

# School Boards' Management of Financial and Human Resources

## 1.0 Summary

There are 72 publicly funded district school boards in Ontario responsible for overseeing elementary and secondary education for about two million students. Specifically, school boards are responsible for promoting student achievement and well-being, and for effective stewardship of resources. In the 2016/17 school year, school boards were allocated \$23 billion by the Ministry of Education, of which the majority was used at the discretion of individual boards.

For the purpose of this audit, we visited four school boards in southern Ontario—Toronto Catholic District School Board (Toronto Catholic), Hamilton-Wentworth District School Board (Hamilton-Wentworth), Halton Catholic District School Board (Halton Catholic), and Hastings and Prince Edward District School Board (Hastings and Prince Edward).

We found that the boards we visited used funding restricted by legislation for the purposes for which it was provided. However, funding provided for specific purposes, but not restricted by legislation, was not always used for the specific purposes intended. School boards often used a portion of this money to offset financial pressures in other areas, such as teacher salaries and benefits and special-education program costs. From the 2011/12 to the

2015/16 school year, boards experienced added financial pressures because of an increase in sick days by board employees. A study of over 50 school boards found that for the five-year period, sick days increased by 29%, and the overall sick leave paid as a percentage of payroll increased 25%.

We found that these pressures often resulted in boards redirecting funding originally intended for students who were at risk of experiencing academic difficulty because of social and economic factors, as well as students who were not fluent in English, to other areas.

We also noted that improvements were needed in how school boards are measuring, assessing and reporting on operational effectiveness. Each of the school boards we visited has a multi-year strategic plan that outlines its goals. However, most school boards did not have measurable indicators and targets for all their stated goals. All four boards report results of standardized testing conducted by the Education Quality and Accountability Office (EQAO) in their annual reports.

On a positive note, school boards have been increasing their use of group purchasing arrangements to acquire goods and services, which should result in cost savings. For instance, we noted that the value of school board purchases acquired through supplier agreements negotiated by the Ontario Education Collaborative Marketplace increased from \$10 million in 2010 to \$112 million

in 2016. By December 2016, 71 of the 72 school boards in Ontario were participating in this group purchasing plan.

The following are some of our specific concerns regarding school boards' management of financial and human resources:

- **Sick days for school board employees increased 29% over the last five years, causing the boards financial pressures.** From the 2011/12 school year to the 2015/16 school year, three of the four boards we visited noted an increase in employee sick days ranging from 11% to 40%. Both Hamilton-Wentworth and Hastings and Prince Edward saw increases in sick days for each employee group. Halton Catholic experienced increases in some groups and decreases in others. Over the same five-year period, for three boards for which information was available, salary costs paid to employees while they were off sick increased by 32% to \$42.7 million in the 2015/16 school year. According to a study commissioned by school boards, barriers preventing the effective management of absenteeism by school board employees included the design of the centrally negotiated sick leave plan, a lack of attendance support programs, and a lack of clear accountability for monitoring sick days.
- **School boards are missing an opportunity to improve teaching quality through teacher performance appraisals.** None of the four boards we visited completed the two mandatory appraisals for all new teachers within 12 months of being hired, as required under the *Education Act, 1990* (Act). In fact, at one school board, more than 35% of new teachers were not appraised as required in their first year. The lack of timely appraisals impacts the new teachers' ability to receive feedback and seek timely professional development required to be successful in the profession. For experienced teachers, three of the four school boards we visited completed

at least 90% of the appraisals within the required five-year period. An experienced teacher can be rated satisfactory or unsatisfactory, according to the Ministry's Teacher Performance Appraisal manual. We were told that principals are hesitant to give an unsatisfactory rating unless they are working toward terminating the teacher. For the four boards we visited, fewer than 1% of the teachers evaluated were rated unsatisfactory.

- **Student achievement results are not a key factor in the allocation of resources.** The Act requires that boards allocate resources to improve student achievement in areas where students are performing below provincial benchmarks. Two of the four boards we visited agreed that smaller class sizes lead to better student outcomes, but only Hamilton-Wentworth attempted to create smaller classes in schools with lower student achievement. Board management for the other three boards was mainly concerned with meeting provincial class size restrictions. However, all four boards visited informed us of additional supports they provide or plan to provide to schools that are struggling academically. For example, one board informed us that it is planning to allocate additional reading specialists to high-priority schools identified by socio-economic factors and low Early Development Instrument (EDI) scores, starting in the 2017/18 school year. EDI scores are based on questionnaires completed across Canada by kindergarten teachers for each student, and they measure whether children are meeting age-appropriate developmental expectations entering Grade 1.
- **Funding for students at risk of academic difficulty not always spent as intended.** The Ministry provides funding for students at risk of low academic achievement through the Learning Opportunities Grant. At-risk students are identified through social and economic indicators, such as households

with low income and low parental education. The boards have discretion on how they can spend much of this funding. We noted that Toronto Catholic used only 50% of the \$46.5 million it received for at-risk students, while the remaining funds were used to support a shortfall in teacher salaries and special-education funding. Although Toronto Catholic was not in violation of funding restrictions, we did note that elementary schools in neighbourhoods with lower household incomes have consistently performed poorly compared with higher-income neighbourhood schools. This achievement gap highlights the importance of using the Learning Opportunities Grant funding for its intended purpose of focusing on students at greater risk of low academic achievement.

- **Language grant provided for English-language learners is being spent on other purposes.** The Ministry provides funding to all English school boards for English as a second language/English literacy development. The funding is to provide language instruction to recent immigrants from non-English-speaking countries. However, this funding is not restricted for use in language instruction. For the 2015/16 school year, Toronto Catholic used 58% of the \$23.9 million it received for English as a second language students, and the remainder was used to alleviate cost pressures in other areas, despite the fact that in its 2014-2018 Board Learning Improvement Plan, the board stated that "...our [EQAO performance] data indicate we will need to redouble our efforts with English-language learners and students with special needs." An analysis of EQAO results for the period of 2011/12 to 2014/15 in reading and math showed that English-language learners at Toronto Catholic elementary schools were performing worse than the average for the board.
- **Nearly a quarter of special-needs students are waiting longer than a year to receive psychological assessments.** All four boards we visited had long lists of students waiting to be assessed or served by professionals in the areas of psychology and speech and language. For three of the four boards, 24% or more of the students on the psychological services wait lists had been waiting for more than a year. Some students had been on the wait lists for more than two years. In addition, two boards had students waiting more than a year for speech and language assessments. Timely assessments allow school boards to devise long-term plans to provide services that best meet students' needs. Despite the long wait lists, three of the four school boards we visited were not scheduling specialist assessments during the two summer months to help reduce backlogs.
- **Specialist assessment wait times differed significantly based on the school area within the same board.** Wait times for specialist assessments could vary significantly between schools in the same board. All four boards assign each of their specialists to a specific group of schools. Although all four boards compile central wait lists, specialists with smaller workloads were not reassigned to schools outside their specific group to help reduce the backlog in assessments. We noted that in the Hamilton-Wentworth board a student at one school had been waiting for more than two years (853 days) to be assessed, while in another school the longest wait was less than six months (164 days).
- **Operational improvements recommended by regional internal audits were not implemented.** Two of the four school boards we visited did not implement significant recommendations made by regional internal audit teams on a timely basis from audits completed between summer 2012 and summer 2015. Toronto Catholic and Hamilton-Wentworth had implemented only—48% and 61% respectively of the recommendations made by

their regional internal audit teams. At Toronto Catholic, internal audit recommendations not yet acted on included setting up an attendance support program and case management software for central tracking of special-education service referrals and backlogs. Our audit also noted that Toronto Catholic needed to improve wait times to assess students with special needs and to better manage costs associated with the increasing number of teacher sick days. Hamilton-Wentworth would have benefited from implementing the recommended preventive maintenance program to guard against further deterioration of school facilities, especially since one of its strategic goals is to reduce the number of schools in poor condition by 2020.

This report contains 11 recommendations, consisting of 23 actions, to address our audit findings. Although the recommendations are aimed at the four school boards we visited, other school boards should also consider implementing them to help them better manage their financial and human resources.

## Overall Conclusion

We concluded that the school boards in southern Ontario we visited did not ensure that all funding provided for specific education priorities, such as students at risk of poor academic performance, were used for those purposes. As well, they can improve their assessing and reporting of operational effectiveness by setting measurable targets for their strategic goals and reporting on them annually.

The boards were in compliance with Ministry guidelines on the use of restricted funding and class sizes, but did not meet the legislated requirements for appraising some new teachers within 12 months and to a lesser extent experienced teachers and principals within the required five-year period.

School boards were also not able to provide the most suitable services to students with special

needs, as a significant number of these students were waiting longer than a year for psychological and/or speech and language assessments. In addition, school boards need to develop effective attendance support programs to manage the increase in sick days taken by school board employees. School boards could also improve operations by sharing best practices identified by regional internal audit teams.

## 2.0 Background

### 2.1 Overview

Under Ontario's Ministry of Education (Ministry) there are 72 publicly funded district school boards responsible for overseeing elementary and secondary education for about two million students. All areas of the province are served by four types of school boards—English public boards, English Catholic boards, French public boards and French Catholic boards. There are approximately 4,590 schools, 113,600 teachers and 7,300 administrators in the system.

The role of school boards is to promote student outcomes and student well-being; develop and manage budgets in line with funding allocations; allocate staffing and financial resources to individual schools; approve school textbooks and learning material; supervise school operations and teaching programs; develop and implement a capital plan, including decisions to open new schools or close old or underutilized schools; and comply with the requirements of the *Education Act, 1990*, and its regulations.

### 2.2 Governance Structure of School Boards

**Appendix 1** outlines the governance structure of a typical school board. The four key leadership roles in school boards are explained.

Municipally **elected trustees** form the board of trustees for each school board and are responsible for the governance and oversight of their individual school boards. Trustees are elected every four years in accordance with the *Municipal Elections Act, 1996*. The number of elected trustees can range from five to 22, based on the electoral population. Trustees represent the interests of parents and students in their local area. Individual trustees do not have the authority to make decisions or take action; decisions are based on a majority vote of the board of trustees. The responsibilities of the boards of trustees include: developing a multi-year strategic plan aimed at promoting student achievement and well-being; ensuring effective stewardship of board's resources; ensuring delivery of effective and appropriate education programs to students; approving the board's budget; and hiring and evaluating the performance of the board's director of education.

The **director of education** is the chief executive officer of the school board. The director of education reports to the board of trustees, usually through the board chair. He/she is responsible for the following: advising the board of trustees on operational matters; implementing board policies; managing all facets of school board operations, such as hiring superintendents to oversee various program areas and school operations; allocating operating funds and resources to schools; implementing and monitoring the board's multi-year strategic plan; implementing Ministry policy; and transmitting to the Ministry all required reporting information. All school board staff report either directly or indirectly to the director of education. The school board's administrative office staff provide administrative and other assistance to senior management in carrying out their responsibilities. Boards also have professional staff in the areas of special education, such as psychologists and speech pathologists.

**Superintendents** report to the director of education and are responsible for implementation, operation, and supervision of educational programs in their assigned schools. The number of superintendents per school board varies across the prov-

ince. A typical school board has superintendents for education, human resources, and finance. Most school boards have more than one superintendent for education, focusing on various education programs, such as student success, special education, and leadership and equity.

A **Principal** is responsible for the overall management and leadership of an individual school. His/her responsibilities include setting direction, supervising teachers and staff; admitting students; overseeing the teaching curriculum; ensuring approved textbooks are used in classrooms; and maintaining school discipline. The principal's role in a school may be supported by a vice-principal, depending on the size of the school. The school staff includes classroom teachers; early childhood educators (for kindergarten classes); educational assistants (primarily for special-education students); administrative assistants; lunchroom supervisors; hall monitors; library staff and custodians. Other staff who provide support to the school include attendance counsellors, social workers, child/youth workers, community workers, computer technicians and classroom consultants (program specialists who help teachers or students directly by providing support and guidance on designing lessons, teaching strategies, and assessment practices) who typically support a group of schools.

## 2.3 School Board Funding

### 2.3.1 Sources of School Board Funding

The Grants for Student Needs (GSN) funding is the largest component of funding for school board operations. It represents about 90% of annual funding to school boards. In the 2016/17 school year, funding through the GSN totalled \$22.9 billion. GSN funding comes from the Ministry and from education property taxes, which are collected and distributed by municipalities. The Ministry also provides funding to school boards through transfer payment agreements for programs and initiatives being piloted or designed to be short-term in nature. These grants,

funded through Education Programs—Other (EPO) totalled \$212 million in 2016/17.

The remaining almost 10% of school board revenue comes from other provincial ministries, the federal government, tuition from foreign students, or is school-generated through, for example, field trips, fundraising events, cafeteria sales and rental income.

### 2.3.2 Composition of GSN Funding

The (GSN) has two major components—foundation grants and special purpose grants—and each component accounts for about half of the total GSN funding. Foundation grants are intended to cover the basic costs of education common to all students and schools. Special purpose grants are intended to take into account the unique needs of school boards such as demographics, school locations, and special-education needs to help reduce any gap in achievement results between specific groups of students and overall student results.

Funding provided under the foundation grants can be used at the boards' discretion. Funding provided under special purpose grants may or may not be used for discretionary purposes, depending on the specific grant.

