

The Ontario Special Education Funding Model

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- Ontario's publicly funded elementary/secondary education system has been engaged in large-scale reform with a major focus on a new approach to funding special education.
- Special education grants are now allocated in two major components: one is based on the school board's total enrolment while the other is designed to recognize the variable incidence of very high need students. The latter component uses a set of student profiles to identify students.
- The province funds a validation process, whereby special education experts visit school boards to review the files of a sample of identified students. Severe student funding is based on the proportion of reviewed claims supported through this validation process.
- This new approach to funding was designed to minimize administration in that only the most high need students are identified for funding purposes. The high need student component of this approach, however, has faced implementation issues. In response, policy work is currently underway.

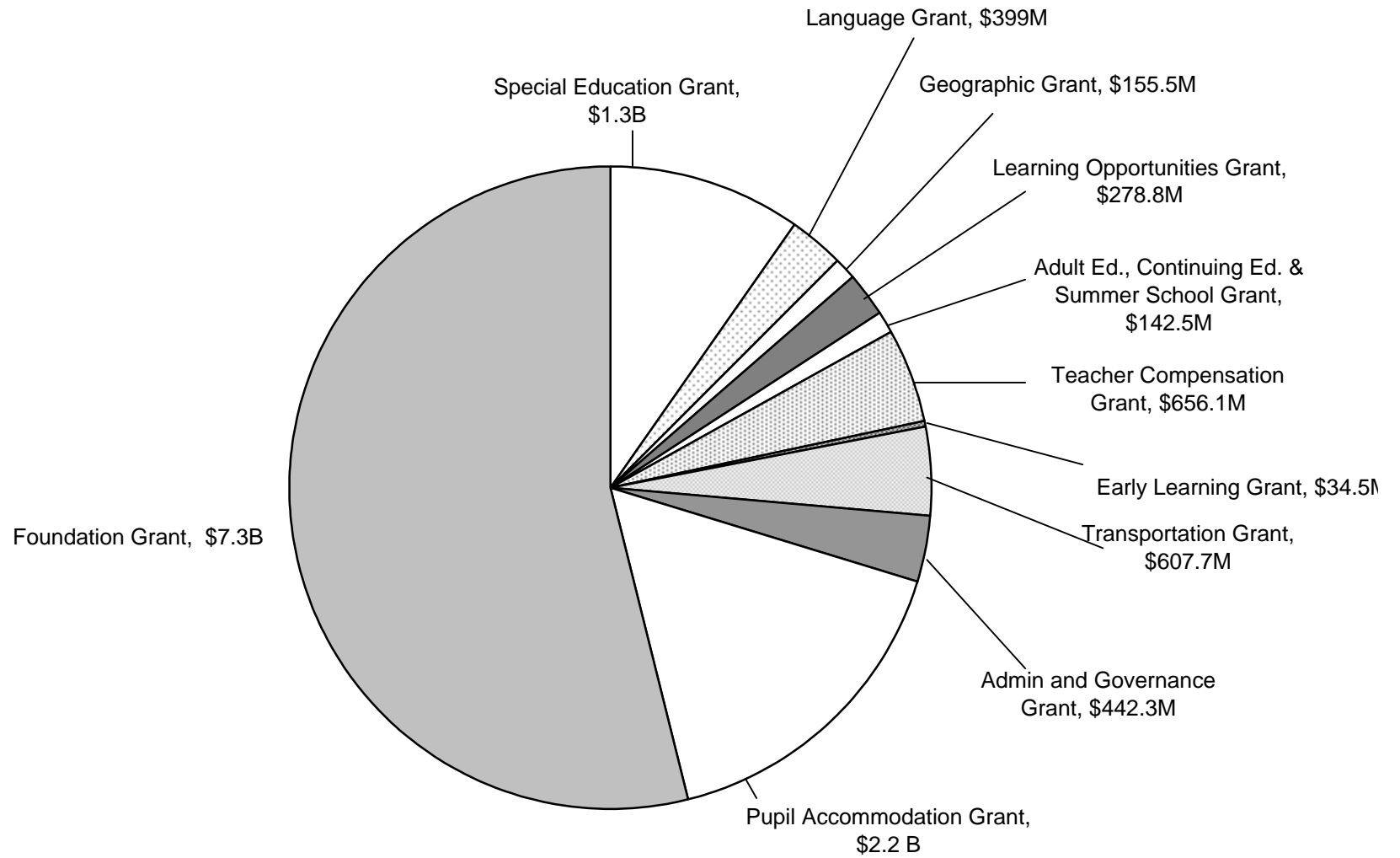
Over the past few years, the province of Ontario, Canada, has been engaged in large-scale education reform. Beginning in January, 1997, the provincial government amalgamated 129 school boards into 72 districts, creating 12 new French language boards in the process; introduced a complete new elementary and secondary curriculum; initiated a reform of secondary school that will eliminate the

existing Grade 13; introduced standardized testing and an independent Education Quality and Accountability Office to oversee it; and mandated school councils in all schools.

