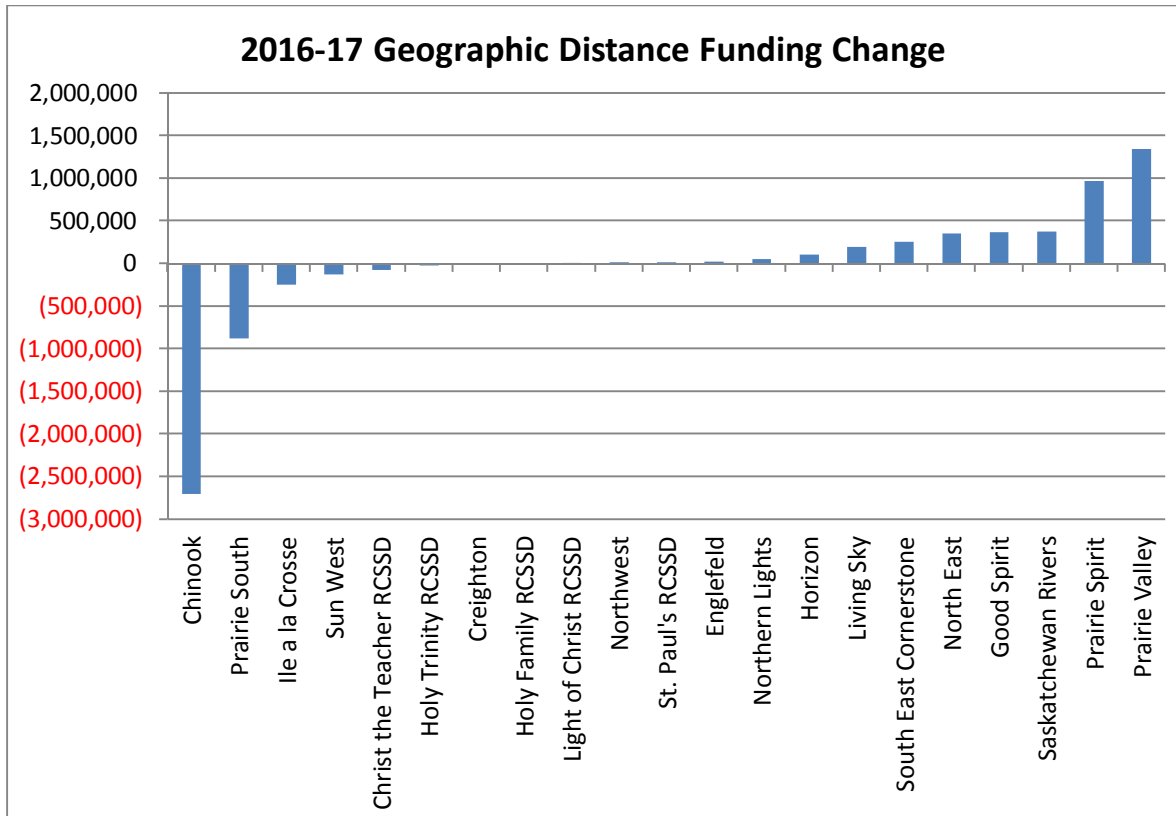
With no adjustments, the kms x FTEs calculation under-recognizes costs at some schools and over-recognizes costs for other schools. This is mostly due to the exponential nature of the calculation. The weighted kms x FTEs calculation addresses concerns about the costs of providing services to small or remote schools, but is difficult to replicate. The simplified method is recommended as it produces similar results, and is easy to understand and recreate.

Implications

Implications of the recommendations regarding geographic distance follow and are also displayed in concert with all review recommendations in the Concurrent Analysis section of this report. The comparison shows funding changes using the proposed formula as compared to what school divisions received under the existing formula in 2016-17. Funding shifts between school divisions range from **(\$2.70M)** to \$1.34 million.

2015-16 Geographic Distance Funding Change Using Recommended Approach				
School Division	Funding using current formula	Funding using proposed formula	Funding Change	% Change
Chinook SD 211	7,669,020	4,942,337	(2,698,765)	-35%
Christ the Teacher RCSSD 212	110,618	39,072	(71,326)	-64%
Creighton SD 111	680,050	667,766	(8,512)	-1%
Englefeld Protestant Separate	41,563	63,264	22,058	53%
Good Spirit SD 204	1,518,853	1,877,469	369,221	24%
Holy Family RCSSD 140	167,214	159,481	(6,832)	-4%
Holy Trinity RCSSD 22	253,769	231,890	(20,569)	-8%
Horizon SD 205	3,588,607	3,673,682	105,827	3%
Ile a la Crosse SD 112	874,938	624,975	(246,433)	-28%
Light of Christ RCSSD 16	230,271	231,634	2,672	1%
Living Sky SD 202	1,775,796	1,960,709	195,988	11%
North East SD 200	1,102,046	1,446,154	352,277	32%
Northern Lights SD 113	4,654,479	4,682,963	54,936	1%
Northwest SD 203	2,463,457	2,462,379	12,831	1%
Prairie South SD 210	3,461,872	567,746	(879,622)	-25%
Prairie Spirit SD 206	2,219,637	3,172,009	970,290	44%
Prairie Valley SD 208	2,996,899	4,314,712	1,342,185	45%
Saskatchewan Rivers SD 119	993,232	1,361,155	375,611	38%
South East Cornerstone SD	3,498,391	3,732,920	255,615	7%
St. Paul's RCSSD 20	101,288	118,315	17,695	17%
Sun West SD 207	3,194,339	3,053,644	(123,446)	-4%
Total	41,596,340	41,384,278	21,702	-

The ministry and the CEF will be working through a separate process to determine funding.



Revenue

The tuition fee revenue component of the model reduces funding for tuition fees deemed to be received on behalf of federal students [for whom tuition typically flows from the federal ministry of Indigenous and Northern Affairs Canada (INAC) or from First Nations Bands], non-reciprocal foreign exchange students, foreign tuition students and other students who are not residents of Saskatchewan. The total provincial funding adjustment for tuition fee revenue in 2016-17 is \$43.8 million.

First Nations

Issues

School divisions believe that all children, whether they live and attend school on- or off-reserve, should receive the same standard of quality education. They are also concerned about the complexity of administrative arrangements between school divisions, First Nations Bands and INAC.

A key priority in the Education Sector Strategic Plan is closing the achievement gap among First Nations. This requires cooperation amongst all the parties, on- and off-reserve including First Nations, school divisions, INAC and the ministry. This is a particular challenge when it comes to managing the administrative arrangements for the approximately 3,100 First Nations children who live on-reserve and attend school off- reserve. Tuition revenue to the province for these students in 2016-17 will be approximately \$38.6 million.

Most First Nations students that live on reserve and attend school off reserve do so because their First Nation does not have an on-reserve school. In some cases, the First Nation may have an on-reserve school but the student or family chooses to attend a provincial school. In other cases, the First Nations school offers programming up to a specific grade, and after that grade, students transition to a nearby school located off-reserve (bussing to the provincial school is typically the responsibility of the First Nation or family.) The reverse situation also occurs, but less frequently, where non-First Nations students attend an on-reserve school and the school division in which the student resides pays tuition to the First Nation.