School boards can use any unspent funding in the following year. Unspent restricted funding must be spent on the restricted purpose in the following year.

## 2.4 School Board Use of Funds

### 2.4.1 Management of Board Funds

The majority of school board expenditures occur at the individual school level, but the school board administration maintains control over most of these funds. The board pays for all staffing costs, transportation costs, and school utilities directly from these central funds. The school board administration also determines the allocation of teachers and other staff to each school, based on student enrolment and regulated class size restrictions.

A small amount of funding is transferred to individual schools for specific purchases, such as textbooks, printing and photocopying, or other learning resources. Schools may also generate additional funds directly through activities, including fundraising, field trips, and donations. These funds remain at the school and are to be used only for their specific purposes. The school board consolidates these funds and reports them to the Ministry.

### 2.4.2 Breakdown of Board Expenditures

**Figure 1** provides a breakdown of expenses for school boards. In the 2015/16 school year, the latest year for which expenditure information is available, almost 80% of expenses for school boards were employee-related costs. School boards spent 15% on purchases of goods and services, and the remainder were expenses related to capital assets.

## 2.5 Education Goals and School Board Strategic Planning

The Ministry's April 2014 strategic plan—*Achieving Excellence: A Renewed Vision for Education in Ontario*—outlines the Province's four overarching goals for the education system as follows:

- **Achieving Excellence:** Children and students of all ages will achieve high levels of academic performance, acquire valuable skills and demonstrate good citizenship. Educators will be supported in learning continuously and will be recognized as among the best in the world.
- **Ensuring Equity:** All children and students will be inspired to reach their full potential, with access to rich learning experiences that begin at birth and continue into adulthood.
- **Promoting Well-Being:** All children and students will develop enhanced mental and physical health, a positive sense of self and belonging, and the skills to make positive choices.
- **Enhancing Public Confidence:** Ontarians will continue to have confidence in a publicly

**Figure 1: 2015/16 School Board Expenditures in Total, by Region and by School Boards Visited (\$ million)**

Source of data: Ministry of Education

Expense Categories	All School Boards	Region		School Boards Visited			
		Northern Boards	Southern Boards	Halton Catholic	Hamilton-Wentworth	Hastings and Prince Edward	Toronto Catholic
Salaries, Wages and Benefits	19,457	1,286	18,171	290	466	153	915
Supplies and Services <sup>1</sup>	2,059	174	1,885	37	48	17	89
Fees and Contractual Services <sup>1</sup>	1,290	141	1,149	12	23	15	40
Amortization <sup>2</sup> and Loss on Disposal of Assets <sup>3</sup>	1,100	94	1,006	16	35	7	49
Interest Charges on Capital <sup>3</sup>	433	29	404	10	7	2	17
Other Expenses <sup>1</sup>	299	32	267	5	7	1	9
<b>Total Expenses</b>	<b>24,638<sup>3</sup></b>	<b>1,756</b>	<b>22,882</b>	<b>370</b>	<b>586</b>	<b>195</b>	<b>1,119</b>
<b>% spent on employee-related costs</b>	<b>79</b>	<b>73</b>	<b>79</b>	<b>78</b>	<b>80</b>	<b>79</b>	<b>82</b>
<b>% spent on other goods and services</b>	<b>15</b>	<b>20</b>	<b>14</b>	<b>15</b>	<b>13</b>	<b>17</b>	<b>12</b>
<b>% spent on capital-related charges</b>	<b>6</b>	<b>7</b>	<b>7</b>	<b>7</b>	<b>7</b>	<b>4</b>	<b>6</b>

1. Represents purchases of goods and services for school boards.

2. Amortization is the process of expensing the cost of an asset, such as a building, over its projected life.

3. Capital-related charges

funded education system that helps develop new generations of confident, capable and caring citizens.

Key documents for school boards' long-term planning and oversight include a multi-year strategic plan, a board improvement plan for student achievement and well-being, and school improvement plans, each of which is described below.

### Multi-Year Strategic Plan

The *Education Act, 1990* requires all school boards to have a multi-year plan of three years or longer that is aimed at:

- promoting student achievement and well-being;
- promoting a positive school climate that is inclusive and accepting of all pupils;
- promoting the prevention of bullying;
- ensuring effective stewardship of board resources; and

- delivering effective and appropriate education to its students.

School board trustees are required to annually review the plan with the director of education. The plan must include measures that direct resources toward improving student outcomes that fall below key provincial goals such as: that 75% of students achieve the provincial Education Quality and Accountability Office (EQAO) standard for Grades 3 and 6, and that 85% of secondary school students graduate within five years of starting Grade 9. Each board is required to report to the public and to its employees on its progress in implementing the strategic plan.

The legislation also requires school boards to conduct surveys of staff, students and their parents or guardians at least once every two years to measure the effectiveness of policies developed to promote a positive school climate of inclusivity and bullying prevention.

### Board Improvement Plan for Student Achievement

The Ministry requires each board to have a Board Improvement Plan for Student Achievement (BIPSA) to support the multi-year strategic plan. The plan focuses on identifying specific, measurable, attainable and relevant student achievement goals through comprehensive needs assessment of student strengths and learning needs. For example, one school board had a goal of reducing the gender gap for Grade 6 EQAO writing from 11% to 3% by June 2016 through targeted, evidence-based teaching strategies, such as small group instruction focused on writing. Boards are expected to track progress against these goals.

As part of the BIPSA, teachers are expected to look for evidence of improvement in student achievement in the areas identified by the plan. Where improvement is not visible, teachers are expected to adjust the method of instruction to bring about the intended outcomes through various evidence-based teaching strategies, such as presenting new material in small steps with student practice after each step, and instruction in smaller groups.

### Annual School Improvement Plan

The Ministry recommends all schools develop an annual school improvement plan. This plan is developed by the principal in consultation with teachers that sets out the changes a school needs to make to improve student achievement, and shows how and when these changes will be made. Superintendents are responsible for ensuring that all schools submit school improvement plans based on accurate information to the board, such as student achievement data and summaries of responses to parent surveys. Superintendents must also ensure that professional development of school staff focuses on helping schools achieve their improvement goals, and they must monitor implementation of school improvement plans.

## 2.6 Measuring Student Achievement

### 2.6.1 Student Performance Indicators

The main measures used by the Ministry to gauge student performance include:

- the results of province-wide assessments on nine standard tests conducted annually by the Education Quality and Accountability Office (EQAO) to assess reading, writing, and math skills for students in Grades 3, 6, and 9, and literacy skills through the Ontario Secondary School Literacy Test (OSSLT) for students in Grade 10;
- the percentage of students who graduate high school in four years and in five years; and
- the number of course credits students are able to accumulate by the end of Grades 10 and 11.

### 2.6.2 Comparison of Latest Performance Results for 2015/16

For the province overall, performance results for student achievement have generally met provincial targets, except in the area of Grades 3, 6, and 9 (applied only) mathematics and Grade 3 reading and writing, as shown in **Figure 2**. Of the four boards we visited, Halton Catholic had the best performance results among those four boards.

## 2.7 Special Education

Students can receive special-education supports and services whether they have been formally identified or not. Formal identification is performed by each school board's Identification, Placement, and Review Committee (IPRC). These committees identify a student's strengths and needs based on assessment information available, determine the student's exceptionality and recommend appropriate placement, such as in a special-education class or a regular classroom. The committees review their decisions annually, unless the parents agree to waive the annual review. Individual Education

**Figure 2: 2015/16 Student Achievement Results, by Region and by School Boards Visited**

Source: Ministry of Education, and the Education Quality and Accountability Office (EQAO)

Performance Indicator	Target (%)	All School Boards (%)		Results by Region (%)		Results for School Boards Visited (%)				
				Northern Boards <sup>1</sup>	Southern Boards <sup>1</sup>	Halton Catholic	Hamilton-Wentworth	Hastings and Prince Edward	Toronto Catholic <sup>2</sup>	
<b>EQAO Results<sup>3,4</sup></b>										
Grade 3 Reading	75	72	75	67	75	85	68	61	71	
Grade 3 Writing	75	74	77	69	77	88	66	63	81	
Grade 3 Math	75	63	65	59	65	79	52	51	65	
Grade 6 Reading	75	<b>81</b>	<b>84</b>	<b>80</b>	<b>84</b>	<b>89</b>	<b>77</b>	<b>75</b>	<b>80</b>	
Grade 6 Writing	75	<b>80</b>	<b>82</b>	<b>75</b>	<b>82</b>	<b>90</b>	<b>76</b>	<b>67</b>	<b>82</b>	
Grade 6 Math	75	50	54	50	54	65	40	36	53	
Grade 9 Academic Math	75	<b>83</b>	<b>84</b>	<b>77</b>	<b>84</b>	<b>89</b>	<b>81</b>	<b>81</b>	<b>84</b>	
Grade 9 Applied Math	75	45	49	44	49	56	40	53	46	
Ontario Secondary School Literacy Test <sup>5</sup> (OSSLT)	75	<b>76</b>	<b>77</b>	71	<b>77</b>	<b>85</b>	67	61	71	
<b>Graduation Rate<sup>4,6</sup></b>										
4-Year (cohort 2011/12)	n/a	80	82	74	82	90	70	70	84	
5-Year (cohort 2011/12)	85	<b>86</b>	<b>88</b>	82	<b>88</b>	<b>92</b>	79	76	<b>90</b>	
<b>Credit Accumulation<sup>7</sup></b>										
Grade 10	n/a	79	80	79	80	85	63	56	78	
Grade 11	n/a	82	82	79	82	92	71	70	82	

1. Represents the average results for boards in that region.

2. 2014/15 EQAO results for Grades 3 and 6 as elementary schools in the Toronto Catholic board did not participate in 2015/16 due to labour issues.

3. EQAO results measure percentage of students who wrote the exams and achieved a level 3 or 4—equivalent to a B grade or better.

4. Bolded results meet or exceed the provincial target.

5. OSSLT results have been combined for all writers.

6. The four-year graduation rate is based on students who began Grade 9 in 2011/12 and graduated by 2014/15, and the five-year graduation rate is based on students who began Grade 9 in 2011/12 and graduated by 2015/16.

7. Percentage of students who successfully complete 16 or more credits by end of Grade 10 and 23 or more credits by end of Grade 11.

Plans (IEPs) are developed for all special-needs students who have been identified by the IPRC. An IEP identifies the student's specific learning expectations and outlines how the school will address these expectations through appropriate accommodations, program modifications and/or alternative programs, as well as specific instructional and assessment strategies.

**Figure 3** contains key statistics regarding students with special-education needs at the four school boards we visited.

### 3.0 Audit Objective and Scope

Our objective was to assess whether select Ontario district school boards in southern Ontario had effective systems and procedures in place to ensure that:

- their use of operating funding from the Ministry of Education (Ministry) complies with legislation, government directives and transfer payment funding arrangements and is achieving desired education outcomes;
- resources are acquired with due regard for economy and are used efficiently; and

- operational effectiveness is measured, assessed and reported on publicly.

Before starting our work, we identified the audit criteria we would use to address our audit objective (see **Appendix 2**). These criteria were established based on a review of applicable legislation, directives, policies and procedures, internal and external studies, and best practices. Senior management at the Ministry and school boards we visited reviewed and agreed with the suitability of our objective and related criteria.

We focused on activities of the school boards in the five-year period ending in 2016/17.

We conducted the audit between December 1, 2016 and July 31, 2017, and obtained written representation from the school boards on November 17, 2017 that they have provided us with all the information they are aware of that could significantly affect the findings or the conclusion of this report.

This audit focuses on four school boards in southern Ontario. Southern Ontario is the region generally south of North Bay. School boards in southern Ontario receive 93% of the operating funds allocated by the Ministry for elementary and secondary education and account for 95% of students enrolled in provincially funded schools in Ontario. The four school boards selected for

**Figure 3: Number of Students Receiving Special-Needs Services (Excluding Gifted Students) at School Boards Visited**

Source of data: Ministry of Education, Toronto Catholic District School Board, Hamilton-Wentworth District School Board, Halton Catholic District School Board, Hastings and Prince Edward District School Board

School Board	Date of Special Educational Data	Students Receiving Special-Needs Services (A)	Special-Needs Students Identified through an IPRC* (B)	% of Special-Needs Students Identified through an IPRC* (B/A)	Avg. Daily Enrolment for 2016/17 (All Students) (C)	Special Education Students as % of All Students (A/C)
Halton Catholic	June 2017	3,905	2,965	76	33,300	12
Hamilton-Wentworth	May 2017	12,668	3,299	26	49,200	26
Hastings and Prince Edward	June 2017	4,000	1,671	42	14,900	27
Toronto Catholic	March 2017	14,738	6,640	45	90,600	16

\* Identification, Placement, and Review Committee

detailed review were selected on the basis of the relationship between instructional costs per student and student performance results over a five-year period (2011/12 to 2015/16). We picked an equal number of public and Catholic boards, with various population densities (urban only, and urban and rural mix) across various regions in southern Ontario. See **Appendix 3** for the five-year trend in instructional costs per student and student achievement.

