



Welcome to:
**A discussion
about Funding
Models in LBS**



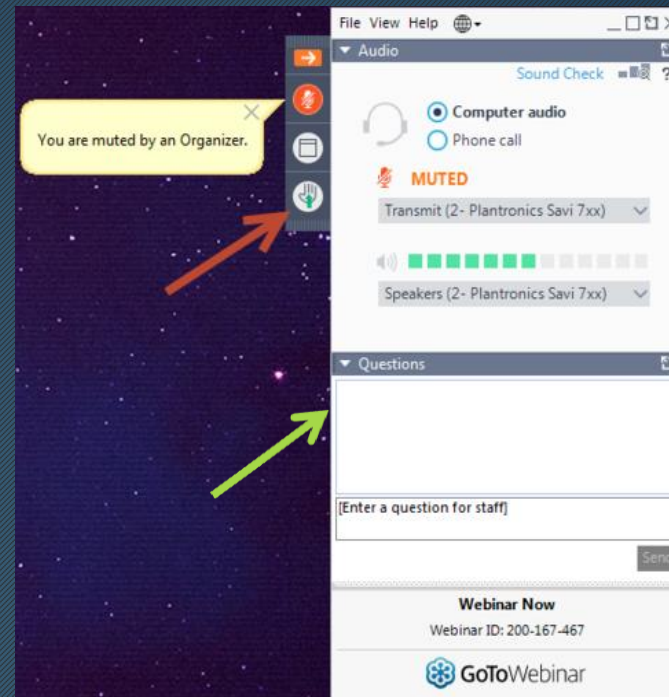
Introduction

Welcome

Introductions

Why are we here today?

Joining the conversation



Today's topics

- Cathexis LBS Evaluation
- Recent developments
- Funding Formula approaches
- LBS funding factors
- Preparing for the Symposium

Key Concepts

- What does minimum viability look like
- When do economies of scale kick in
- What should learner supports include?

What's in Cathexis

- Findings
- Analysis
- Recommendations
- Ministry Response

Cathexis - Findings

- current funding limits organizational capacity
- large share of operating costs devoted to overhead
- stagnating wages lead to inefficiencies



Cathexis - Findings

With more funding...

- more learners served
- retain skilled staff
- replace aging equipment
- professional development

Cathexis - Findings

- funding based on historical levels
- Ministry interviewees agreed that funding model is dysfunctional
- a new funding model is overdue



Cathexis - Findings

Stakeholders want a
funding model...

- that is transparent and equitable
- that provides a degree of stability and predictability
- that does not incentivize competition over clients

Cathexis - Findings

Stakeholders suggest
basing funding on:

- number of learners a site serves or its average daily enrolment
- how many barriers learners have
- intensity of services
- site performance



Cathexis - Analysis

- expansion limited by \$
- reaching fewer than target number of learners
- program budgets are stretched



Cathexis - Analysis

Funding models tend to incorporate several mechanisms and criteria



Cathexis - Analysis

A workable funding model may need to combine:

- historical funding
- pay per client
- variable pay per client
- community needs
- special funding



Cathexis - Recommendations

Recommendation B-7:

Ensure that Learners Served targets are continuously updated, reflective of evolving community needs and the differing intensities of working with different learners, and realistic given the amount of funding that sites receive.



Cathexis - Recommendations

Recommendation C-1:

Index service provider
and support organization
funding to cost of living.



Cathexis - Recommendations

Recommendation C-3:

Adopt a rationalized and transparent funding model in consultation with the field and an expert in developing funding methodologies. This individual could be internal or external to the Ministry.



Cathexis - Recommendations

- Historical funding
- Pay per client served, or average daily enrolment
- Variable pay per client, in order to accommodate the greater intensities of services needed by some learners
- Funding based on community need and demand
- Special funding for exceptional unforeseen circumstances



Cathexis – Ministry Response

The report recommends that the ministry develop a rational and effective funding model, that ensures sustainable funding, and we agree. The development of a funding model for LBS is a priority for the ministry.