Administratively, the tuition process is cumbersome. Schools count First Nations resident students up to three times per year and based on this information, school divisions prepare and submit tuition invoices to the federal government or the First Nation. There are various types of arrangements through which tuition is paid by or on behalf of First Nations residents:

- **Direct Billing** - school divisions invoice INAC three times per year for educational services provided in the provincial school system based on actual attendance and using the Regulation 22 calculated rate as prescribed in *The Education Regulations, 2015*. Payment is made directly from INAC to the school division on behalf of the band. Province-wide this is the most common arrangement – of 74 bands, INAC indicates that about 70 per cent are in the direct

billing category. School divisions enter into a standard, federally determined Education Services Agreement that articulates terms and conditions. For the most part, payments are made routinely by the federal government to school divisions.

- **Set Contribution Funding** - school divisions invoice individual Bands and the Bands pay tuition directly to the school division. Bands receive an advance on April 1 of each year for the period April, May and June. As soon as the Band provides verification that tuition fees are paid, INAC advances the funds for the next three month period. The final amounts for the year are reconciled to actuals following year end. As with direct billing, payments are generally made regularly by First Nations to school divisions.
- **Block Funding** - school divisions invoice individual Bands and the Bands pay tuition directly to the school division. These Bands receive unconditional, annual indexed funding from the federal government that is meant to cover all on-reserve services (e.g., economic development, social services, education, health and other). This type of arrangement can sometimes result in payment arrears. In these circumstances, school divisions are left with a temporary or permanent loss of revenue and related cash flow implications.

Arrangements relating to both Set Contribution and Block payments are set out in individual Education Services Agreements (ESAs) between the school division and the First Nation. ESAs specify business processes around tuition payments, reporting requirements from the school division to the First Nation, dispute resolution mechanisms, reciprocal tuition arrangements and any other terms and conditions that the parties agree upon. While Regulation 22 provides needed consistency around tuition fees to be charged, the content of ESAs in terms of services provided, accountability and other service provisions vary across school division even when dealing with the same First Nation.

Under any of the three payment arrangements, additional charges may be levied directly to INAC for students designated as having intensive needs. However, the federal government requires specific reporting and documentation to access this funding and school divisions indicate they do not recoup all costs associated with programming, leaving them with a permanent loss of cash flow and revenue.

Managing the variety of complex financial and reporting requirements is time consuming and staff intensive for school divisions, and this is not currently recognized in the funding model. School divisions with larger numbers of First Nations bands carry greater administrative burden and higher financial risk (payment arrears are not shared across the entire education system).

A few First Nations such as Whitecap and the Meadow Lake Tribal Council, are pursuing new educational partnerships with INAC and select school divisions. Funding arrangements for these pilots may depart from historical practice. An on-reserve school on Whitecap Dakota First Nation, for example, is funded by INAC in accordance with dollars allocated through the distribution funding model, and is staffed by teachers employed by Saskatoon Public School Division.

Considerations

This review is focused on enhancing equity in the Education PreK-12 Funding Distribution Model to support all students in reaching their full potential. But the principle of funding equity not only applies to the Ministry of Education and school divisions; it also applies to the Government of Canada (INAC) and First Nations. All children in the province, including First Nations children living on reserve, have a right to access quality instruction, the supports they need to learn, a safe and welcoming environment at school, and safe travel to and from school. All parties have a role to play in supporting children to reach their full potential.

We Recommend:

19. That the Province, First Nations and INAC come together to negotiate a funding regime that is consistent with the principles articulated in the Funding Distribution Model Guiding Principles; and

In the meantime:

20. That the ministry and INAC work together to simplify and streamline funding arrangements for First Nations students attending school off-reserve.
21. That the ministry and school divisions work together to determine a process for reconciling revenues related to First Nations tuition.
22. That INAC, First Nations and school divisions pursue innovative educational partnerships that include application of the funding model (e.g. Whitecap, MLTC, and other innovative locally determined arrangements); and the Government of Saskatchewan support these approaches.

Implications

Funding for First Nations education on- and off-reserve has been an issue of contention for many years. Building strong partnerships between First Nations, INAC, school divisions and the province will enhance equity across the province and lead to improved educational outcomes for First Nations people.

International Students

Issue

In 2015-2016, an estimated 550 international students will attend provincial schools. These students are charged tuition fees that generate about \$5.8 million in revenue annually. School divisions invoice the family and typically require payment at the start (or prior to the start) of the school year. The ministry then reduces funding to school divisions accordingly so they do not receive funding twice since these students are counted in all components of the funding model that use enrolment (this is the same arrangement as is used for on-reserve First Nations students who attend provincial schools). Some school divisions expressed concern that they are unable to recoup all of the costs associated with the recruitment and education of international students.

International students can arrive with additional program needs related to language and social factors. These are considered in the funding model; however, at least one school division indicates other costs are not provided for including:

- facilitators that travel around the world to build relationships with international organizations, attend recruitment fairs, and connect with potential students;
- commission costs for recruitment companies;
- administrative costs associated with processing immigration paperwork for students; and
- homestay programs, travel, advertising, supplies and equipment.

While school divisions have the ability to set tuition fees to cover these costs (these fees are not covered by Regulation 22), they indicate they are unable to compete with international student programs in other provincial jurisdictions. Even if they could, unlike in the advanced education sector where the recruitment of international students is undertaken, in part, as a means of generating additional revenue; school divisions believe that educating international students should be cost neutral to school divisions to maintain equity across the province.

Those school divisions with international programs are in a conundrum. They indicate they are unable to generate sufficient revenue through tuition to cover their costs, but they do not believe Government or the advanced education sector would support cancellation of their international program. This is due to the commitment in *Saskatchewan's Plan for Growth* to increase the number of international students studying at post-secondary institutions by at least 50 per cent by 2020. This raises a key policy question for the Province. Does the Government of Saskatchewan want school divisions to actively promote, recruit and sustain international programs at the elementary and high school level; or does it want them to simply accept those students who arrive? If active recruitment is desired, school divisions believe associated costs should be funded by the province outside of the education funding distribution model.

Education Regulations

Issue

Throughout the review process a number of school divisions expressed concern that *The Education Regulations, 2015* contain disincentives to the efficient use of schools and impede their ability to determine how to provide high-quality education in rural areas. For example, when small schools are located in towns adjacent to one another, or in close proximity to an urban centre, it may make sense to close and amalgamate (both from the perspective of providing a better quality education for students and from an efficiency point of view). School divisions pointed to the 2014 motion passed by the Saskatchewan School Boards Association (SSBA) calling for review of the Regulations as they relate to school review, enrolment thresholds and the proximity of other schools in school divisions.

Considerations

School divisions need to find the right balance between recognizing and responding to the needs of students living in rural communities, and operating as efficiently as possible. This is a significant challenge, especially for school divisions with a substantial dispersed population. Section 92.2 of *The Education Regulations* contains a number of prohibitions which may run counter to school divisions' ability to deliver programs cost effectively and in accordance with children's educational interests (access *The Education Regulations* at <http://www.qp.gov.sk.ca/documents/English/Regulations/Regulations/E0-2r24.pdf>).