The four boards reviewed were:

- Halton Catholic District School Board (Halton Catholic)
- Hamilton-Wentworth District School Board (Hamilton-Wentworth)
- Hastings and Prince Edward District School Board (Hastings and Prince Edward)
- Toronto Catholic District School Board (Toronto Catholic)

**Figure 4** shows student enrolment, funding allocated by the Ministry and expenditures for the 2015/16 school year for these four boards, the latest school year for which both funding and expenditure information was available at the time of our audit.

We did our work primarily at the four boards selected for the audit. In conducting our audit work, we conducted detailed testing of the financial and operational records, and interviewed senior staff of the school boards. As well, we met with a representative of the Council of Senior Business Officials (COSBO), which comprises school board superintendents of business, to understand operational and financial issues that boards face, and to discuss collaboration among school boards on best practices and group purchasing arrangements.

We also met with the Educational Computing Network of Ontario (ECNO) and Ontario Education Collaborative Marketplace (OECM) to discuss challenges to and advantages of collaboration on information systems and procurement of goods and services. In addition, we spoke with the School Boards Co-operative Inc. (SBCI) about challenges faced by schools boards with the increase in

employee sick days. SBCI is a not-for-profit co-operative owned by Ontario school boards that provides advice and guidance on attendance/disability management, Workplace Safety and Insurance Board claims management and actuarial services. It also analyzes school board sick leave data on a standard basis to enable comparison among boards.

Further, to gain the perspective of stakeholders, we also spoke with representatives from three teacher unions (the Elementary Teachers' Federation of Ontario, the Ontario English Catholic Teachers' Association, and the Ontario Secondary Schools Teachers' Federation) and three trustees associations (the Ontario Catholic School Trustees' Association, the Ontario Public School Boards' Association, and Association des conseils scolaires des écoles publiques de l'Ontario, which represents French-language public school boards).

We also surveyed all 72 school boards to obtain information on their use of funding for special purposes. Thirty-three school boards responded to our survey (a 46% response rate).

In addition, we reviewed relevant audit reports issued by the Province's Internal Audit Division and audit reports issued by the regional internal audit teams for all four boards to identify areas of risk and inform the scope and extent of our audit work.

This audit on school boards' management of financial and human resources complements the audit we conducted on Ministry funding and oversight of school boards in **Chapter 3, Section 3.08**. That report covers areas including allocation of funding to school boards, review of the funding formula, and verification of student enrolment.

**Figure 4: Funding, Expenditures and Student Enrolment in 2015/16 for Ontario School Boards**

Source of data: Ministry of Education

	# of School Boards	# of Schools (March 2016)	Grants for			Average Daily Enrolment (All Students) <sup>1</sup>	Per Student Expenses (\$)
			Student Needs (GSN) Funding (\$ million)	Average Daily Enrolment (Funded Pupils)	Expenditures (\$ million)		
<b>Province-Wide</b>	<b>72</b>	<b>4,590</b>	<b>22,587.0<sup>2</sup></b>	<b>1,956,600</b>	<b>24,638.4<sup>2</sup></b>	<b>11,500</b>	<b>12,500</b>
Northern Boards	22	461	1,563.2	101,500	1,756.0	15,400	16,800
Southern Boards	50	4,129	21,023.8	1,855,100	22,882.4	11,300	12,300
<b>Four Boards Visited</b>	<b>4</b>	<b>412</b>	<b>2,085.1</b>	<b>184,700</b>	<b>2,269.9</b>	<b>11,400</b>	<b>12,200</b>
Halton Catholic		55	336.6	32,300	369.9	10,400	11,400
Hamilton-Wentworth		106	536.3	48,700	586.2	11,000	12,000
Hastings and Prince Edward		47	179.8	14,700	195.0	12,200	13,100
Toronto Catholic		204	1,032.4	89,000	1,118.8	11,600	12,400

1. Enrolment figures for all students include students who pay tuition, such as foreign students.

2. School boards report the total amount of expenses incurred from all sources of funding, not only what is provided by the Ministry. In 2015/16, school boards' income from sources other than the Ministry and Education Property Taxes totalled \$2 billion. Hence, school board expenses totalled \$24.6 billion compared to \$22.6 billion in GSN funding.

## 4.0 Detailed Audit Observations

### 4.1 Significant Increase in Sick Days Causing Financial and Resource Allocation Pressures for Boards

#### 4.1.1 Sick Days for School Board Employees Up 29% over the Last Five Years, Causing Financial Pressures for School Boards

A study commissioned by school boards found that over a five-year period, the average number of sick days per school board employee increased 29% overall, from nine days in the 2011/12 school year to 11.6 days in the 2015/16 school year, as shown in **Figure 5**. This study excludes absences related to WSIB and long-term disability benefits. The study was conducted by School Boards' Co-operative Inc. (SBCI), a not-for-profit co-operative owned by Ontario school boards that provides advice and guidance on attendance issues.

The Toronto Catholic board did not participate in the SBCI study as the board was not a member of the organization at the time. However, its own method of tracking sick days also showed an 11% increase in sick days from 2011/12 to 2015/16 for all employees in the school board.

According to the study, the average number of sick days has increased province-wide for each employee group (see **Figure 6**). Custodians/maintenance employees and educational assistants had the highest average number of sick days in 2015/16 (more than 16 days), and educational assistants and early childhood educators had the largest increase in the average number of sick days with 37% and 41% respectively. Two of the four boards we visited experienced increases in sick days for each of their employee groups. All of the boards we visited told us that changes in the sick leave plan contributed to the increases. Representatives of the various school board trustee associations we spoke with echoed this view. Changes to the sick leave plans are discussed in **Section 4.1.3**.

According to some boards, sick days for custodial or maintenance workers are typically higher due to the physical nature of the job, and education assistants are more susceptible to getting sick because they have closer physical contact with students.

For comparative purposes, we obtained sick day data for employees working in Provincial Schools—these are schools for the deaf or blind that are operated directly by the Ministry—and noted that employees working at the Provincial Schools reported a lower average use of sick days as compared with school board employees in every employee group in the 2015/16 school year. For example: 7.1 days versus 9.6 days for secondary

**Figure 5: Average Sick Days for Ontario School Board Employees, 2011/12–2015/16**

Source of data: School Boards Co-operative Inc. (SBCI), Toronto Catholic District School Board

	2011/12	2012/13	2013/14	2014/15	2015/16	% Change in Avg. Sick Days Over 5 Years
All boards participating in study <sup>1</sup>	8.99	8.78	9.73	10.56	11.56	29
<b>For the Boards Visited</b>						
Halton Catholic	11.16	9.73	10.19	10.86	11.03	(1)
Hamilton-Wentworth	9.54	8.35	12.28	13.24	13.39	40
Hastings and Prince Edward	9.54	9.12	n/a <sup>2</sup>	10.98	11.61	22
Toronto Catholic	12.80	11.50	11.70	13.10	14.20	11

1. The number of school boards participating in the SBCI study increased from 49 in 2010/11 to 56 in 2015/16. Toronto Catholic Board did not participate in the study, but prepared its own sick-days data.

2. School board did not participate in SBCI study in 2013/14.

**Figure 6: Sick Day Trends by Employee Group, 2011/12–2015/16**

Source of data: School Boards Co-operative Inc. (SBCI), Toronto Catholic District School Board

Employee Type	All Boards Participating in Study <sup>1</sup>			Halton Catholic			Hamilton-Wentworth			Hastings and Prince Edward			Toronto Catholic <sup>1</sup>		
	Avg. # of Sick Days	%	Change	Avg. # of Sick Days	%	Change	Avg. # of Sick Days	%	Change	Avg. # of Sick Days	%	Change	Avg. # of Sick Days	%	Change
	2011/12	2015/16		2011/12	2015/16		2011/12	2015/16		2011/12	2015/16		2011/12	2015/16	
Custodians/ Maintenance	13.38	16.51	23	12.62	11.12	(12)	16.08	24.04	50	11.13	12.97	17	15.30	14.20	(7)
Educational Assistants	11.37	16.03	41	11.70	15.95	36	12.85	19.85	54	13.05	14.78	13	15.60	20.70	33
Early Childhood Educators	9.83 <sup>2</sup>	13.42	37	9.16 <sup>2</sup>	12.25	34	13.93 <sup>2</sup>	18.09	30	n/a <sup>3</sup>	15.69	n/a <sup>3</sup>	n/a <sup>2</sup>	n/a <sup>2</sup>	n/a <sup>2</sup>
Elementary Teachers	8.78	11.32	29	11.60	10.88	(6)	9.19	12.01	31	9.81	12.43	27	13.90	14.00	1
Secondary Teachers	7.66	9.61	26	11.31	9.80	(13)	7.86	10.23	30	8.02	10.19	27	11.10	12.20	10
Other School Board Employees	7.26	8.31	15	8.88	9.00	1	6.32	8.58	36	7.07	7.43	4	9.50	12.80	35

1. The number of school boards participating in the SBCI study increased from 49 in 2010/11 to 56 in 2015/16. Toronto Catholic did not participate in the study, but prepared its own sick-days data.

2. Data for early childhood educators available from 2013/14 to 2015/16 only. Data for Toronto Catholic unavailable.

3. Data available for only two school years. Not enough to show a trend.

teachers; 9.7 days versus 14.8 days for educational assistants; and 9.8 days versus 16.5 days for custodial workers.

#### 4.1.2 Employee Absenteeism Costs the Education System Money

The SBCI study found that for the five-year period the overall sick leave paid as a percentage of payroll increased from an average of 4.22% for the 2011/12 school year to 5.28% for the 2015/16 school year—an increase of 25%.

Absenteeism costs include both direct and indirect costs. The direct costs of absenteeism are defined as the direct salary costs of employees off sick and the cost of paying for replacement workers, such as substitute teachers. These costs result in less funds being available for student services. For the 2015/16 school year, salaries paid to absent board employees for sick days for three of the four school boards we visited that participated in the SBCI study totalled \$42.7 million, as shown in **Figure 7**. For the same school year, based on Toronto Catholic's records, this board paid \$48.8 million to employees who were off sick.

For the four boards combined, the additional costs of substitute teachers totalled \$52.3 million in 2015/16, for an increase of 17%, from 2011/12 to 2015/16. However, the costs of substitute teachers do not solely relate to replacing teachers who are off sick, but also replacing those attending work-

related activities, such as professional development and field trips.

Indirect costs related to absenteeism include the time to organize temporary or replacement workers, management time, reduced productivity and decreased morale for both staff and students. The SBCI study did not quantify such indirect costs.

#### 4.1.3 School Boards Have Been Ineffective in Addressing the Increase in Sick Days

According to SBCI, a number of factors prevent boards from effectively managing absenteeism, including the design of the centrally negotiated sick leave plan, lack of attendance support programs, a lack of clear accountability for monitoring sick days, and a lack of commitment from the senior management of boards. The study recommended that senior board management increase commitment to and accountability for managing the problem, including developing an attendance support program with union collaboration, and instituting timely and accurate absence reporting and early intervention for return to work.

Sick leave plans in the education sector were changed during the 2012 central bargaining process. Prior to the 2012/13 school year, teachers were allowed 20 sick days per year paid at 100% and were able to carry them forward and get paid for any unused sick days (up to 200 unused sick days) at retirement, something known as a retirement gratuity. Union contracts since the 2012

**Figure 7: Salary Paid to Absent Employees for Sick Days at School Boards Visited (\$ million)**

Source of data: School Boards Co-operative Inc. (SBCI)

School Board	2011/12	2012/13	2013/14	2014/15	2015/16	% Increase in Cost of Absent School Board Employees Over 5 Years
Halton Catholic	9.5	9.9	11.1	11.8	12.1	27
Hamilton-Wentworth	16.7	14.6	21.5	22.7	23.4	40
Hastings and Prince Edward	6.1	5.7	n/a*	6.9	7.2	18
<b>Total</b>	<b>32.3</b>	<b>30.2</b>	<b>n/a</b>	<b>41.4</b>	<b>42.7</b>	<b>32</b>

Note: Toronto Catholic did not participate in the SBCI study.

\* School board did not participate in SBCI study in 2013/14

central bargaining process include a provision that, on an annual basis, all school board employees are allowed 131 days on a sick leave/disability plan: 11 days paid at 100% plus 120 days paid at 90%. Any employees who had banked sick days prior to 2012 are eligible to be paid out at retirement for those banked days or can choose to cash out earlier at a discounted rate. In comparison, short-term sick leave/disability plans for other public servants are less generous, as shown in **Figure 8**.

All three trustee associations we spoke with agreed that the new sick leave plan that allows education-sector workers, including teachers, up to 131 days (11 days at 100% pay and 120 days at 90% pay) was contributing to the increase in sick days taken. The associations commented that 90% pay is not a penalty when you factor in cost savings for travel and meals. One trustee association questioned why the teachers are getting 131 sick days when there are only 194 school days in a year, allowing a teacher to use sick leave benefits for up to two-thirds of each school year. Some trustee associations told us that since education-sector workers lost the ability to bank sick days, they were more likely to use the sick leave that they would no longer be able to bank. The Halton Catholic board also told us that prior to 2012, its staff could not have unused sick days paid out to them at retirement according to their local union agreements. So after the harmonization happened through the central bargaining process in 2012, it acquired a

much more expensive and generous short-term sick leave/disability plan.