A major aspect of these reforms was the design and implementation of a new funding model, known as “Student-Focused Funding,” to allocate \$13 billion¹ of local property tax and provincial grant revenue among the 72 new school boards and their 2 million students. Implemented in the 1998-99 school year, this funding model consists of the Foundation Grant, nine Special Purpose Grants, and the Pupil Accommodation Grants. Table 1 indicates how funds are allocated across these grant categories. Within this model, funding for special education is *incremental* to the funding provided for all other aspects of a student’s needs. Therefore, it is expected that this special education funding is applied specifically to the additional supports and services required by exceptional students to achieve their educational goals.

¹ All dollar figures presented in this article are expressed in Canadian dollars.

Table 1: Allocation of Special Education Funds under Student-Focused Funding Model



Special Education Funding

A major focus of the new funding model and its implementation was a new approach to funding special education. In 1997, when the government announced that a new education funding model would be developed, an Expert Panel was established to advise on how to design the Special Education Grant. This Panel traveled and consulted widely throughout the province, and recommended a two-part grant, based partly on enrolment and partly on measured incidence of high need students.

The major challenge at that time was to design a basis for identifying and assessing high need students in a consistent manner. In the first year, eligibility was based on the proportion of time a student required the support of a dedicated educational assistant. This criterion was controversial because it was perceived to provide limited support for students who were in self-contained specialized classrooms, and who relied more heavily on intensive support from specialist teachers. In response, the province established a second Expert Panel in 1998, which advised on the development of high need student eligibility profiles.

Special education funding is allocated to school boards in two major components: the Special Education Per Pupil Amount (SEPPA) and the Intensive Support Amount (ISA). These components are discussed below and are followed by preliminary findings from the first three years of implementation.

Special Education Per Pupil Amount (SEPPA). The SEPPA component is allocated on the basis of a school board's total enrolment (that is, not just their enrolment of special needs students), on the presumption that all school boards have a baseline incidence of special needs students. In the 2000-

01 school year, school boards received \$500 for each JK² to Grade 3 student; \$376 for each Grade 4 to 8 student; and \$243 for each secondary student. School boards have the flexibility to apply this funding based on their own program preferences, and do not have to formally identify the benefiting students. At the same time, however, special education funding is “enveloped and protected.” This means that school boards must spend designated funds on special education, and must demonstrate that the funds have been expended for such purposes through financial reporting to the public and the province. An estimated \$722 million will be provided for this component in the 2000-01 school year.

Intensive Support Amount (ISA). This component provides funding to school boards to recognize the variable incidence of very high need students, who require intensive resources and staff supports to achieve their educational goals. School boards must use a set of student profiles to identify the number of high need students in their enrolment base. Since the establishment of these profiles entailed a significant change in eligibility criteria, ISA allocations were “frozen” at 1998-99 levels for the 1999-00 school year while a province-wide evaluation of high need students based on the new profiles was conducted. Funding for the 2000-01 school year is based on a claim process that reviews these profiles, although again, school boards are eligible for a “funding floor” based on their previous year’s ISA funding and claim results.

These profiles address the following exceptionalities: behaviour; deaf/hard of hearing; learning/language disabilities; autism/PDD; speech; gifted; intellectual/developmental; blind/low vision; physical/medial; and multiple exceptionalities. For eight of these profiles, three levels of severity are described, while only a low level of severity is included for the speech and gifted profiles. School boards

2 Junior Kindergarten.

are required to identify students who match the two higher severity profiles and submit the list of identified students as a “claim” to the province. For illustrative purposes, Table 2 shows the profile for the exceptionality category, Behaviour.³

³ Other profiles are available in the document entitled *2000-2001 Resource Manual for the Special Education Grant Intensive Support Amount (ISA): Guidelines for School Boards*, published by the Ontario Ministry of Education and available on the Ministry’s Web site at www.edu.gov.on.ca.