We recommend:

23. Review and simplification of section 92.2 of *The Education Regulations, 2015*.

Implications

Review of the Regulations is required to enable school divisions to respond quickly, effectively and efficiently to the needs of students across the province.

Governance and Accountability

Unconditional funding and Board autonomy have always been key cornerstones to governance and accountability in the province's education system. School divisions receive funding from the province, and have the authority to make decisions about the allocation of those funds in accordance with local priorities. Throughout the course of the review, the Technical Committee found that we had to continually reinforce that the review was about distribution of the dollars and not about how school divisions spend them.

Now that school divisions can no longer levy taxation, there is a new environment in Saskatchewan education that is fundamentally changing the accountability relationship between the Minister of Education, the ministry and school boards. One of the principles of the funding distribution model is mutual responsibility. As elected officials, the minister and boards both share responsibility for responding to the needs of constituents. However, now that almost all school division funding comes from the province, there is even greater Ministerial responsibility than ever before. This was recognized in 2009 when Government was deemed to have control, from an accounting perspective, over school divisions; and it was made even more significant in the 2014-15 Budget when summary financial statements became the main reporting mechanism of government financials. Government's process to approve school division budgets and financial statements is now much more stringent than in the past.

For school boards, there is an increased need to manage school division budgets with great care as they no longer have the flexibility to raise revenue. Now, more than ever, it is critical for board members, Directors and CFOs to understand the funding model and how it works. It is also important that they have some appreciation of Government's fiscal context as funds will flow, more or less, accordingly. This is particularly challenging given reported increased turnover at the board level as well as with Directors and CFOs. School divisions and ministry officials acknowledge that the level of understanding about the funding distribution model and how it works is not where it needs to be.

Communication is also increasingly important. The minister has overarching responsibility for education in the province. The minister needs to continue to have predictable contact with boards and, in particular, with board chairs. The ministry has a responsibility to convey provincial direction on the minister's behalf, and facilitate understanding of the funding model amongst boards, Directors and CFOs. Because education is a mutual responsibility, all parties need to work together to proactively identify issues, solve problems and ensure actions taken are in support of the Education Sector Strategic Plan. Enhanced communication between the minister, ministry officials, boards and school division staff is desired to strengthen understanding, transparency, trust and mutual accountability across the system.

We recommend:

24. That, on an ongoing basis, the ministry provide training on the funding model for board chairs, Directors, CFOs and other stakeholders; and
25. That all education stakeholders strengthen formal and informal communications to ensure regular, ongoing dialogue at the school division level and provincially.

Sustaining the Model

Throughout the funding review, school divisions expressed concern about the frequency with which changes have been made to the model since its establishment in 2012-13. Adjustments have been made every year with some, such as revision to the supports for learning component in 2014-15, impacting significantly on funding levels. Some school divisions express frustration that changes have not always been transparent and that they have compromised school divisions' ability to plan over multiple years.

Questions have also been raised about how, after this review, the integrity of the funding model will be preserved into the future. There is a desire for a joint, ongoing mechanism for updating the funding model whereby school divisions and the ministry can discuss concerns together and make recommendations for updates and adjustments. It is recognized that while Government "owns" the model, management of it would be enhanced by the greater involvement of school divisions.

There is also a need for better, more consistent data analysis. School divisions exercise judgement in the data reporting process leading to inaccuracies and a lack of consistency across the system. As a result, data is not always comparable, undermining the ability to perform analysis across the education system, and compromising the ability to track progress in support of the Education Sector Strategic Plan.

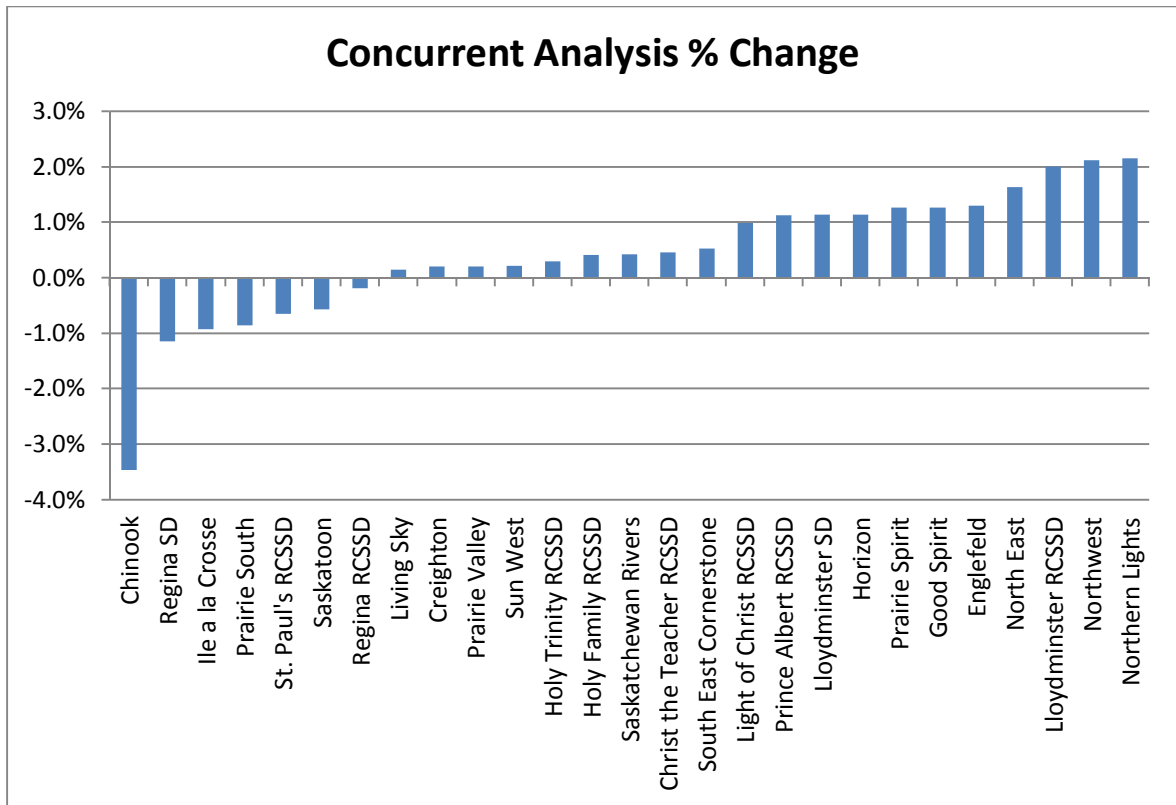
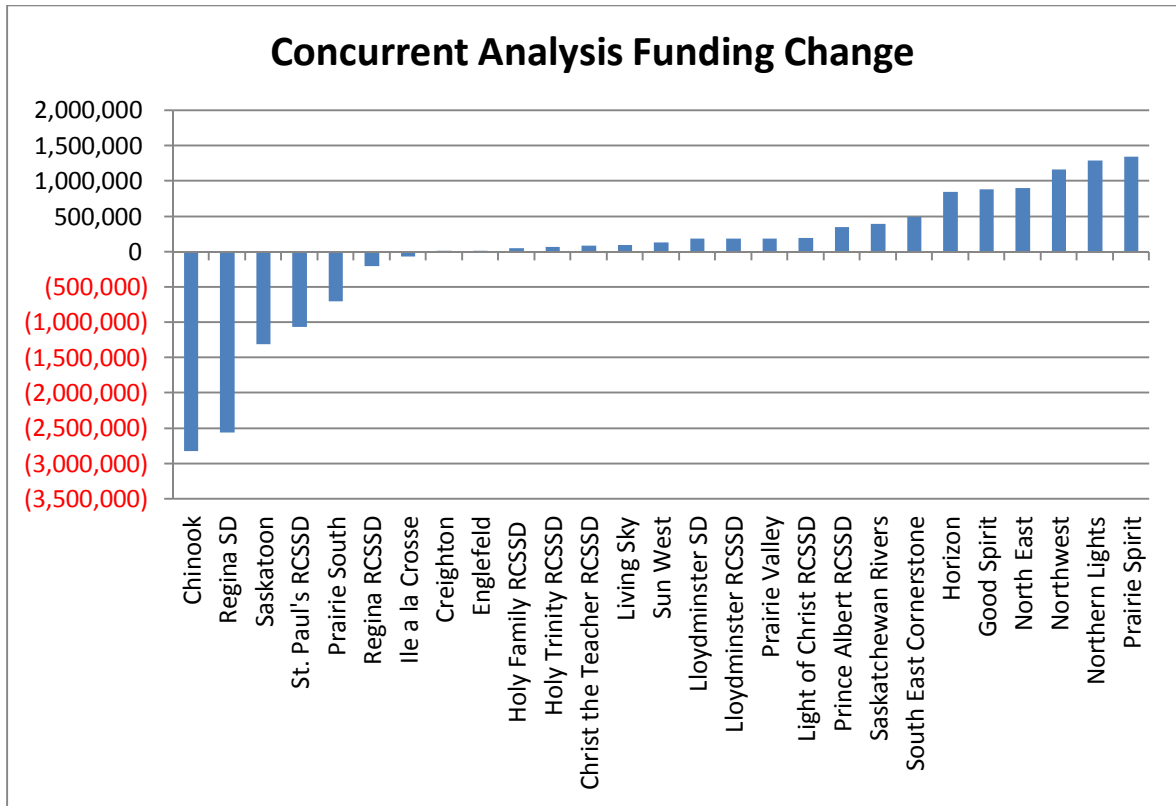
We recommend:

26. That a joint ministry/school division mechanism be created to preserve the integrity of the model by considering outstanding and newly identified issues (for example: distance education, treatment of multiple schools in a single community, intensive needs, principal and interest, etc.) and, when material, identify adjustments to the model which may be required
27. That formal review of the model occur on a regular basis, for example, every four years; and
28. That the ministry and school divisions improve the comparability of data collection, expense coding and accounting policies.

Concurrent Analysis

In total, when all of the recommendations of the review with financial implications are considered together, the total funding shift is approximately \$8.7 million or 0.5 per cent of the 2016-17 funding allocation. The shift ranges from an increase of \$1.3 million representing 2.2 per cent of total funding for one school division to a decrease of **(\$2.8 million)** and **(3.5 per cent)** for another.

School Divisions	2016-17 Budget Day Funding	Total Estimated Funding Shift	% Change
Chinook SD 211	81,730,916	(2,824,720)	-3.5%
Christ the Teacher RCSSD 212	18,301,359	84,870	0.5%
Creighton SD 111	5,774,511	11,775	0.2%
Englefeld PSSD 132	1,367,770	17,795	1.3%
Good Spirit SD 204	69,628,079	888,491	1.3%
Holy Family RCSSD 140	13,104,786	54,934	0.4%
Holy Trinity RCSSD 22	23,069,011	68,310	0.3%
Horizon SD 205	74,040,681	845,805	1.1%
Ile a la Crosse SD 112	6,777,869	(62,484)	-0.9%
Light of Christ RCSSD 16	20,135,624	199,460	1.0%
Living Sky SD 202	64,089,043	98,127	0.2%
Lloydminster RCSSD 89	9,308,238	186,896	2.0%
Lloydminster SD 99	16,141,958	184,043	1.1%
North East SD 200	55,093,828	900,959	1.6%
Northern Lights SD 113	60,009,161	1,297,925	2.2%
Northwest SD 203	54,774,341	1,166,684	2.1%
Prairie South SD 210	82,099,601	(696,476)	-0.8%
Prairie Spirit SD 206	106,204,736	1,344,130	1.3%
Prairie Valley SD 208	92,252,350	191,194	0.2%
Prince Albert RCSSD 6	30,878,607	349,188	1.1%
Regina RCSSD 81	108,337,729	(201,272)	-0.2%
Regina SD 4	223,720,487	(2,554,742)	-1.1%
Saskatchewan Rivers SD 119	91,582,870	395,207	0.4%
Saskatoon SD 13	232,001,921	(1,307,296)	-0.6%
South East Cornerstone SD 209	93,701,020	495,403	0.5%
St. Paul's RCSSD 20	164,936,498	(1,060,499)	-0.6%
Sun West SD 207	59,929,229	129,842	0.2%
Total Shift		8,707,489	0.5%



When discussing these shifts with the school divisions during the course of this review, the committee noted that in many cases, the funding shifts determined through this process offset funding shifts that occurred through the implementation of the funding model in 2012 and the revision to supports for learning that occurred in 2014-15.

Part of this change relates to certain elements that were not yet considered in the model, such as transportation, over-utilization of school buildings and a method to count students who have already graduated. In addition, some of the funding shifts from the previous work may have over-adjusted, and the current changes may be viewed as a correction – for example, the previous calculation for dispersion within supports for learning leaned too heavily on the number of schools compared to the number of students.

School Division	Funding Shifts prior to 2015-16		Funding Shifts 2015-16 Model Review	Cumulative since 2012	
	2012-13 New Model*	2014-15 SFL Revision**		Change	% Change
Chinook SD 211	(1,217,406)	(1,171,326)	(2,824,720)	(5,213,453)	-6.4%
Christ the Teacher	872,284	87,404	84,870	1,044,558	5.7%
CEF 310	968,056	133,031	N/A	1,101,087	3.3%
Creighton SD 111	(528,217)	117,069	11,775	(399,373)	-6.9%
Englefeld PSSD 132	70,719	41,661	17,795	130,175	9.5%
Good Spirit SD 204	1,203,753	(928,838)	888,491	1,163,406	1.7%
Holy Family RCSSD 140	431,529	(231,798)	54,934	254,665	1.9%
Holy Trinity RCSSD 22	(14,031)	(62,964)	68,310	(8,685)	0.0%
Horizon SD 205	2,823,610	276,988	845,805	3,946,403	5.3%
Ile a la Crosse SD 112	691,811	201,459	(62,484)	830,785	12.3%
Light of Christ RCSSD 16	539,079	3,859	199,460	742,398	3.7%
Living Sky SD 202	(6,262,785)	(513,805)	98,127	(6,678,463)	-10.4%
Lloydminster RCSSD 89	(146,067)	251,319	186,893	292,145	3.1%
Lloydminster SD 99	(645,352)	453,484	184,043	(7,825)	0.0%
North East SD 200	163,183	(176,592)	900,959	887,550	1.6%
Northern Lights SD 113	(487,313)	2,627,197	1,297,925	3,437,809	5.7%
Northwest SD 203	(1,146,997)	894,574	1,166,684	914,261	1.7%
Prairie South SD 210	(3,101,383)	(973,382)	(696,476)	(4,771,241)	-5.8%
Prairie Spirit SD 206	(5,025,524)	(427,817)	1,344,130	(4,109,211)	-3.9%
Prairie Valley SD 208	(9,261,886)	(849,450)	191,194	(9,920,143)	-10.8%
Prince Albert RCSSD 6	1,121,073	323,688	349,188	1,793,949	5.8%
Regina RCSSD 81	2,043,356	2,553,736	(201,272)	4,395,820	4.1%
Regina SD 4	7,292,069	1,102,677	(2,554,742)	5,840,004	2.6%
Sask Rivers SD 119	3,034,367	(87,155)	395,207	3,342,418	3.6%
Saskatoon SD 13	4,013,502	(298,851)	(1,307,296)	2,407,355	1.0%
SE Cornerstone SD 209	1,821,413	(419,341)	495,403	1,897,475	2.0%
St. Paul's RCSSD 20	(43,279)	1,047,552	(1,060,499)	(56,226)	0.0%
Sun West SD 207	790,942	(790,203)	129,842	130,580	0.2%