A representative of the Council of Senior Business Officials told us that when retirement gratuities disappeared, the unions negotiated that attendance support programs, designed to reduce employee sick days, could not be enhanced. We found that under some collective agreements, employees are required to provide medical confirmation for absences of five consecutive working days or longer. All four boards we visited were not requesting a doctor's note for absences less than five consecutive days. Under the Province's proposed legislation, *Bill 148, Fair Workplaces, Better Jobs Act, 2017*, employers such as school boards will be prohibited from requesting a doctor's note from an employee for the first ten days he/she is absent in the year, starting January 2018.

Except for Toronto Catholic, the school boards we visited had a formal attendance support program. The three boards have a dedicated attendance support supervisor and various procedures aimed at addressing employee absenteeism, such as meetings with employees when they miss 10 or more accumulated days of work, and they offer workplace accommodation to encourage an earlier return to work. With the maximum number of sick days for school board employees being 11 days, it would be reasonable for boards to reach out to employees earlier for attendance support purposes.

**Figure 8: Short-Term Sick Leave/Disability Plans for Various School Board and Government Employee Groups, June 2017**

Source of data: Union contracts and Treasury Board Secretariat

Employees	Short-Term Sickness Plan Details		
	Total Days	Days Paid at 100%	Days Paid at <100%
School Board Employees	131	11	120 at 90%
Provincial Schools operated directly by the government (e.g., schools for the deaf)			
• Teachers	131	11	120 at 90%
• Education Assistants and Custodial/Maintenance Staff	130	6	124 at 75%
Association of Management, Administrative and Professional Crown Employees of Ontario (AMAPCEO)	130	6	124 at 75%
Ontario Public Service Employees Union (OPSEU)	130	6	124 at 75%

## RECOMMENDATION 1

To reduce the rising direct and indirect costs associated with sick days, we recommend that school boards develop and implement effective attendance support programs that can include timely and accurate absence reporting, tracking and data analysis, and early identification of illness or injury to allow for early intervention for the safe return to work.

## RESPONSE FROM SCHOOL BOARDS

School boards agree that attendance management has been an area of concern. Three of the four boards plan to review their current attendance support programs and look for areas of improvement to better manage the increase in employee sick days. The fourth, Toronto Catholic, has started early implementation of an attendance support program in collaboration with School Boards Co-operative Inc.

## 4.2 Opportunities to Improve Teaching are Missed Because of Delays in Teacher Performance Appraisals

High-quality teaching is essential to improving student outcomes and reducing gaps in student achievement. Performance appraisals are used to identify areas in which teachers can improve and to highlight professional learning opportunities for teachers that can then benefit students in the classroom.

According to the *Education Act, 1990*, new teachers are part of the New Teacher Induction Program. The purpose of the New Teacher Induction Program is to provide support and professional development for the new teachers in the areas of classroom management, curriculum implementation, and instructional strategies. These new teachers must be appraised by the principal or vice-principal twice within the first 12 months of their hiring date. If a teacher does not receive two satisfactory appraisals

during the first 12 months, he or she will be re-appraised during the next 12 months. Those who are unsuccessful in completing the New Teacher Induction Program cannot continue in the profession. After 24 months of teaching, the teacher is considered to be experienced. Experienced teachers must be appraised by the principal or vice-principal every five years after they complete their initial new-teacher appraisals.

Principals and vice-principals are to be appraised once every five years from their hiring date.

### 4.2.1 Performance Appraisals for New Teachers Not All Completed within 12 Months

None of the four boards we visited completed the two mandatory appraisals for all new teachers within 12 months of being hired, as required. Three of the boards we visited completed the two appraisals for at least 90% of their new teachers within the first two years. One of the boards struggled to meet the standard of performing two performance appraisals within 12 months for newly hired teachers. As seen in **Figure 9**, at Hamilton-Wentworth, more than 35% of new teachers were appraised after they had already completed their first year of teaching. In addition, we noted cases where teachers who had not been assessed twice within 24 months remained as new teachers until the two appraisals were completed.

The New Teacher Induction Program is intended to provide support and feedback on their performance so they can receive the required professional development for improvement. Lack of timely appraisals impacts the new teachers' ability to receive feedback and seek professional development required to be successful in the profession. For the 2016/17 school year, the Ministry provided \$13.7 million of restricted funding to Ontario school boards to be used only on the New Teacher Induction Program.

**Figure 9: Timeliness of Appraisals for New Teachers at the Boards Visited, as of June 30, 2017**

Source of data: School boards visited

School Board	# of New Teachers Hired (Sep. 1, 2011–June 30, 2015)	% of New Teachers Who had Two Appraisals Completed				% of New Teachers Not Assessed as of June 30, 2017
		Within 12 Months of Being Hired (Requirement)	Within 12–24 Months of Being Hired	Within 24–36 Months of Being Hired	Longer Than 36 Months After Hiring	
Halton Catholic	334	79	11	<1	<1	9
Hamilton-Wentworth	183	64	17	5	1	13
Hastings and Prince Edward	53	79	21	0	0	0
Toronto Catholic*	974	89	7	1	0	3

\* Appraisal data as of April 30, 2017.

### 4.2.2 Majority of Experienced Teachers Were Appraised within Last Five Years

Three of the four school boards we visited completed at least 90% of the appraisals of experienced teachers within the required five-year period. As shown in **Figure 10**, the completion rate for the boards ranged from 76% at Hamilton-Wentworth to 97% at Hastings and Prince Edward. For all four boards visited, the previously completed appraisal was not always tracked in the system if the last appraisal was completed more than five years ago. Therefore, for some teachers it was not possible to know how much time had elapsed since their last appraisal.

### 4.2.3 Almost All Teachers Rated Satisfactory

One school board told us that the teacher performance appraisal process is time-consuming but effective in providing feedback to teachers. Another board told us that union involvement in isolated cases can adversely impact the length of the process and the integrity of the performance rating.

The typical teacher appraisal process requires one meeting prior to classroom observation, one in-classroom observation session, one post-observation meeting, and preparation of the written appraisal. Some teachers request union representatives to be present for performance appraisal review meetings; typically teachers who have had unsatis-

factory performance appraisals. The scheduling and co-ordinating of review meetings with union representatives adds to the length of the process.

According to the Ministry's Teacher Performance Appraisal manual, an experienced teacher can be rated satisfactory or unsatisfactory. If an experienced teacher is rated unsatisfactory, the principal must create an improvement plan in collaboration with the teacher and perform another performance appraisal within 60 days. If the second appraisal is also deemed unsatisfactory, the teacher is put on a review status and a third appraisal is required within 120 days of the review status notification. If the third appraisal results in an unsatisfactory rating, the teacher is recommended to the board of trustees for termination. Based on our discussion with the four boards, teachers' unions become heavily involved once a teacher receives an unsatisfactory rating. Any unsatisfactory rating for an experienced teacher leads to additional administrative work, meetings with unions and additional performance appraisals for the principal. One board indicated that grievances often follow an unsatisfactory rating. These grievances more often than not are resolved at arbitration, which again is a costly and time-consuming process.

The value of teacher appraisals is reduced because all classroom observations occur on a pre-determined date and teachers are able to select the lessons for the evaluation in advance. Teachers

**Figure 10: Timeliness of Appraisals for Experienced Teachers at the Boards Visited, as of June 30, 2017**

Source of data: School boards visited

School Board	# of Experienced Teachers with at Least 5 Years Experience	% Evaluated Within 5 Years (Requirement)	% Who Have Been Evaluated in 7 Years	% Who Have Not Been Evaluated in 7–10 Years	% Who Have Not Been Evaluated in More Than 10 Years or No Evaluation Date Available
Halton Catholic	1,819	93	5	1	1
Hamilton-Wentworth	2,575	76	5	1	18
Hastings and Prince Edward	740	97	3	0	0
Toronto Catholic*	4,321	90	7	2	1

\* Appraisal data as of April 30, 2017.

are most likely to prepare more and select their strongest subject matter for the evaluation session, so it may not be a true representation of their teaching performance.

In the four boards we visited, fewer than 1% of the teachers received unsatisfactory ratings in their appraisals. One trustee association we spoke with told us they thought the percentage of teachers who should be given an unsatisfactory rating should be higher. We were told that principals hesitate to give unsatisfactory ratings unless they are working toward terminating a teacher. Over the last five years, three unsatisfactory teacher appraisals for experienced teachers at one board were overturned to satisfactory as part of grievance settlements with the teacher unions. Over the same period, this board only rated three other experienced teachers unsatisfactory.

The performance appraisal process is designed to identify those teachers who are underperforming and provide them with the necessary supports to improve. Therefore, the additional administration time to complete unsatisfactory reviews in these cases is not a good reason to avoid doing an appraisal or providing a satisfactory rating. If the teacher is not meeting expectations, the principal should give the teacher an appropriate rating and outline an improvement plan to help the teacher.

#### 4.2.4 Principal and Vice-Principal Appraisals Were Not Completed On Time

For two of the four boards, there were cases where principals and vice-principals did not receive their performance appraisal within the five-year period. School boards are not ensuring that the performance of people in these key leadership positions is regularly evaluated. According to one board, a strong and committed principal can significantly impact student achievement at his or her school. The compliance rate for the timely completion of principal and vice-principal appraisals ranged from 68% at Hamilton-Wentworth to 98% at Hastings and Prince Edward.

#### 4.2.5 Improvement Needed in Monitoring Implementation of School Improvement Plans

All schools are required to submit an annual school improvement plan to their school board that focuses on improving student achievement through evidence-based professional development of their teachers. Most schools are submitting their school improvement plans to their superintendents and reporting back on the training provided to the teachers. However, there was little evidence of review by superintendents to ensure that the training actually occurred in the areas identified through student achievement gaps. The boards also

do not monitor the impact of classroom teacher training on student achievement.

On a positive note, one of the boards visited, Halton Catholic, lists all of the school improvement plans on the board's website, leading to transparency. However, none of the boards provide results on the school improvement plans publicly.

#### 4.2.6 No Guidance Is Provided for Superintendent Performance Appraisals

There are no requirements that superintendents' performance be evaluated. These senior officials are responsible for overseeing all school board operations. Their performance should be evaluated regularly, and they should receive feedback on areas in which they could improve. Based on our review of the four boards we visited, the directors of education were conducting ad hoc performance reviews of their superintendents. None of the boards visited had established guidelines for periodic performance appraisals of their superintendents.

In comparison, each board's director of education must be evaluated regularly by the board of trustees. Toronto Catholic and Hastings and Prince Edward boards evaluate their director's performance every two years, while Halton Catholic and Hamilton-Wentworth perform an annual review. For all four boards visited, the director submits a self-assessment and the trustees provide a final appraisal. At Halton Catholic and Toronto Catholic, all trustees provide a performance rating for the director in key areas, such as leadership, communication, and staff relations. The ratings are then summarized into an overall rating and results are provided to the director. At the other two boards, the trustees provide an overall assessment for the director without a performance rating.

### RECOMMENDATION 2

To better ensure staff requiring additional training and/or assistance to be more effective in their job receive it, we recommend that school boards:

- put in place an effective performance appraisal system for all groups of employees, including superintendents; and
- complete performance evaluations as required.

### RESPONSE FROM SCHOOL BOARDS

The school boards value the role that a timely and comprehensive teacher evaluation process plays in addressing instructional effectiveness.

With respect to evaluating superintendents, three school boards have committed to reviewing and implementing a periodic performance appraisal process. Halton Catholic committed to reviewing its current appraisal process for superintendents.

Toronto Catholic is also considering introduction of an appraisal process for non-union management and other employees.

All four school boards plan to review their current performance evaluation processes to identify areas for improvements that will ensure more timely completion of all employee appraisals.

### RECOMMENDATION 3

To ensure teachers are receiving evidence-based professional development that focuses on student achievement, we recommend that school boards:

- have all schools complete the school improvement plans based on their student achievement results and achievement gaps;
- review and analyze all school improvement report-backs to reconcile the actual training to the school improvement plans; and
- monitor student achievement in the areas where professional development was provided to measure effectiveness of the training and report these results publicly.

## RESPONSE FROM SCHOOL BOARDS

School boards agree that school improvement plans should be completed and monitored to assess their effectiveness. The school boards agree that all school improvement plans should address achievement gaps and outline proposed training for staff to improve instructional effectiveness. The school boards plan to continue to utilize data analysis in order to identify student learning needs and existing learning achievement gaps.

School boards plan to continue using school visits by superintendents to focus on ensuring that local professional development is timely and appropriate in order to address the learning needs identified in the school improvement plans.

Hastings and Prince Edward plans to develop measures for effectiveness of training and will publicly report aggregate results. The other three boards plan to monitor the effectiveness of their professional development efforts and its impact on student achievement.

When it came to allocating teacher positions to schools, school board management at three of the four boards informed us that their decisions were primarily based on meeting provincial class size restrictions. The fourth board, Hamilton-Wentworth, used a differentiated staffing model for the 2015/16 school year that reduces average class sizes for schools with lower academic achievement. In Ontario, class size restrictions are the same for all students in the same grade, with the exception of special-education classes. We noted that the Quebec Government has proposed smaller class sizes for elementary students in disadvantaged areas (20 versus 26).