Exhibit 2: Example Profile (Behaviour) from Ontario's Special Education Funding System

High Incidence, Low Cost Needs	Low Incidence, High Cost Needs ISA 2	Low Incidence, High Cost Needs ISA 3
<p>1.X. - A student assessed with behavioural and/or emotional disorder.</p> <p>Characteristics:</p> <ul style="list-style-type: none"> - shows a tendency toward compulsive or impulsive behaviour that negatively affects learning -has poor interpersonal relationships and low self-esteem - demonstrates low academic achievement for reasons that can best be explained by his or her conduct - has fears or anxieties - often deviates from the behaviour that is normally expected in the situation - often breaks social or cultural norms that are usually quite well established for the age level <p><i>Manifests some of the above characteristics regularly over a period of time such that special education programs and services are required.</i></p> <p>Support:</p> <ul style="list-style-type: none"> - accommodations to the learning environment and/or modifications are made for up to 50% of the student's program - specialized behavioural support is provided (e.g., child/youth care worker, social worker, psychologist, behaviour consultant) 	<p>1.2 - A student assessed with severe behavioural problems and impulse control, who requires almost constant supervision in some settings in order to maintain safety of the student and others. This student could engage in life-threatening behaviour if left unsupervised.</p> <p>Characteristics:</p> <ul style="list-style-type: none"> - compulsive and/or impulsive behaviour that negatively affects learning - an inability to build or to maintain interpersonal relationships - an inability to learn that cannot be traced to intellectual, sensory, or other health factors - excessive fears or anxieties - regularly breaks social or cultural norms that are usually well established for the age level - deviates in a significant manner from the behaviour that is normally expected in the situation <p><i>Manifests most or all of the above characteristics regularly and consistently over time such that intensive special education is required.</i></p> <p>Intensive Support:</p> <ul style="list-style-type: none"> - accommodations to the learning environment are essential in order to fully access the curriculum - constant supervision in some settings is required in order to maintain safety of the individual and others - a range of specialized behavioural support is provided (e.g., psychologist, social worker) - 51-80% of this student's educational program is modified in order to build on the student's needs - assessment and, where required, clinical supervision/support by a regulated qualified professional is provided 	<p>1.3 - A student assessed with a severe behaviour disorder, who requires constant supervision in all school settings in order to maintain safety of the student and others. This student engages in life-threatening behaviour if left unsupervised.</p> <p>Characteristics:</p> <ul style="list-style-type: none"> - severe compulsive and/or impulsive reactions that impact negatively on the learning environment - an inability to build or maintain interpersonal relationships - extreme low self-esteem - an inability to learn that cannot be traced to intellectual, sensory, or other health factors - excessive anger, fears, and anxieties - repeatedly breaks social or cultural norms that are usually well established for the age level - deviates significantly from the behaviour that is normally expected in the situation <p><i>Manifests almost all of the above behaviours regularly and consistently over time such that constant supervision is required by specialized personnel.</i></p> <p>Intensive Support:</p> <ul style="list-style-type: none"> 81-100% program modifications are required - accommodations to the learning environment are essential in order to access the curriculum - constant supervision in all settings is essential to maintain a safe learning environment - specialized behavioural/therapeutic support is required - assessment and, where required, clinical supervision/support by regulated qualified professionals is provided

Comments:

Claims made under both ISA Levels 2 and 3 must demonstrate that students display inappropriate behavioural, social, and/or emotional responses that are of such severity in terms of frequency, intensity, or duration that the student's educational performance and/or the learning of other students is adversely affected. These responses will be observed in more than one setting.

ISA Level 3 reflects the need to address behaviours, which will always occur if not for the constant level of individualized support and supervision required. This differentiates the pupil claimed at ISA Level 3 from the pupil claimed at ISA Level 2, who may have a history and a likelihood of presenting behaviours, but not necessarily in every setting.

The province funds a validation process of school board claims, whereby special education experts (generally retired or inactive special education superintendents) are trained on the consistent application of the profiles and assessment standards, then visit school boards to review the files of a sample of the board's identified students. Based on the proportion of reviewed claims that are supported by the validators, an approval percentage is applied to the total number of identified students. This results in a figure that is used as the proxy or assumed number of ISA 2 and ISA 3 level students for that school board.

The ISA 2 count of students is multiplied by \$12,000, and the ISA 3 count is multiplied by \$27,000. The board's total ISA funding allocation is derived in this manner, and added to the board's SEPPA funding to produce its total Special Education Grant. Considerable priority is accorded to maintaining the confidentiality of student data through this process. An estimated \$562 million will be provided for the ISA component in the 2000-01 school year.