* Amounts include changes due to both operating and capital; some shifts reflect amounts previously spent on school-division funded capital

** Changes were not fully implemented because of SFL transition

Conclusion

On balance, the funding distribution model works as intended. The recommendations from this review will strengthen it, thereby enhancing equity across the education system. The model itself is a methodology for allocating available dollars to school divisions on an unconditional basis. School boards have the autonomy to make budget decisions in accordance with local priorities.

The funding model should operate the same way regardless of the province's fiscal circumstances - in both good times and in bad. Government will determine available funding levels, and then those dollars should be run through the model and allocated. There will be implications for individual school divisions as the model is intended to distribute funds in the most equitable way possible.

Ultimately, this is about enabling all children in the province to access quality instruction, the supports they need to learn, have a safe and welcoming environment at school and be able to travel safely to and from school every day. By preserving the integrity of the model, parents, citizens and communities can be confident that public dollars are being allocated effectively and efficiently in support of quality education outcomes; and school divisions will have some level of predictability and stability within the context of Government's fiscal circumstances.

Biography



Dan Perrins served in the Saskatchewan public service for 35 years. He began his career as a frontline social worker and went on to hold a number of increasingly senior positions in Social Services, Health, Education and Post-Secondary Education and Skills Training. In February 2001, Mr. Perrins was appointed Deputy Minister to the Premier and Head of the Public Service and served in that role until November 2007. From 2008 to 2015, he served as Executive in Residence and Director of Outreach and Training for the Johnson-Shoyama Graduate School of Public Policy, a joint program of the University of Regina and the University of Saskatchewan. In 2009, he chaired the *Future of Uranium Saskatchewan Public Consultation Process*. Mr. Perrins has lectured extensively on public administration, social policy and the machinery of government. He has been awarded the Queen's Golden Jubilee Medal, the Queen's Diamond Jubilee Medal, the Saskatchewan Centennial Medal and the Institute of Public Administration of Canada's Lieutenant Governor General's Medal for Distinguished Public Service. He is a graduate of the University of Saskatchewan and the School of Social Work, University of Regina. Mr. Perrins has also been active in his community serving on a number of community committees and boards including the Institute of Public Administration of Canada at both regional and national levels; St. Thomas More College, University of Saskatchewan; and Ranch Ehrlo.

Appendices

Appendix A – Transportation Response to Regina Public School Division

December 2, 2016

Mr. Greg Enion
Director of Education
Regina Public SD No. 4
1600 4th Avenue
REGINA SK S4R 8C8

Dear Mr. Enion: 

Re: Regina Public School Division Feedback on the Transportation Funding Review

Thank you for your letter providing feedback about the technical committee's recommendations on a new funding formula for student transportation. We appreciated hearing more details and being able to discuss some of these points at our meeting on November 15, 2016.

As discussed, the work on a transportation formula began in 2013 through a working group comprised of school division transportation managers and chief financial officers. While not implemented at that time, this work was extremely valuable and provided a solid foundation for the work undertaken in 2015 and 2016 through the current review.

When the sector indicated that it would like to see a transportation formula developed within this current review process, that same working group was reconvened and continued their work. This working group included a broad range of representatives who could speak about the diversity of transportation challenges in the province, coming from large and smaller urban centres as well as rural areas. Together, the working group and technical committee included representatives from 10 of 28 school divisions.

The working group and technical committee spent many hours analyzing data, asking questions and discussing options and were given latitude to explore all issues and the necessary time to do this work. The working group reported back to the technical committee on multiple occasions, and the committee provided feedback and suggestions to the working group that helped to form the final recommendations. Both groups worked hard to reach consensus. The proposed formulas represent the work of both the working group and the technical committee.

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The review was based on an extensive amount of transportation data, and the committee members undertook a significant process to verify and validate the data with the individual school divisions.

This process allowed the working group to gain a greater understanding of the funding shifts that are occurring through the recommended formulas. That said, many of the funding shifts are similar to those found through the work done in 2013, including the impact on Regina Public.

Your letter provided a number of points, so we will attempt to provide information on each of them.

1. The first point raised in your letter relates to the proportion of current expenditures covered by the proposed formula for both urban and rural transportation. Your calculation estimates that 97 per cent of transportation costs incurred for rural school divisions will be recognized and 83 per cent for urban school divisions:
 - The splitting of transportation dollars into two pools is a one-time undertaking, to determine the initial funding rates for rural and urban transportation. In future years, rural and urban funding allocations will change based on student counts and rural distances transported.
 - Funding is not calculated for 'rural school divisions' or 'urban school divisions', rather it is determined for rural transportation areas and urban transportation areas. Most of the rural school divisions will receive allocations for both rural and urban transportation, depending on the communities within their borders.
 - The group considered multiple years of historical expenditures and discussed at length the appropriate number of years to determine the relative weighting for urban and rural transportation in the first year of the formula.
 - The committee discussed at length the issue of this weighting and during that discussion made the following observations:
 - Urban school divisions have, by admission, used transportation as a competitive measure to gain students where there are public and separate school divisions in the same city. Walk distances range from 0.2 km to 1.2 km in urban areas. We have not been able to measure how much of the difference between funding and expenditures that you have calculated is related to these choices.
 - Rural transportation spending cannot be adjusted by increasing walk distances; there is less flexibility available to school divisions in the delivery of rural transportation services.