Staffing costs account for approximately 80% of boards' expenditures. The largest employee group is classroom teachers. Boards have little control over employee costs for teachers and other unionized education-sector employee groups because these costs are determined through central negotiations at the provincial level. As a result, boards that have smaller class sizes run the risk of going into a deficit, as happened in the Toronto Catholic board in 2014/15 (see **Section 4.6.1**)

## 4.3 Allocation of Staffing Resources

### 4.3.1 Student Achievement Not Considered a Key Factor in Allocating Teachers

Each board is responsible for promoting student achievement and for effective stewardship of resources. Board management we spoke to at Toronto Catholic and Hamilton-Wentworth agreed that smaller class sizes lead to better outcomes for students than larger classes because teachers can give each student more attention. Similarly, a study by the Canadian Education Association, funded by the Ministry in 2010, found that teachers can teach more competently and effectively in smaller classes, and students can learn more academically and socially and be more engaged and less disruptive in smaller classes.

### 4.3.2 Compliance with Class Size Restrictions

Class size restrictions for all grades that were in place at the time of our audit are outlined in a regulation to the *Education Act, 1990* (see **Figure 11**).

For the 2015/16 school year—the latest school year for which we had complete financial and non-financial information at the time of our audit—we reviewed class sizes as of September 2015 for all elementary school grades (kindergarten, Grades 1 to 3, and Grades 4 to 8). All four boards we visited were compliant with the class size regulations on the compliance date.

Based on data provided by school boards, we also reviewed class size averages for Grades 1 to 3 on two other days between October 31 and June 30 for each board. Based on our testing of these subsequent dates, we found that all four boards

**Figure 11: Class Size Restrictions per Grade**Source of data: *Education Act, 1990, O. Reg. 132/12*, effective until June 29, 2017

Grade	Class Size Restrictions
Full Day Kindergarten (Junior and Senior Kindergarten)	<ul style="list-style-type: none"> <li>Average class size per school board not to exceed 26.</li> </ul>
Primary classes (Grade 1-3)	<ul style="list-style-type: none"> <li>Maximum class size of 23 students.</li> <li>At least 90% of classes in a school board should have 20 or fewer students.</li> </ul>
Grade 4-8	<ul style="list-style-type: none"> <li>Regulation outlines average class size for 36 school boards ranging from 18.5 to 26.4.</li> <li>Remaining 36 school boards are restricted to an average class size of 24.5 students per class.</li> </ul>
Mixed classes (Primary and Grade 4-8)	<ul style="list-style-type: none"> <li>Maximum class size of 23 students.</li> </ul>
Secondary school	<ul style="list-style-type: none"> <li>Average class size per school board not to exceed 22 students per class.</li> </ul>

\* Regulation maximum class sizes for Grades 4 to 8 for the four boards we visited: Halton Catholic, 25.2; Hamilton-Wentworth, 25.1; Hastings and Prince Edward, 24.32; Toronto Catholic, 25.7

exceeded the restriction that allows for only 10% of the boards' Grades 1 to 3 classes to exceed 20 students. The number of classes exceeding 20 students ranged from 14% to 29% for the four boards visited, but almost all of these Grades 1 to 3 classes were at or below the maximum size of 23 students.

### 4.3.3 Impact of Demographics on Student Achievement

The Ministry provides additional funding to school boards with the largest number of students who are at risk of poor academic achievement due to social and economic factors, including being from low-income households, having immigrated from a non-English-speaking country within the last five years, having parents with low levels of education, and living in single-parent households.

Using these factors, the Ministry calculates an Education Opportunities Index (EOI) value for each school. A higher EOI value means that students are experiencing fewer or lower educational opportunities, and a lower EOI value means that students are experiencing higher educational opportunities.

For the four boards visited as seen in **Figure 12**, we noted that school boards with proportionately more special-needs students and students from low-income families and with other social and eco-

nomical risk factors, had lower student performance outcomes on average.

### 4.3.4 Boards Are Providing Other Supports to Schools with Lower Academic Achievement

On a positive note, all four boards visited informed us of additional supports they provide or plan to provide to schools that are struggling academically.

The Halton Catholic board identified its itinerant teacher and teaching consultant model as a key to its students' success. Itinerant teachers and teaching consultants are subject-matter experts who work full-time visiting each school once a week to offer instructional coaching to classroom teachers who request coaching or who are identified by the school principal to receive coaching. Hastings and Prince Edward also assigns teaching consultants to schools struggling academically to provide targeted professional learning. Based on statistics provided to the Ministry for the 2014/15 school year, there were over 1,200 teaching consultants in Ontario with a combined estimated salary of over \$120 million annually.

As well, at the time of our audit, Toronto Catholic had a literacy intervention program for Grade 1 and 2 students in one-quarter of its elementary

**Figure 12: Comparison of Demographic Factors and EQAO Results for the Four School Boards Visited, 2015/16 School Year**

Source: Ministry of Education and the Education Quality and Accountability Office

	Province	Halton Catholic	Hamilton-Wentworth	Hastings and Prince Edward	Toronto Catholic <sup>1</sup>
<b>Social and Economic Statistics (Median for the Board)</b>					
Education Opportunities Index <sup>2</sup>	14	9	16	16	21
% of low income households (income below \$43,546)	18	10	21	21	27
% of students with special needs	15	8	15	18	14
% of newcomers (who have been in Ontario for the last 5 years)	2	4	2	<1	9
<b>2015/16 EQAO Results<sup>3,4</sup></b>					
# of EQAO tests where at least 75% of students achieved a passing grade	4	7	3	2	4
# of EQAO tests where the percentage of students who passed exceeded the provincial average	n/a	9	0	0	6

1. Used 2014/15 EQAO results for Grades 3 and 6 as Toronto Catholic board did not participate in 2015/16 EQAO testing.

2. A higher Education Opportunities Index (EOI) value means that students are experiencing fewer or lower educational opportunities, and a lower EOI value means that students are experiencing higher educational opportunities.

3. EQAO results measure percentage of students who wrote the exams and achieved a level 3 or 4—equivalent to a B grade or better. There are nine EQAO tests in total.

4. OSSLT results have been combined for first-time eligible and previously eligible writers.

schools that provides 60 minutes per day of additional support focused on reading skills to students for 16 weeks. Student achievement and socio-economic factors were used to identify recipients for these services.

At the time of our audit, Hamilton-Wentworth was planning to allocate additional reading specialists and strategically re-allocate principals and vice-principals to high-priority schools identified by socio-economic factors and low Early Development Instrument (EDI) scores, starting in the 2017/18 school year. EDI scores are based on questionnaires completed by kindergarten teachers across Canada, and they measure whether children are meeting age-appropriate developmental expectations. The goal is to provide additional resources to help students achieve developmental expectations by Grade 1.

## RECOMMENDATION 4

In order to support student achievement and effective stewardship of resources, we recommend that school boards:

- where needed, allocate additional teacher and other supporting resources to schools with lower student achievement; and
- monitor the impact and effectiveness of the additional resources on student achievement and make adjustments where desired results are not achieved.

## RESPONSE FROM SCHOOL BOARDS

School boards agree additional resources should be provided to schools with lower student achievement.

- Three boards plan to continue to provide additional resources to schools with lower academic achievement within the resources available. Halton Catholic plans to focus on

building teacher capacity at its board and continue using its teaching consultant model to provide support to schools that require it.

- All school boards are planning to monitor the impact and effectiveness of additional resources on student achievement and make adjustments as needed.

## 4.4 School Boards Redirecting Funding Intended for At-Risk Students and Students not Fluent in the Language of Instruction

### 4.4.1 Not All Funding Provided for At-Risk Students is Being Spent as Intended

The Ministry provides additional funds through the Learning Opportunities Grant (LOG) to school boards with the intention of helping students who have a higher risk of academic difficulty due to social and economic factors. These factors include low-income households, recent immigration, low parental education and single-parent households. The largest component of the LOG is not restricted, and boards have discretion over the programs and supports they offer. Examples of programs offered by school boards include breakfast programs, homework clubs, reading assistance programs, and individualized student support. But school boards can also use the funding for other unrelated purposes.

As seen in **Figure 13**, for the 2015/16 school year, Toronto Catholic used only 50% (\$23.1 million) of the \$46.5 million of its LOG funding for at-risk students, while the remaining funds were used to support a shortfall in teacher salaries and special-education funding. Although the board reallocated half of the LOG funding, it did spend more than the restricted requirement of \$6.6 million on at-risk students.

According to a report supported by Toronto District School Board's Inner City Advisory Committee, the Toronto District School Board, which also serves the same area of the province, also redirected 42% (\$61 million) of \$144 million in total learning opportunities funding for the 2014/15 school year to cover shortfalls in teacher salaries and benefits, special-education and supply teacher costs. For the 2015/16 school year, the two Toronto boards accounted for \$189.4 million or 38% of the overall LOG funding in the province. The majority of this funding to these two boards was unrestricted, with only 14% being restricted for at-risk students for Toronto Catholic and only 11% for Toronto District School Board.

We also noted that Hamilton-Wentworth under-spent its learning opportunities allocation on at-risk students by \$1.3 million. The school board's records indicated that some of the learning opportunities funding was spent on special-education services and music teachers.

**Figure 13: Learning Opportunities Grant (LOG) Funding and Use by School Boards Visited, 2015/16 School Year**

Source of data: Ministry of Education, and school boards visited

	Total LOG Funding (\$ million)	Unrestricted (\$ million)	Restricted (\$ million)	% Restricted	Amount of Total LOG Funding Not Spent on Students at Risk (\$ million)	% of Total LOG Funding Not Spent on Students at Risk
Province	500.3	350.5	149.8	30	n/a*	n/a*
Toronto Catholic	46.5	39.9	6.6	14	23.4	50
Hamilton-Wentworth	16.6	13.4	3.2	19	1.3	8
Hastings and Prince Edward	2.6	1.4	1.2	45	1.4	53
Halton Catholic	2.4	0.4	2.0	82	0.1	4

\* Data not tracked by the Ministry.

**Figure 14: Comparison of Elementary School Education Quality and Accountability Office (EQAO)<sup>1</sup> Results for Students Living in High- and Low-Income Areas, within the Toronto Catholic District School Board, 2012/13–2014/15<sup>2</sup>**

Source of data: Toronto Catholic District School Board

	Average EQAO Pass Rates (%)					
	Grade 3			Grade 6		
	Reading	Writing	Math	Reading	Writing	Math
<b>2014/15 School Year<sup>3</sup></b>						
High-income schools – average	81	89	78	88	90	68
Low-income schools – average	64	75	57	70	71	41
Achievement gap – difference	(17)	(14)	(21)	(18)	(19)	(27)
<b>2013/14 School Year<sup>3</sup></b>						
High-income schools – average	86	91	84	84	88	70
Low-income schools – average	63	75	56	67	73	41
Achievement gap – difference	(23)	(16)	(28)	(17)	(15)	(29)
<b>2012/13 School Year<sup>3</sup></b>						
High-income schools – average	80	87	82	84	86	73
Low-income schools – average	61	74	59	63	70	43
Achievement gap – difference	(19)	(13)	(23)	(21)	(16)	(30)

1. EQAO results measure percentage of students to achieve a level 3 or 4—equivalent to a B grade.

2. Toronto Catholic did not participate in 2015/16 EQAO testing due to labour issues.

3. We selected 25 schools in the lowest household income areas and 25 schools in the highest household income areas based on 2013 median household income. The same 50 schools are compared in all three years. This board has 168 elementary schools.

Of the four boards we visited, Toronto Catholic receives the highest amount of learning opportunities funding on a per student basis because it has a higher percentage of students at risk of poor academic achievement.

Although Toronto Catholic was not in violation of funding restrictions, we did note that elementary schools in neighbourhoods with lower household incomes have consistently performed poorly compared with schools in the higher-income neighbourhoods. As **Figure 14** shows, there is a significant achievement gap between high-income and low-income elementary schools at Toronto Catholic. This gap highlights the importance of using designated learning opportunities funding for its intended purpose of focusing on students at greater risk of poor academic achievement.

#### 4.4.2 Some Funding Aimed at English-Language Learning Students Redirected, While These Students Continue Performing Below Provincial Standards

The Ministry provides an English as a Second Language/English Literacy Development (ESL/ELD) allocation. The funding is intended to provide language instruction to recent immigrants from non-English-speaking countries and to children whose language spoken most at home is neither English nor French. Despite the clear purpose for this funding, no portion of the ESL/ELD allocation is restricted for use on language instruction focused on recent immigrants.