Recent developments

- LBS Target Reallocation Process
- Budget 2017
- LBS Funding Increases
- Corrections Literacy initiative
- Skills Advance pilots



LBS Target Reallocation Process

- establishes consistent, realistic targets within current budgets
- adjustments made to **targets only** based on the maximum cost per learner by stream

Stream	Cost Per Learner range of high cost Service providers (10% highest)	Non-high cost site highest cost per learner	Maximum Cost Per Learner
Anglophone	\$4,600 - \$7,036	\$3,503	\$3,500
Francophone	\$4,535 - \$8,160	\$3,980	\$4,000
Indigenous	\$4,904 - \$7,196	\$4,143	\$4,500
Deaf	\$8,275 - \$10,978	\$7,926	\$8,000



Budget 2017

- Ontario Lifelong Learning and Skills Plan
- Investment and enhancements to the adult education and essential skills system



LBS Funding Increases

- \$185 million over four years in essential skills programming for adults
- increases to base funding of \$20 million in the 2017-2018 fiscal year



LBS Funding Increases

- across-the-board increases for all
- increase in learners served
- improvements to digital capacity and IT equipment
- innovative training pilots



Corrections Literacy initiative

- \$1 million
- 500 learners
- = \$2000 / learner



Skills Advance pilots

- Manufacturing Skills
- \$799,980
- 60 learners
- = \$13,333 / learner



Funding Formula Approaches

- Ontario Primary / Secondary Schools
- Ontario Adult Continuing Education

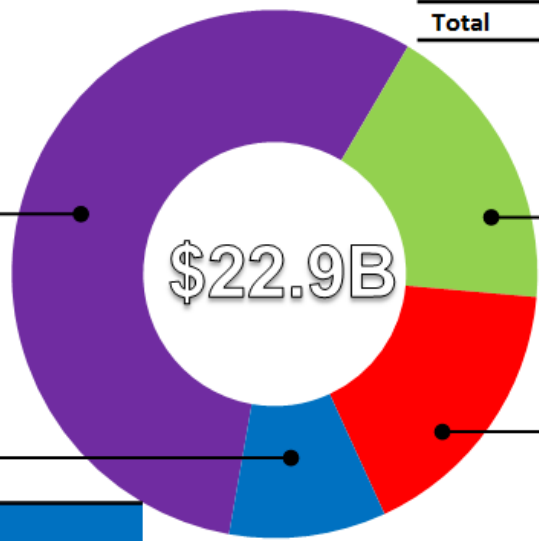


Ontario K - 12 Schools

1. Funding for classrooms
2. Funding a locally managed system
3. Funding for schools
4. Funding for specific education priorities

Funding for classrooms	
Pupil Foundation Grant	\$10,546.6M
Continuing Education and Other Programs Grant	\$165.5M
Cost Adjustment & Qualifications and Experience Grant	\$1,966.6M
Total	\$12,678.7M

Funding for specific education priorities	
Special Education Grant	\$2,762.0M
Language Grant	\$677.0M
First Nation, Métis, and Inuit Education Supplement	\$64.0M
Learning Opportunities Grant	\$532.1M
Safe & Accepting Schools Supplement	\$47.2M
Total	\$4,082.3M



Funding for a locally managed system	
Geographic Circumstances Grant	\$190.6M
Declining Enrolment Adjustment	\$31.1M
School Board Administration and Governance Grant	\$594.3M
Debt Service	\$483.4M
Student Transportation Grant	\$896.6M
Total	\$2,196.1M

Funding for schools	
School Foundation Grant	\$1,442.4M
School Facility Operations and Renewal Grant	\$2,369.0M
Total	\$3,811.4M



Ontario K - 12 Schools

Per-pupil funding in
2017-18 is projected at
\$12,100

Ontario Continuing Education



- \$3,418 per ADE
- School Facility Operations & Renewal Grant
- PLAR
 - \$123 for an individual student equivalency assessment
 - \$369 for each completed challenge assessment
- \$55.79 per classroom hour for International Language Programs



LBS funding factors

- What does minimum viability for programs look like
- When do economies of scale get triggered
- What should learner supports include?



Funding Models in LBS

Questions?