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- Further discussions have also made us aware that some urban school divisions use grandfathering policies to provide unchanged transportation services where there is a school closure or where students move outside of their existing attendance areas. When these grandfathering policies are held in place for multiple years, this will also drive up urban transportation costs.
 - Regina Public spends the most on transportation compared to other urban school divisions, including the other three in Regina and Saskatoon. A school division such as Saskatoon Public, which has more students overall, budgeted to spend 30 per cent less on transportation than Regina Public in 2015-16. Based on financial statements, Regina Public spends significantly more per student transported than other urban school divisions.
2. The second point within your letter relates to the transportation funding for students requiring intensive supports and suggests that funding should be based on the actual distance from these student's residence to their schools.
- The working group and technical committee discussed at length the best way to provide funding recognition for students who require specialized transportation services. It was noted in particular that not all students who require intensive supports necessarily require specialized transportation services.
 - Similar to the work in the supports for learning component, objective data that identifies how many students require intensive supports is not currently available. The committee has reviewed the available data sources, and has discussed alternatives with the health sector; there is no third-party, objective data that measures this. The committee believes strongly that reliance on self-reported data to determine funding should be minimized as much as possible, as school divisions use different policies and criteria to determine which students require services and how those services should be provided.
 - In the absence of reliable counts of students, the working group and committee relied upon the number of students school divisions reported as requiring specialized transportation for the two years data was made available. This was the basis for the 2 per cent recognition for the Regina and Saskatoon school divisions, which is double the recognition provided for all other school divisions. The model provides more to the Regina and Saskatoon school divisions, based on current transportation practices, despite the lack of data to demonstrate that there are more students requiring intensive supports in these cities. Of the four major urban divisions, Regina Public spends the most on intensive supports transportation and has the highest percentage of intensive supports students transported.

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3. Your third item related to the upcoming cost increases through your new transportation contract and suggests that transition funding should be provided specific to the transportation factor.
 - As discussed in our meeting, all school divisions are experiencing cost pressures in transportation. The Saskatoon divisions have signed a new contract, and the rural divisions (which typically own their own buses) have had a significant cost increase for bus purchases and parts due to the erosion of the Canadian dollar.
 - This particular point seems to be more about the adequacy of the transportation pool, not the equity of the proposed formula.
 - The committee has discussed whether recommendations related to transition are within the mandate of this review. Decisions regarding transition adjustments will be made by the government, and we believe are not within the scope of our work. We will make government aware that there are options available to it regarding transition; however we would note that any transition adjustments are more appropriate based on the net impact of all of the funding model changes, not on a factor-by-factor basis.
4. The fourth point within your letter speaks to the use of prior year data and that this disadvantages growing school divisions.
 - The formula for urban transportation funds those students who live further than 1 km from their school of attendance to a maximum distance of 6 kilometres for non-immersion students.
 - The process to map the students is extensive and done through geomatics. If the ministry determines that this process can be done in the period between when enrolments are verified and when the grant is recalculated, the current enrolment update can include this information. However at this time, we do not believe this is logistically possible.
 - The committee has discussed that where there are schools opening or closing some additional work or estimates may be required.
5. Your next point relates to the use of straight line distances between students and schools rather than actual distance transported. You indicate that this will reduce the number of students eligible for funding and does not recognize safety considerations, and you suggest that this could be resolved by reducing the walking distance threshold.
 - The working group also discussed this item at length. All urban centers have railway crossings, busy streets / highways, and other safety hazards, and we have no information to lead us to believe that the relative proportion of these would be different from city to city. As such, adjusting the formula to try and accommodate for these complexities would not change the distribution of available dollars.

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- Similarly, if the model were to use a walk distance of some factor less than 1 km, this would also not change the distribution of funding between school divisions; it would impact all school divisions with urban centers in a similar way. The distance of 1 km was chosen based on an average of existing walking distance policies.
6. The final point in your letter relates to verification of student addresses and that it should be incorporated into the student data system.
- We are assuming this relates to the point made during our meeting about the students who attend urban schools but live outside the city boundaries and, therefore, have a rural address.
 - Again, this is a circumstance that would be common to all urban centers, and as such adjustments would not impact the relative distribution of funding between school divisions.
 - From a materiality perspective, the proportion of these students is relatively minor compared with the count of students who live within the city boundaries and would not lead to any significant variation in funding allocations.
 - Given that the sector is investigating the potential of a unified student information system, the ministry will not be looking to make significant changes to the existing student data system at this time.

Thank you again for your letter and taking the time to discuss these questions with us. The points you have raised were discussed at length during the analysis undertaken by both, the transportation working group and the technical committee. The technical committee has also specifically discussed your letter and comments in consideration of the proposed transportation formulas. The committee has determined that it will continue with the recommendations for transportation that were presented to school divisions in June 2016.

Sincerely,



Dan Perrins, for the Funding Model Review Committee

cc: Funding Model Review Technical Committee members
Julie MacRae, Deputy Minister of Education

Appendix B – Base Instruction Response to Four Large Urban Boards

December 15, 2016

Ms. Katherine Gagne
Board Chair
Regina SD No. 4

Mr. Ray Morrison
Board Chair
Saskatoon SD. No. 13

Ms. Donna Ziegler
Board Chair
Regina RCSSD No. 81

Ms. Diane Boyko
Board Chair
Greater Saskatoon RCSSD No. 20

Re: Feedback on the base instruction funding review

Thank you for your letter regarding the technical committee's recommendations on the base instruction component of the funding distribution model. We appreciated hearing more details and being able to discuss some of these points at our meeting on November 15, 2016.

Following the receipt of your letter, the committee discussed your comments and reviewed again the data and analysis, particularly as it related to staffing levels of schools in other urban centres.

The technical committee's review of base instruction, as with the other components, was based on data provided by school divisions. The data verification process was rigorous, with multiple follow-ups, confirmations and reasonability tests. In instances where the data submitted proved to be incorrect or incomplete, we encouraged school divisions to submit updated data. In addition, leading up to the September 21st presentation to school divisions, there were 35 separate meetings to discuss base instruction. This was not a ministry review; it was done through a collaborative process between the working group and the technical committee, each of which had school division and ministry members. At each step of the process, the group reached consensus on the data and the logic of the analysis.

As articulated during the June and September 2016 presentations and in the technical report, we analyzed the difference between what school divisions receive in funding for instructional staffing and how many instructional staff are actually employed. This was the original approach used in developing the base instruction calculation prior to implementation of the funding model in 2012-13. The difference between funding and staffing, or the amount of discretionary funding, was the method used to measure the equity of the base instruction formula. However, we included all of the model components that provide funding for instructional staff (e.g. supports for learning) to ensure the full picture was considered.

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As described within the technical report provided this fall, the data clearly shows that there is an equity issue for certain types of schools; in particular, high schools and K-12 schools have low levels of discretionary funding. The amount of discretionary funding for Hutterian schools is particularly low:

School Type	Average Discretionary Funding per Staff Member
Large urban elementary	8,804
Large urban high school	(2,056)
'Rural' elementary	3,331
'Rural' high school	502
'Rural' K-12	285
SSONs	1,664
Hutterian schools	(9,119)

The variation in discretionary funding across the different school types means that there is not equity of opportunity for students across the system: programming and services for students in schools with low discretionary funding may not be equitable compared to the opportunities available in other schools. In order to improve equity, the committee determined that this variation should be more equal across school types.

There is an exacerbated effect when a school division has a high number of schools with a low discretionary amount (e.g. a high number of K-12 schools). We've discussed the concept of the school division profile, or the mix of schools within each division.