As seen in **Figure 15**, for the 2015/16 school year, two of the boards we visited (Toronto Catholic and Halton Catholic) spent less than they were allocated for English-language learners. Toronto Catholic told us that it used \$10 million of its

**Figure 15: ESL/ELD<sup>1</sup> Funding and Use by Four School Boards Visited, 2015/16 School Year**

Source of data: Ministry of Education, and School Boards visited

School Board	ESL/ELD Funding (\$ million)	Amount Spent on Language Training of English Language Learners (\$ million)	Amount Over/ (Under) Spent on ESL/ELD (\$ million)	% of Total Funding Over/ (Under) Spent on ESL/ELD
Toronto Catholic	23.9	13.9	(10.0)	(42)
Hamilton-Wentworth <sup>2</sup>	4.6	4.6	0	0
Halton Catholic	3.0	2.7	(0.3)	(10)
Hastings and Prince Edward <sup>3</sup>	0.1	n/a	n/a	n/a

1. English as a Second Language/English Literacy Development.

2. This board also spent an additional \$284,000 on Syrian newcomers funded through a transfer payment agreement.

3. Hastings and Prince Edward does not track how ESL/ELD funding is spent.

**Figure 16: Toronto Catholic English-Language Learners Education Quality and Accountability Office (EQAO)<sup>1</sup> Results Compared with Board Average, 2011/12–2013/14**

Source of data: Toronto Catholic District School Board

	EQAO Pass Rates (%)			
	Grade 3		Grade 6	
	Reading	Math	Reading <sup>2</sup>	Math <sup>2</sup>
<b>2014/15 School Year</b>				
All participating students	71	65	80	53
English-language learners	63	57	n/a	n/a
Achievement gap – difference	(8)	(8)	n/a	n/a
<b>2013/14 School Year</b>				
All participating students	73	68	75	55
English-language learners	62	61	57	41
Achievement gap – difference	(11)	(7)	(18)	(14)
<b>2012/13 School Year</b>				
All participating students	70	69	74	56
English-language learners	56	58	60	50
Achievement gap – difference	(14)	(11)	(14)	(6)
<b>2011/12 School Year</b>				
All participating students	68	70	73	59
English-language learners	57	55	55	46
Achievement gap – difference	(11)	(15)	(18)	(13)

1. EQAO results measure percentage of students to achieve a level 3 or 4—equivalent to a B grade.

2. EQAO data for Grade 6 reading and math for English-language learners is not available for the 2014/15 school year.

\$23.9 million ESL/ELD funding to alleviate cost pressures created by underfunding of teacher salaries and higher special-education costs, despite the fact that in its 2014–18 Board Learning Improvement Plan, the board stated that “...our

[EQAO performance] data indicate we will need to redouble our efforts with English-language learners and students with special needs.” **Figure 16** shows that English-language learners at Toronto Catholic elementary schools have performed worse than

the board average for Grade 3 reading and math from 2011/12 to 2014/15 and Grade 6 reading and math from 2011/12 to 2013/14. These are the most recent EQAO results available for the Toronto Catholic board. In the 2016/17 school year, this school board continued to redirect ESL/ELD funding, as \$10.8 million of its \$25.3 million for ESL/ELD was used elsewhere.

#### 4.4.3 Restricted Funds Used as Intended

At each of the boards we visited, we tested a sample of transactions for the last two years (2014/15 and 2015/16) from the following funding envelopes that restrict the use of the money to just that specific purpose:

- funding allocated for board and administration costs;
- the Learning Opportunities Grant, which is intended for students at risk of poor academic achievement; and
- the Special Education Grant, which is intended for students with special needs.

We examined whether the funds were being spent appropriately and were being reported as per Ministry guidelines. Our testing indicated that the school boards used the restricted portion of the funding it received for the purposes for which it was intended.

### RECOMMENDATION 5

To ensure funding for specific education priorities are used for their intended purposes, we recommend that school boards focus the use of the funding on evidence-based areas where the at-risk students and English-language learners are performing below provincial standards.

### RESPONSE FROM SCHOOL BOARDS

Toronto Catholic acknowledges the varying degrees of socio-economic needs across the Toronto region and its impact on the ability of at-risk students to meet achievement targets.

The board plans to modify resource allocations, within its available resources, to areas where the needs are greatest. Hamilton-Wentworth plans to review funding for specific education priorities for at-risk students and English-language learners that are performing below provincial standards, especially for the Syrian newcomers.

Hastings and Prince Edward states that funding not restricted to a specific purpose will be used to improve student achievement in accordance with local priorities.

Halton Catholic spent 96% of LOG funding on students at risk and 90% of ESL/ELD funding on language training of ESL students, in the 2015/16 school year.

## 4.5 Special Education – Inequitable Resource Allocations and Long Wait Times for Services

### 4.5.1 Special-Needs Students Not Receiving Services Tailored to Their Needs

All four boards we visited had lists for special-needs students waiting to be assessed or served by professionals in the areas of psychology or speech and language. At all four boards, special-needs students are usually offered preliminary services in the suspected area of need by the classroom teacher in consultation with the specialists before they are formally assessed by the specialists. However, the assessments by specialists provide insight into a student's unique needs that allows the school board to devise a long-term plan for services that best meet the student's needs.

These assessments are used by each board's Identification, Placement and Review Committee (IPRC), which determines whether a student meets the criteria of a specific exceptionality, and recommends the appropriate placement for receiving special-needs supports and services.

A psychological assessment evaluates thinking, learning and behaviour, and a psycho-educational assessment focuses on identifying

a student's learning challenges. The assessment may include interviews, observation, testing and consultation with other professionals involved in a student's care.

None of the four boards we visited performed all specialist assessments in a timely manner, as shown in **Figure 17**. At three boards, a quarter to about a third of the students on the wait lists had been waiting for a psychological assessment for over a year. Some students had been on the wait lists for more than two years. Toronto Catholic had ten students on the psychological assessment wait list that had not received an assessment for over four years because, according to the board, other students were considered to have more need. By the end of June 2017, these ten students received their assessments.

In addition, two boards had students waiting more than a year for speech and language assessments. We noted that four students at Hastings and Prince Edward had been waiting for a speech and language assessment for more than three years. The board explained that these students were referred for issues that are not as impactful on classroom performance, such as lisp or mild articulation, and other more urgent assessments were completed first.

The school boards we visited and the trustees associations we spoke with told us that specialist assessments were not being done on a timely basis because it was difficult to recruit specialists due to the lack of specialists in the area, less competitive salaries offered by school boards, and in the case of Catholic and/or French boards, it was difficult to find specialists who meet the religious and/or language requirements to work in those boards.

#### 4.5.2 Parents Pay for External Assessments to Avoid Wait Lists

At Halton Catholic, the number of external psychological assessments increased by 78%, from 354 in the 2012/13 school year to 631 in 2016/17. According to the board, this could be due to parents paying for a private assessment of their child in order to avoid wait times or being able to have the assessment done by a specialist of their choosing. Although these external assessments have to be reviewed by board staff before they are incorporated into student education plans or IPRC decisions, these special-needs students can receive services tailored to their unique needs sooner. The other three boards did not track external assessments.

**Figure 17: Students Awaiting Specialist Assessments at Four School Boards Visited**

Source of data: School boards visited

	Toronto Catholic	Hamilton-Wentworth	Halton Catholic	Hastings and Prince Edward
<b>Psychological or Psychoeducational Assessments</b>				
# on wait list	1,063	386	295	37
# on wait list longer than one year	292	134	70	0
% on wait list longer than one year	27	35	24	0
Median wait time on list (days)	n/a*	184	184	87
Longest wait time on the list (days)	1,876	853	768	199
<b>Speech and Language Assessments</b>				
# on wait list	645	97	48	235
# on wait list longer than one year	34	0	0	75
% on wait list longer than one year	5	0	0	32
Median wait time on list (days)	135	66	60	221
Longest wait time on the list (days)	1,400	199	197	1,528

\* Since data is recorded manually by area psychologists at this board using different formats, average wait time was not readily available.

### 4.5.3 Most Boards Do Not Perform Summer Assessments to Reduce Wait Lists

Three of the four school boards we visited were not scheduling specialist assessments during the summer months when schools are not operating, something that would help reduce backlogs. Only Halton Catholic told us it conducted some psychological assessments in the summer, but only to the extent that funding was available. The collective agreement for only one of the other three boards restricted psychologists and speech-language pathologists to work only during the 10 months of the year when schools are operating.

### 4.5.4 Assessment Wait Times Differ Significantly, Even Among Schools in the Same Board

The wait times for specialist assessments can vary significantly based on the school the student attends. All four boards assign each of their specialists to a specific group of schools. The wait lists for Halton Catholic, Hamilton-Wentworth and Hastings and Prince Edward are consolidated electronically at the board level. Although the wait lists are centrally collated, the specialists only work to serve the schools assigned to them. The work was not shared among specialists with smaller workloads to reduce the backlogs. At the time of our audit work, six psychologists in the Hamilton-Wentworth board had more than 30 cases outstanding while six others had less than 10 assessments outstanding. In one area of Hamilton-Wentworth, at the time of our audit, one student had been waiting for more than two years (853 days) for an assessment, while in another school the longest wait was less than six months (164 days).

Toronto Catholic does not consolidate wait list information at the board level. It has 48 area psychologists responsible for performing psychological assessments, and they keep their own wait lists using different formats for the schools to which they are assigned. These lists are reported

to the superintendent of special education twice a year. Because the wait-list information is not consolidated, the board cannot properly prioritize students for assessments. Based on our review of Toronto Catholic's wait list, the longest wait time per student is significantly different among the board's psychologists. The longest wait on one area psychologist's list was more than five years (1,876 days), while in another area the longest wait to be assessed was less than one month (23 days). The number of outstanding assessments also varied significantly between psychologists, as one psychologist in one area had 70 outstanding assessments while four other psychologists in different areas each had less than 10 assessments outstanding. Without a central consolidation of wait lists and reallocation of cases, services related to psychological assessments cannot be provided to students in an equitable and more timely manner.

## RECOMMENDATION 6

To ensure all special-needs assessments are completed in a timely and equitable manner, we recommend that school boards:

- establish reasonable timelines for completing psychological, and speech and language assessments;
- have access to all assessments wait lists at the board level and use this information to reassign assessments to specialists who have smaller workloads;
- implement a plan to clear backlogs; and
- track use of external assessments to better gauge demand.

## RESPONSE FROM SCHOOL BOARDS

All four boards agree that timely completion of special-needs assessments is critical in providing the most suitable services to special-needs students. School boards will review the tracking of their special-needs assessments in regards to timely completion within the context of current resources.

Toronto Catholic agrees that an appropriate case management system designed for educational purposes will ensure a more equitable delivery of services. Hamilton-Wentworth and Hastings and Prince Edward agree to use their centrally aggregated wait lists to reassign assessments to specialists in their boards with smaller workloads. Halton Catholic plans to continue reassigning assessments between specialists when needed.

Halton Catholic plans to reduce the wait times and review supports dedicated to this assessment process annually and allocate additional resources where needed. Toronto Catholic believes that a new case management system will allow for enhanced oversight and ensure a more equitable and timely delivery of services to students. The other two boards are planning to look at ways to eliminate the backlog.

Halton Catholic monitors the use of external assessments by special-needs students at the board. The other three boards plan to monitor this information moving forward.

#### 4.5.5 Education Assistant Allocations to Schools Can Be Improved

For each of the school boards we visited, we compared the number of formally identified special-needs students to the number of education assistants—someone who assists students with disabilities in the classroom. We found that this ratio ranged from 5.6:1 at Hamilton-Wentworth to 7.4:1 at Halton Catholic for the boards we visited.

Each board first allocates educational assistants to the special-education classes where an educational assistant is required. The remaining educational assistants are allocated to schools—for their integrated classrooms—based on each board's individual allocation methods. All the boards we visited had ways of prioritizing educational assistant support to special-needs students in integrated classes. At Hamilton-Wentworth and Hastings and Prince Edward, a special-education consultant or

co-ordinator, in consultation with the principal, determines the support a student needs. However, we found that the process is subjective and can lead to the inequitable allocation of educational assistants across schools.

In contrast, both Toronto Catholic and Halton Catholic use a standard scoring method to consider students' behaviours, ability to communicate and level of independence with daily activities, to determine the level of support needed, and assign educational assistants to each school. However, we noted that the actual allocation of educational assistants by Toronto Catholic does not match the level of support determined by the scoring tool. In the 2016/17 school year, around 50 (31%) of the elementary schools were either overstaffed or understaffed by more than one full-time educational assistant, when compared with the staffing levels calculated by the scoring tool. One school was overstaffed by four full-time educational assistants while another was understaffed by a similar amount.

The board stated that any drastic changes in staffing could result in additional pressures. School board officials told us that they hear from parents who want only one-on-one educational assistant support for their children. The board's goal is to avoid drastic changes in staffing and move educational assistants over time to match the model and avoid public backlash that comes with removing an educational assistant from any school.

#### 4.5.6 Special-Needs Teachers and Staff are Often Assigned to Students with Exceptionalities They Do Not Specialize In

Each type of special-needs exceptionality presents unique challenges. By specializing in the student's exceptionality the teacher and educational assistants can provide services most suitable for the student.

The *Education Act, 1990* lists five general categories of exceptionalities that can apply to special-needs students: behavioural; communicational (autism and speech impairment); intellectual (mild intellectual and developmental disability);

physical; and multiple exceptionalities. In three of the four boards visited, teachers and education assistants assigned to special education classes are not required to have any specialized training other than basic special-education training.

In contrast, starting in the 2014/15 school year, Hamilton-Wentworth started hiring special-education teachers and educational assistants with additional training focused on students with autism and/or behavioural problems. A four- to five-year commitment is expected from the specialized staff to ensure continuity with students. Professional development is provided annually, focusing on those exceptionalities.

Hastings and Prince Edward requires educational assistants who are assigned to special education classes or students with complex needs to attend mandatory therapeutic crisis intervention training, which trains staff to help students learn constructive ways to handle crisis.

The boards we visited agreed that specialization in the area of exceptionality was desirable, especially when teaching students with autism or behavioural problems. All boards we visited indicated that they offer professional development training in relation to special-needs students, however participation by teachers is voluntary.

### RECOMMENDATION 7

To ensure that special-education students are provided with support that best meets their needs, we recommend that school boards:

- implement objective measures to allocate staffing resources to special-education students based on their needs; and
- hire and train staff to ensure they are best equipped to provide support for the types of student exceptionalities to which they are assigned.

### RESPONSE FROM SCHOOL BOARDS

Toronto Catholic plans to refine staff allocations through its objective assessment tool. Halton

Catholic plans to continue utilizing its resource allocation process using an objective, transparent and equitable scoring and allocation tool. The other two boards will review the allocation of staffing resources and work to improve resource allocation processes, including staffing to special-education students based on their needs and within the allowable funding.

Hamilton-Wentworth plans to continue reviewing the assignment of specialized staff and provide ongoing training, to ensure staff understand and meet the needs of students. Toronto Catholic and Hastings and Prince Edward will continue to monitor and adjust support staff allocations to ensure proper matches due to the fluid movement of students between schools or school boards, as well as the ever-changing needs of students within schools. Halton Catholic plans to continue hiring non-teaching staff with specific qualifications such as board-certified behavior analysts who help build teacher capacity to support students with autism and behavioral strategies.

### 4.5.7 Impact of Special-Education Services is Not Measured or Reported

For the 2016/17 school year, the Ministry allocated \$2.76 billion in special purpose grants for special-needs students across Ontario. However, the Ministry and the boards have not established key indicators to measure student improvement as a result of the specialized services provided by the funding, aside from monitoring EQAO results for special-education students.

All four boards visited use EQAO results for special-needs students and compare them year over year. Toronto Catholic also monitors EQAO results by each special-needs exceptionality type. However, comparatively a greater proportion of special-needs students do not write EQAO tests. For example, in 2015/16, 10% of special-needs students were exempted from the Grade 3 reading test compared to just 3% of all students combined. The school

boards we visited told us that EQAO testing may not be the best measure to assess effectiveness of special-needs services because it is not tracking progress for the same group of students. We noted that the EQAO office has the ability to track progress for a cohort of special-needs students, but school boards were not using this type of information.

We noted that boards are able to track a student's progress on their individual education plans and report cards. However, this information is not aggregated at the board level to assess whether special-education services are having the desired impact for special-needs students.

Further, we noted that school boards did not know what happened to their special education students once they left secondary school. According to the regulation on the identification and placement of exceptional students, the individual education plan for a student who is 14 years of age or older must contain a plan for the transition to post-secondary education, or the workplace, or to help the student live as independently as possible in the community. However, school boards do not have measures to assess the effectiveness of the transition plans because other than collecting data on applications for post-secondary education, the school boards do not conduct any other type of follow-up to track their students once they leave high school.

The four boards agreed that both academic and non-academic performance measures (post-secondary employment, community integration, self-sufficient) are needed to track the progress and improvement of special-needs students. However, currently no board is using non-academic measures for special-needs students.

### RECOMMENDATION 8

To better ensure that the special-educational support services meet the needs of special-needs students, we recommend that school boards establish and publicly report on key academic and non-academic performance indi-

cators to track student improvement for each type of exceptionality.

### RESPONSE FROM SCHOOL BOARDS

Hastings and Prince Edward plans to develop aggregated reports of key academic and non-academic performance indicators, and will publicly report on student improvement by exceptionality in a manner that avoids privacy issues. The other three boards are looking to develop consistent measures that can be used to inform and influence the achievement of students receiving special-education services.

## 4.6 Oversight, Best Practices and Collaboration

### 4.6.1 Strategic Goals Not Measurable or Being Reported by School Boards

The Act requires all school boards to develop a three-year or longer multi-year plan focused on promoting student achievement and well-being, ensuring effective stewardship of board's resources, and delivering effective and appropriate education to students. The boards are required to publically report their progress in implementing the plan.

#### Student Achievement Goals Could Be Improved With Targets and Clear Timelines to Achieve the Goals

All four boards visited had strategic goals with performance indicators for student achievement and three of the four boards (except Hastings and Prince Edward) also had targets. Examples of good student achievement goals with performance indicators, targets and clear timelines, included:

- Halton Catholic had a clearly defined goal to increase the percentage of students meeting the provincial standard in EQAO reading assessments: from 80% to 85% for Grade 3 and from 85% to 90% for Grade 6 students by June 2016 from the 2013 EQAO results. The

board met the provincial targets but did not meet its own targets for improvement.

- Hamilton-Wentworth had a goal for all students to read by end of Grade 1, and a target that at least 75% of Grade 1 students achieve a B grade or better on their June 2017 report card. It would have been helpful to include baseline results to indicate the result upon which the board is trying to improve. Neither the goal nor the target was met.

For the other two boards, the strategic goals for student achievement could be improved. For example:

- Hasting and Prince Edward's goal is to increase graduation rates and reduce achievement gaps for students not yet at the provincial standard. This is a reasonable goal, but the board did not outline a clear timeline for reducing the gaps. Without outlining a targeted reduction in the achievement gap or a clear timeline for reducing the gap, the board will have difficulty assessing progress.
- Toronto Catholic's goal is to have its students meet or exceed the provincial average for all EQAO assessments in literacy and numeracy. However, the board did not identify where the board fell below the provincial average or a timeline for reaching the target.

### Boards Unable to Identify Measurable and Reliable Indicators for Positive Culture and Student Well-Being

A recent review of York Region District School Board—commissioned by the Ministry following complaints—confirmed that when a school board does not successfully promote a culture of equity and inclusivity it can be very detrimental to a board's reputation and can lead to loss of public confidence. We noticed that the four boards visited had developed goals regarding a positive culture and well-being but had not identified measurable indicators and targets for their goal of promoting a positive culture and student well-being. For example, one board had a goal of creating welcom-

ing, inclusive, safe and accepting learning environments that optimize students' potential. However, without specific, measurable, attainable and relevant indicators, it will be difficult for boards to assess progress on their goals regarding a positive culture and well-being.

### Greater Focus Needed for Measuring and Reporting on Stewardship of Board's Resources

Three of the four boards (except Hamilton-Wentworth) had strategic goals directly aimed at effective stewardship of board resources. However, two of these three boards only identified a balanced budget as the target and did not have any other measurable indicators to assess progress towards the goals. Hastings and Prince Edward did not identify any targets for its effective stewardship of resources goal. Hamilton-Wentworth did not have any strategic goals addressing stewardship of resources, except for a goal of improving condition of school facilities. Effective management of a board's resources is fundamental to any successful school board.

### Two Boards in Financial Recovery Plan Because of Difficulties in Managing Budgets

If a school board has an in-year deficit of greater than 1% of its operating funding allocation or an accumulated deficit, the Ministry may request the board to prepare a financial recovery plan. At the time of our audit, both Toronto Catholic and Hastings and Prince Edward boards were being monitored by the Ministry as the boards were working towards financial recovery.

At the end of the 2014/15 school year, Toronto Catholic had an accumulated deficit of \$15.3 million and had entered into a three-year recovery plan. According to an external review, the key factors that contributed to the deficit were smaller average secondary class sizes than provincial standards leading to more secondary teachers than required, and employing more educational assistants in secondary schools than funded by the

Ministry. Based on our review, the school board is on target to eliminate the accumulated deficit during the 2017/18 school year. The board reduced costs by increasing secondary class sizes to the provincial standard, reducing the number of educational assistants, and by withdrawing the surplus from the employee benefits plan.

Hastings and Prince Edward had two consecutive years of in-year deficits in 2014/15 (\$1.5 million) and 2015/16 (\$2.5 million). The board went into a deficit position mainly due to a declining enrolment without strategically reducing its staffing to match the decline in enrolment. In the 2016/17 school year, the trustees approved two of the four school closures recommended by management. The two school closures and corresponding reduction in staffing has the board on track to eliminate the deficit by the 2018/19 school year.

Senior board officials at Toronto Catholic stated that management had presented options to their boards of trustees to reduce and eliminate their deficits before entering into a financial recovery plan. However, the trustees had voted down management's plan for reducing special-education costs, reducing staffing, or altering transportation policies aimed at reducing costs until forced by the Ministry's financial recovery plan.

#### Boards Not Publicly Reporting on Progress in Implementing Strategic Plans

We found that none of the boards were reporting publicly on their progress in meeting their strategic goals, although Toronto Catholic reported internally to its board of trustees on an annual basis on its progress in meeting its strategic goals. In its 2012-15 strategic plan, this board had nine strategic priority areas with 35 strategic goals. However, the board's reporting did not individually address the 35 strategic goals, but instead grouped them under the nine priority actions. Also, it is not clear which metrics were being used by the board to assess its progress. In the 2014 strategic plan progress report, Toronto Catholic included a letter grade for each

of the nine strategic priority actions, but it was not clear how management arrived at the scores.

The other three boards provide separate updates on each of their strategic priorities to the board of trustees. In addition, their annual reports provide a list of accomplishments towards their strategic goals but provide no tangible assessment of progress towards achieving the goals. For example, Hastings and Prince Edward board's 2016 annual report lists French immersion expansion and upgrading of various computer systems to enhance reporting of student absences as an update on the board's achieving excellence and equity goal. These types of updates do not allow the reader to assess the level of progress on the strategic goal.

#### 4.6.2 Improvement Needed in Implementing Internal Audit Recommendations and Sharing Best Practices

School boards have not implemented all program and operational improvements recommended by their internal audit teams. School boards across the province are grouped into eight regions, each of which is supported by a regional internal audit team. The Ministry provides the funding for these teams, amounting to \$5.2 million in 2016/17. Each school board's audit committee decides on the audits to be completed by the audit teams. Regional audits are expected to identify best practices that can then be shared among boards. Each school board's audit committee decides the focus for the audit teams.

Two of the four boards we visited failed to implement many of the recommendations made by their regional internal audit teams. For each of the school boards visited, we reviewed the results of these audits for the last five years, as well as the follow-up work done on recommendations issued from the summer of 2012 to the summer of 2015, to note what percentage of recommendations boards had fully implemented by summer 2017. For the Toronto Catholic board, its regional internal audit team does not regularly follow up on the

audit recommendations it makes, but the board does its own assessment.

Toronto Catholic and Hamilton-Wentworth had implemented only 48% and 61% of the recommendations, respectively, whereas the other two boards had implemented at least 80% of their audit recommendations. For the Toronto Catholic board, recommendations that had not yet been acted on included implementing:

- an attendance support program for school board employees;
- a performance management plan for non-academic staff;
- a centralized database for employee behaviour complaints; and
- case management software for centralized tracking of special-education service referrals and backlogs.

Toronto Catholic would have benefited from an attendance support program to help employees get back to work sooner, as recommended by the regional internal audit team. From the 2011/12 school year to 2015/16, this board experienced an 11% increase in employee sick days and a 23% increase in the cost of replacement teachers. The board told us that because it was under a financial recovery plan it did not have the financial resources available to implement these recommendations.

For the Hamilton-Wentworth board, recommendations that had not yet been acted on included:

- ensuring that school-generated funds were used only for student benefits; and
- implementing a comprehensive preventive maintenance program.

A comprehensive preventive maintenance program was especially relevant to the Hamilton-Wentworth board since one of its strategic goals is to reduce the number of schools in poor condition by 2020.

Although regional audits are intended to identify and share best practices among boards, we noted that over the last five years there were only two instances where the same topic was audited at all school boards within the regions where the four

boards we visited are located. In 2012, an audit on compensation, pay, benefits, and timekeeping was conducted at all Ontario East audit region school boards, including the Hastings and Prince Edward board; and in 2014, an audit on broader-public-sector procurement compliance was performed at all Toronto and area region school boards. Best practices identified during the course of these audits were shared with all boards in the region. It would benefit school boards in the same region to co-ordinate audits for similar areas of concern.

In August 2016, the Ontario Association of School Business Officials began posting best practices identified by internal audits on its website for all senior school board business officials to share, but only if the school board where the best practice was identified gives permission to the regional audit team manager to share the information. In February 2017, the Toronto Catholic's regional audit team (Toronto and Area internal audit team) shared leading practices in the areas of payroll, special education, construction, continuing education and information technology with all boards in the region, and these practices were also submitted for posting to the website. From October 2016 to June 2017, 47 leading practices were added to the website.

## RECOMMENDATION 9

To provide effective oversight of operations, we recommend that school boards:

- set measurable targets for each of their strategic goals regarding student achievement, student well-being, and stewardship of resources;
- regularly measure progress on the goals against targets and report them publicly;
- implement recommendations on audits conducted by the regional internal audit teams in a timely manner; and
- where possible, co-ordinate to have their regional internal audit teams examine issues common among the boards in the region to identify best practices, which should then be shared with boards province-wide.

## RESPONSE FROM SCHOOL BOARDS

All four boards are in agreement and plan to set measurable targets for each of their strategic goals.

All four boards plan to report publicly on the progress of the board's strategic goals.

Both Toronto Catholic and Hamilton-Wentworth recognize the value-add provided by regular internal audit teams and plan to improve the timeliness of implementation of recommendations made by the audit teams. Halton Catholic and Hastings and Prince Edward plan to continue addressing any recommendations of the regional internal audit team in a timely manner.