School Division Type	% of Schools that are Lower Discretionary (average)	% of Schools that are Higher Discretionary (average)
'Rurals'	70%	30%
Large Urban	15%	85%

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For the large urban divisions, 85% of schools fall into the 'high discretionary funding' category, compared to 30% of schools in rural school divisions. Where school divisions have many schools with lower discretionary funding, they do not have an equal ability to provide services or flexibility to address issues. This is the inequity that the recommendations are intended to address.

The central concern that you expressed during our meeting was that the recommended adjustment to the sliding scale will provide different funding levels for schools of the same size depending on their location (i.e. whether they're located in a large urban or 'rural' school division). The proposed changes to base instruction are not based simply on geographic location of the school – they consider both the school profile and the school division profile (the mix of school types in the division).

On average large urban school divisions have 36 elementary schools, whereas smaller urban centers (with 10,000+ residents) have an average of four elementary schools. When a school division has as many schools with high discretionary funding, as the four large urban divisions do, there is a cumulative impact for the division, with greater opportunities to achieve efficiencies both at the school and school division levels (e.g. to fund curriculum specialists, literacy experts and similar functions). A small number of higher discretionary schools does not provide the same opportunities, particularly when the division also has a high number of schools with low discretionary funding.

During our meeting, we also discussed the notion of outliers. School divisions with data that was significantly different from the average were included in the analysis for nearly the whole process. They were removed only at the end when determining the percentage changes to the sliding scale. Also of note is that South East Cornerstone appeared to be an outlier when looking at base instruction staffing alone, however the analysis of the four components together showed their overall staffing is much closer to 'average'. This means that they are not staffing lower overall, but rather choose a different mix of staff (base instruction teachers versus other instruction) compared to similar school divisions.

Correlation of enrolments and funding

Your letter discusses the proportion of funding and enrolments in large urban and rural school divisions; this is essentially a per-student funding comparison. The committee fundamentally disagrees with using comparisons of per-student funding to measure equity across the system.

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Larger urban centres have the benefit of inherent conditions to achieve efficiencies: larger schools, less distance to transport students / staff, and greater ability for specialized programming due to economies of scale. When we use the term opportunities for efficiency or conditions to allow efficiencies, we are not judging the management practices of any school division; we are simply noting that average costs fall as the volume of outputs increases. Thus providing funding on the same per-student rate for all divisions would be inequitable. The funding formula achieves equity by using the same formulas for all divisions, while building in adjustments for significant and uncontrollable cost drivers. This concept is consistent among each of the model's components.

The current formula for base instruction does not consider the different needs of school divisions based on the school types or the school division profile; it applies a sliding scale equally to nearly all schools. As discussed above, this leads to a significant variance in discretionary funding in elementary schools between large urban (\$8,804) and rural (\$3,331), and an even wider variation for K-12 schools (\$285). While this level of detail was not available in 2012, we now have better data and deeper analysis that shows the variance in discretionary funding. The proposed adjustment to the sliding scale narrows the variance, while still providing a higher amount of discretionary funding for the large urban schools (\$2,903) compared to the rural (\$2,709).

Student needs

Your group indicated that the unique profile of the four urban school divisions, such as vulnerability, English as an additional language (EAL), and achievement rates have not been recognized in the review.

We noted during the meeting that student needs such as vulnerability, EAL, etc. are recognized in the supports for learning component of the model. The four large urban divisions receive \$38.3 million in vulnerability funding, which is 51% of the provincial total. In addition, the model provides your divisions with \$18.9 million for EAL funding, which is 56% of the amount provided provincially.

School closures

Since 2000, 113 schools have been closed, nine of which were in Regina and Saskatoon (Regina Public and St. Paul's RCSSD only). As a proportion of total schools, the rural divisions have closed four times as many schools as Regina and Saskatoon.

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It is important to note that the proposed revisions to the base instruction formula do not provide additional funding to rural schools that are eligible for closure. The technical committee believes that the funding formula should be neutral to school closures (i.e. provide neither an incentive nor disincentive). The proposed changes to the model, particularly in instructional resources, improve this neutrality. We believe that school divisions make decisions around school consolidations guided by the best educational interests of students.

Unconditionality

The recommendations related to base instruction will maintain the unconditionality of these funds. School divisions still have the autonomy and flexibility to make staffing decisions and reallocations.

The analysis for base instruction, as for all the other funding components, was predicated on a comparison of funding allocations to actuals. Analysis of actual school division spending, staffing and operating decisions was the method used to develop the formula prior to 2012 and the method used in the current review process (instructional resources, dispersion, plant operations and so on).

Over time, the data sources and analysis have improved. Specific to base instruction, we now understand that certain sizes and types of schools can be staffed more efficiently than others. The proposed changes adjust the sliding scale to reflect these differences. This does not violate the equity principle; it refines the formula to achieve greater equity than was possible in 2012, based on detailed information. The principle of unconditionality is also maintained as the recommended formula will not prescribe staffing levels; it is simply a means to allocate funds as equitably as possible.

Implementation

For the purpose of the cumulative analysis, the existing transition adjustments were removed. The funding for these adjustments was taken 'off the top' by reducing the dollars distributed through the funding formula. When these adjustments are concluded, the committee discussed that funds should go back into the pool in the same way.

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However, the committee has also discussed whether recommendations related to transition are within the mandate of this review. Decisions regarding transition adjustments will be made by the government, and we believe are not within the scope of our work. We will make government aware that there are options available to it regarding transition; however, we would note that any transition adjustments are more appropriate based on the net impact of all of the funding model changes, not on a factor-by-factor basis.

For example, while there is a decrease in base instruction funding for your school divisions, there is also an increase of \$2.5 million for instructional resources funding, in addition to changes in various other components. The cumulative impact for your four divisions is a decline of \$4.8 million. When we met in September, we also provided a summary of the funding changes to school divisions since the new funding formula was implemented in 2012; both in 2012, and when SFL was reviewed in 2014, the four large urban school divisions received significant funding increases.

Conclusion

When the working group and technical committee began this task, we endeavoured to use a data-driven process to ensure that the model provides funding to address the needs of students in a manner that is as equitable as possible. Part of this is considering and trying to quantify where there are significant and unavoidable cost differences in providing services to students.

This work uncovered that the model was not providing base instruction funding equitably. The committee did not begin the work by looking at 'rural' and 'large urban' schools, but rather by looking at school types (elementary, high school, K-12, etc.). This soon demonstrated that there was a significant variation in discretionary funding, and that the flexibility of school divisions with a high number of low discretionary funded schools was severely limited compared to other divisions.

The operation of schools in rural school divisions is not a choice, nor is the need for higher levels of staffing in rural schools in order to provide an equitable level of opportunity for those students. The recommendations of the committee attempt to recognize the uneven opportunities that divisions have to realize efficiencies due to their sizes and types of schools.

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We recognize that the recommendations of the review will have an impact on school divisions, and we do not intend to minimize the implications. We thank you for your letter; it has led us to additional conversations that deepened our understanding of the issues and the analysis. We will incorporate these pieces into our report to the Minister.