Toronto Catholic remains committed to sharing leading and best practices not only within the Toronto Area but also with the larger provincial region. Halton Catholic and the regional internal audit team plan to continue engaging in open discussions about best practices. Hamilton-Wentworth plans to hold discussions with the other regional boards to identify any common issues for audit and plans to share best practices on the Ontario Association of School Business Officials' website. Hastings and Prince Edward believes that internal audit teams should determine the type and scope of audits using a risk-based approach that focuses on issues unique to each board. However, it stated that where possible, the board plans to examine common issues among boards to identify and share best practices.

### 4.7 School Boards Increasing Their Use of Group Purchasing Arrangements

Approximately \$3.6 billion or 15% of school board expenditures in 2015/16 went toward the purchase of goods and services. A school board can acquire goods and services more economically through group purchasing arrangements with other school boards than it can on its own.

Based on the information provided, all four boards we visited purchase a portion of their products and services through group purchasing arrangements but there are opportunities for greater collaboration. As all school boards require similar products and services, there is a significant opportunity for more group purchasing arrangements.

#### 4.7.1 Local Group Purchasing Arrangements Used by School Boards

We noted that school boards have formed transportation consortia to acquire and manage bus services for students. There are 33 transportation consortia operating in the province, which typically service the public and Catholic boards in the same area. The provincial cost of transporting students to and from school is about \$900 million annually. These services were audited by our Office in 2015.

Three of the four boards (except Hastings and Prince Edward) purchase utilities through the Catholic School Boards Services Association. In 1998, the association started as a not-for-profit consortium of Greater Toronto Area Catholic school boards to provide business opportunities to Ontario school boards to reduce costs, improve effectiveness and generate revenues.

We also noted an increase in the use of contracts negotiated with suppliers by the Ontario Education Collaborative Marketplace (OECM), a group-purchasing organization. The number of school boards acquiring goods or services through OECM's client supplier agreements increased from 44 in 2010 to 71 in 2016. As well, the value of school board purchases through agreements negotiated by OECM increased from \$10 million in 2010 to \$112 million in 2016. The top four products purchased by school boards in 2016 were computer products and support services, office supplies, custodial products and classroom furniture. One board told us that OECM suppliers provided better value for certain office supplies, but for other services (such as auditing services) the board could find better rates elsewhere.

OECM is a not-for-profit group that specializes in sourcing (finding, evaluating, and contracting with suppliers) for school boards and post-secondary institutions. It was initially set up with Ministry funding. School boards do not pay a membership fee to use OECM's services. Instead, contracted suppliers pay OECM a percentage of sales to school boards or other public-sector organizations. The suppliers self-report revenues and remit fees to OECM.

According to OECM, it typically contracts multiple suppliers (two to four) for each type of goods or services to offer choice to its members. The contracts set a maximum price a vendor can charge to members. If volume thresholds are met through total orders by individual board, then additional discounts are applied. OECM's pricing for products can be beneficial to smaller school boards that do not have the buying power of larger boards to negotiate lower prices.

#### 4.7.2 School Boards Need to Collaborate More on Procuring Goods and Services

School boards' participation in any of OECM's supplier agreements is voluntary. However, OECM staff told us that without commitments from members to use the suppliers, the organization finds it challenging to negotiate the best prices with vendors. In June 2016, an external review of OECM identified that OECM's contracts had not demonstrated the best value for money. The boards we visited told us that they only purchase from OECM-contracted vendors when their prices are better than what they can get on their own. The Toronto Catholic board relies less on this group since, because of its size, it can secure better pricing on its own.

Based on information provided to us by OECM for 2016, school board participation in OECM's services ranged from \$380 per student at one school board to less than one dollar per student at another. For the boards we visited, those with smaller budgets, fewer students and less purchasing power, made greater use of OECM's services than the larger boards.

### RECOMMENDATION 10

To help reduce costs for goods and services, we recommend that school boards collaborate on future group purchasing arrangements, either through the Ontario Education Collaborative Marketplace or by linking into cost-saving contracts already in place in larger boards, such as the Toronto Catholic District School Board.

### RESPONSE FROM SCHOOL BOARDS

All four school boards plan to continue exploring opportunities for more collaborative spending in order to reduce costs.

## 4.8 Some School Boards Reporting Estimates Instead of Actual Spending for Special Purpose Grants

The Ministry needs complete and accurate data so that it can make appropriate funding and policy decisions and to ensure that restricted funds are spent for the intended purposes. We noted that, except for Halton Catholic, the three other school boards visited used the average salary of a teacher at the board and an estimated/budgeted number of special-education teachers to calculate special-education teacher expenses. Similarly, average salaries were used by the three boards for reporting spending under the Learning Opportunities Grant. The boards indicated that the effort and time required to determine the exact salaries for teachers was too great.

The Toronto Catholic board told us that its Human Resources (HR) system did not accurately identify all special-education teachers. The financial information system relies on the HR system to identify special-education teachers and those teachers' salaries are reported as special-education costs. However, the HR staff has not been able to update all HR profiles for teachers who move between special-education and the regular

classroom. This lack of regular updates has made the special-education costs unreliable.

The Hastings and Prince Edward board told us that its HR system does not track the teachers for special education separately from regular classroom teachers. In addition, Hamilton-Wentworth does not use the Ministry's prescribed expense coding in its system, which leads to many manual adjustments in order to meet the Ministry's reporting requirements.

### RECOMMENDATION 11

In order to provide the Ministry with accurate information on spending, we recommend that school boards:

- implement Ministry expense coding into all financial information systems; and
- report actual spending instead of estimated spending for restricted portions of special purpose grants.

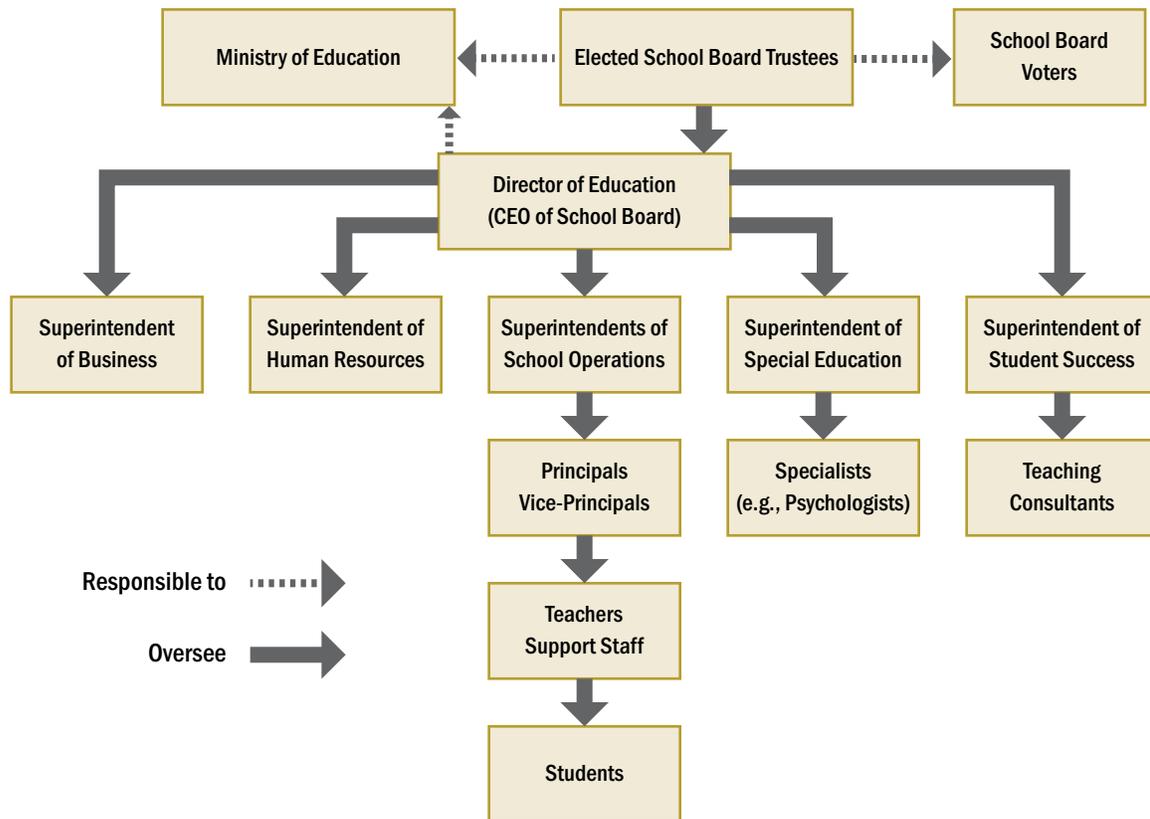
### RESPONSE FROM SCHOOL BOARDS

Hamilton-Wentworth is currently reviewing its chart of accounts in order to implement the Ministry's expense coding into the financial information system. Toronto Catholic supports the further enhancement of its financial systems in order to improve its financial reporting processes. The two other boards have already implemented Ministry expense coding into their financial systems.

Toronto Catholic plans to explore use of actual costs as opposed to estimated costs for restricted portions of the special purpose grants. Hastings and Prince Edward and Hamilton-Wentworth are willing to work with the Ministry to improve and standardize HR and financial management systems to support reporting of actual spending instead of estimated spending. Halton Catholic is already in compliance with the recommendation.

## Appendix 1: Governance Structure of a Typical School Board

Prepared by the Office of the Auditor General of Ontario



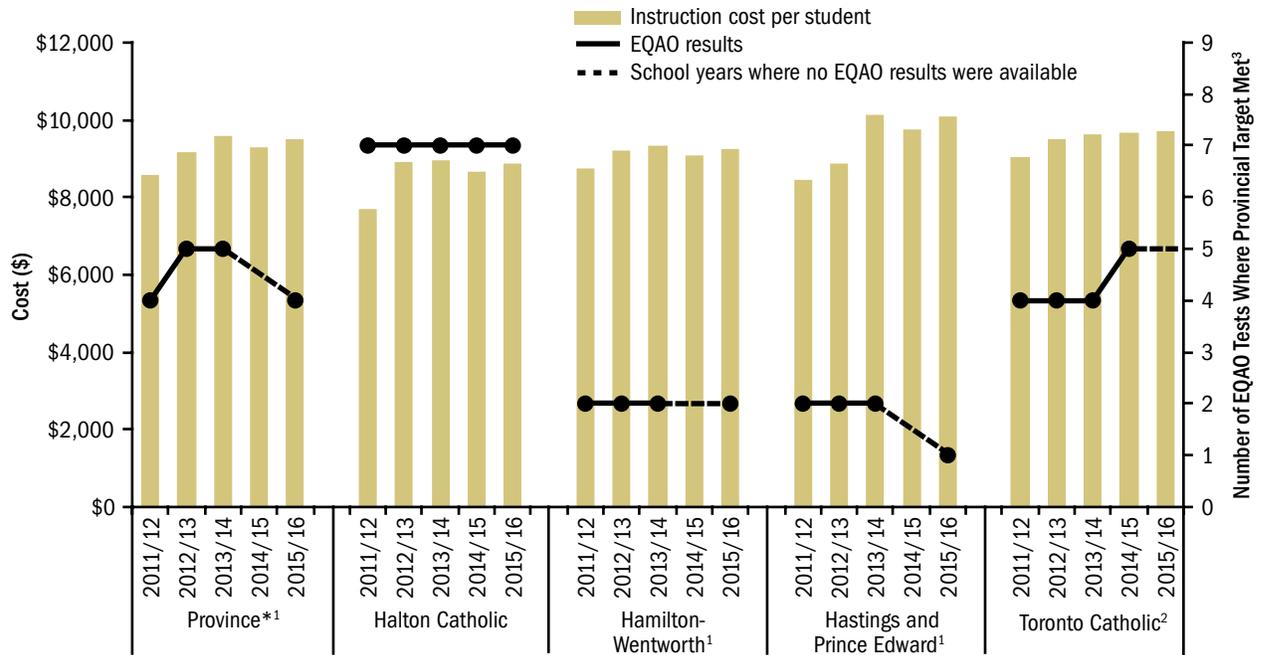
## Appendix 2: Audit Criteria

Prepared by the Office of the Auditor General of Ontario

1. School boards should have effective oversight procedures to ensure operating funds are used to promote student achievement in an efficient and cost-effective manner, within their approved budget.
2. Processes should be in place to measure and report on school board performance against established targets.
3. School boards should ensure compliance with requirements outlined in legislation, ministry policy and transfer payment funding arrangements.
4. School boards should ensure students with exceptionalities are being identified and provided with special education programs that meet their needs.
5. School boards should have processes in place to acquire and manage school resources cost-effectively.
6. There should be a mechanism in place to help the sharing of information and best practices among school boards.

## Appendix 3: Instruction Cost Per Student and EQAO Results for the Province and for Four Boards Visited, 2011/12–2015/16

Source of data: Ministry of Education, Education Quality and Accountability Office (EQAO)



\* EQAO results for province only include English language boards.

1. Hamilton-Wentworth and Hastings and Prince Edward did not participate in 2014/15 EQAO testing due to labour issues. No provincial results are available for the 2014/15 school year because many school boards did not participate in EQAO exams.
2. Toronto Catholic did not participate in 2015/16 EQAO testing due to labour issues.
3. EQAO results measure percentage of students to achieve a level 3 or 4—equivalent to a B grade or better. For the nine EQAO tests, where 75% (provincial target) or more of board's students achieved level 3 or 4.