Sincerely,



Dan Perrins, for the Funding Model Review Committee

cc: Don Morgan, Q.C., Minister of Education
Julie MacRae, Deputy Minister, Ministry of Education
Funding Model Review Technical Committee members

We Recommend:

Transportation

1. That **rural transportation** funding be allocated based on:
 - a. the number of PreK-12 rural students transported daily to and from school; and
 - b. the total distances of rural routes transporting students to and from school.

That provincially, 20 per cent of rural transportation funding be allocated on students and 80 per cent be allocated on distance.

That rural intensive supports transportation funding be allocated to reflect average costs and percentage of PreK-12 students transported who require specialized transportation due to intensive needs. This results in 1 per cent of transported rural PreK-12 students be funded at five times the rural per student rate.

2. That **urban transportation** funding be allocated based on the number of eligible PreK-8 students living in urban centres of over 5,000 population.

That students who live further than the following distances from their school of attendance be funded at a standard per student rate: 0.5 km for PreK children; and 1.0 km for K-8 students.

That urban intensive supports transportation funding be allocated to reflect average costs and percentage of PreK-12 students transported who require specialized transportation due to intensive needs.

That, for the urban allocation, 2 per cent of PreK-12 students living in Saskatoon and Regina and 1 per cent of PreK-12 living in all other urban centres (over 5,000 population) be funded at five times the urban per student rate.

3. That **northern transportation** funding be allocated based on rural and urban funding rates as follows:
 - a. For the rural allocation, all PreK-12 rural students who are transported be funded and a northern factor of 1.3 be applied to Northern Lights School Division's rural rates in recognition of the costs associated with the school division's extreme sparsity; and
 - b. For the urban allocation, 35 per cent of K-12 urban students and 65 per cent of urban PreK children be funded, regardless of the northern community's size.

That, for intensive supports, 1 per cent of PreK-12 students be funded and a northern factor of 1.3 be applied to all urban rates to recognize the higher costs of providing transportation in the north.

That those students whose remote location requires them to be transported by airplane to live and attend school in another community will be recognized for flights and room and board.

4. That for the **Conseil des écoles Fransaskoises**, 2016-17 transportation funding be maintained for 2017-18 until a method is developed for Francophone funding.

Base Instruction

5. That the three parties involved in the collective bargaining process continue discussions regarding the content of provincial versus locally bargained agreements (including prep time) and, upon completion, the sector develop an equitable method to fund the solution.
6. Establishment of a new 'school profile' adjustment factor (similar to the SSON and Hutterian factors) to distribute base instruction funding more equitably. The school profile factor will:
 - Cap funding for large urban elementary schools and redistribute the funds to eligible schools that have a lower amount of discretionary funding. Three high schools also be capped: Carlton Comprehensive High School, and the adult campus schools in Regina and Saskatoon.
 - Cap and redistribute funds as follows:
 - i. cap base instruction units (BIUs) for large urban elementary schools at 95 per cent;
 - ii. Carlton Comprehensive High School: BIUs capped at 90 per cent;
 - iii. adult campus schools in Regina and Saskatoon: BIUs capped at 65 per cent; and
 - iv. redistribute funds to eligible low discretionary funding schools, with an increase of 3.5 per cent applied to BIUs.

Schools Eligible for the Adjustment	Schools Not Eligible, Not Capped	Capped Schools
<ul style="list-style-type: none">• 'rural' elementary schools with <100 students• high schools (excluding the 3 capped high schools)• K-12 schools	<ul style="list-style-type: none">• 'rural' elementary schools with 100+ students• SSONs• small schools that do not meet the SSON criteria	<ul style="list-style-type: none">• large urban (Regina and Saskatoon) elementary schools• adult campus schools in Regina and Saskatoon, and Carlton Comprehensive

7. That the existing Hutterian factor be adjusted to increase the number of base instruction units from 1 to 1.25.
8. That the existing SSON factor be maintained, without additional funding recognition.

Enrolment Counts for Graduated Students

9. That graduated students returning to school be recognized as 0.25 of an FTE rather than 1.0.
10. That savings which result be re-distributed within the base instruction component of the model.

First Nations and Métis Education Achievement Fund

11. That the First Nations and Métis Education Achievement Fund be moved into the instruction component of the Funding Distribution Model as a standalone line for culturally responsive teaching practice.

Instructional Resources

12. That the weighting in the formula for instructional resources be changed from 32 per cent on the number of students and 68 per cent on the number of schools to a 50/50 weighting.

Plant Operations and Maintenance

13. That the funding model be adjusted to provide additional recognition for caretaking and maintenance costs associated with over-utilized schools (from 0 per cent currently, to up to 20 per cent), and to reduce recognition for underutilized schools (from 80 per cent to 71 per cent).

Geographic Distance

14. That the simplified geographic distance calculation be adopted with the two factors of distance and enrolment and, like the rest of SFL, be implemented through a rate-based method (for illustrative purposes, the following example is still on the pool-based method):

- iii. That distance, which is weighted at 60 per cent, be allocated as a percentage of the provincial total eligible kms.

Distance Calculation	Rural kms	% Rural kms in the Province
School Division 1	10,291	55%
School Division 2	2,420	13%
School Division 3	5,952	32%
TOTALS	18,663	100%

- iv. That enrolment, which is weighted at 40 per cent, be allocated as a percentage of the provincial total.

Enrolments Calculation	Rural FTEs	% Rural FTEs in the Province
School Division 1	3,286	25%
School Division 2	2,435	18%
School Division 3	7,657	57%
TOTALS	13,378	100%

15. That the calculation excludes urban centres with a population of 5,000, and schools that are 18kms or less from the division's board office.
16. That total kms be calculated as the distance round trip from each rural school in the division to the board office.
17. That, in cases where there is more than one school in a community, schools be grouped so that the distance from the board office to that community is only counted once. This has no effect on enrolments.
18. That a small northern factor is maintained, and distance is calculated as the number of kilometres between the board offices and La Ronge.

Revenue

19. That the Province, First Nations and INAC come together to negotiate a funding regime that is consistent with the principles articulated in the Funding Distribution Model Guiding Principles; and

In the meantime:

20. That the ministry and INAC work together to simplify and streamline funding arrangements for First Nations students attending school off-reserve.
21. That the ministry and school divisions work together to determine a process for reconciling revenues related to First Nations tuition.
22. That INAC, First Nations and school divisions pursue innovative educational partnerships that include application of the funding model (e.g. Whitecap, MLTC, and other innovative locally determined arrangements); and the Government of Saskatchewan support these approaches.

Education Regulations

23. Review and simplification of section 92.2 of *The Education Regulations, 2015*.

Governance and Accountability

24. That, on an ongoing basis, the ministry provide training on the funding model for board chairs, Directors, CFOs and other stakeholders; and
25. That all education stakeholders strengthen formal and informal communications to ensure regular, ongoing dialogue at the school division level and provincially.

Sustaining the Model

26. That a joint ministry/school division mechanism be created to preserve the integrity of the model by considering outstanding and newly identified issues (for example: distance education, treatment of multiple schools in a single community, intensive needs, principal and interest, etc.) and, when material, identify adjustments to the model which may be required
27. That formal review of the model occur on a regular basis, for example, every four years; and
28. That the ministry and school divisions improve the comparability of data collection, expense coding and accounting policies.