Other special education funding. The ISA component of the Special Education Grant also includes three additional categories of funding:

- 1) Equipment Funding: Application-based funding for individual equipment for exceptional students.

The first \$800 of annual equipment costs must be covered by the school board; the remaining costs are funded through this category. This equipment is portable, in that it can be retained by the student if he or she changes school boards, if appropriate. \$5 million is allocated annually for this purpose.

- 2) Program Funding: Program funding for education programs operated in care, treatment, and correctional facilities, including hospitals and youth group homes. \$67 million is allocated annually for this purpose.

3) Special Incidence Portion: Individually reviewed application-based funding to support a small number of very high need students who require two or more full-time staff supports to participate in a classroom setting. \$2.5 million is allocated annually for this purpose.

Portability. ISA funding is “portable,” a feature that supports the movement of high need students across Ontario school boards. Both the province and school boards track which students have been included in boards’ claims of students matching ISA 2 or 3 profiles. When these students change school boards, adjustments can be made in-year to school boards’ Special Education Grant allocations to reflect the net transfer of high need students. This portability feature supports the ability of school boards, particularly small school boards, to provide supports to high need students who enrol in-year without major budget accommodations. As noted, students can also bring individualized equipment with them whenever appropriate. Approximately 5% of ISA students change boards each year and require portability adjustments, suggesting a fairly high level of mobility for these students.

Early Findings from ISA Implementation

As noted above, school boards have been required to identify high need students who match “ISA profiles” and submit a claim to the province, noting the number of students who meet each profile. Through the validation process described above, the percentage of files from a statistically significant sample of claimed students which is approved by expert validators is extrapolated to the total number of files claimed in each board, and a funding level is determined. This process has thus far produced some interesting data, which may be of interest to other jurisdictions.

Table 3: Characteristics of Intensive Support Claims

	1998	1999	2000
Incidence of High Need Students			
Number of claims	28,726	29,886	31,615
Claims as a % of enrolment	1.47%	1.52%	1.60%
Approval Rates			
Number of eligible files as a % of number of claims	86.5%	75.2%	73.1%
Number of eligible students	24,860	22,487	23,126
Eligible students as a % of enrolment	1.28%	1.15%	1.17%

As Table 3 indicates, the incidence of eligible students has been fairly stable, despite the evolution of the eligibility criteria. These data also illustrate the value of the validation process in distinguishing eligible files from claimed files.

Table 4: Variability of High Need Students

	1998	1999	2000
ISA 2			
Highest proportion of eligible students, as a % of board's enrolment	5.07%	3.79%	1.95%
Lowest proportion of eligible students, as a % of board's enrolment	0.12%	0.18%	0.17%
ISA 3			
Highest proportion of eligible students, as a % of board's enrolment	2.65%	2.17%	1.59%
Lowest proportion of eligible students, as a % of board's enrolment	.18%	0.19%	0.17%

As Table 4 indicates, the range of results amongst boards in their measured incidence of high needs students has been narrowing, largely through a reduction in the number of boards with "outlier" results from the claim and validation processes. However, the results still illustrate a highly variable

incidence in the distribution of high need and high cost students, a result which continues to justify the administrative effort involved in measuring this incidence, and funding boards accordingly.

Table 5: ISA Claims by Type of Exceptionality

		1999	2000
ISA 2 - % of Students Validated			
1.2	Behaviour	7.5%	10.0%
2.2	Deaf/hard of hearing	1.7%	2.6%
3.2	Learning/language	8.1%	10.2%
4.2	Autism/PDD	3.1%	6.1%
7.2	Developmental/intellectual	16.2%	14.0%
8.2	Blind/low vision	0.2%	0.3%
9.2	Physical/medical	2.2%	3.0%
10.2	Multiple exceptionality	7.8%	5.6%
ISA 3 - % of Students Validated			
1.2	Behaviour	5.6%	6.4%
2.2	Deaf/hard of hearing	1.5%	2.8%
3.2	Learning/language	2.2%	1.6%
4.2	Autism/PDD	6.7%	6.0%
7.2	Development/intellectual	11.9%	8.1%
8.2	Blind/low vision	1.0%	1.2%
9.2	Physical/medical	3.8%	6.0%
10.2	Multiple exceptionality	20.5%	15.3%

Table 5 shows the distribution of Ontario's high need students, by exceptionality. It should be noted that the sampling technique used in Ontario's validation process does not guarantee statistically significant results for each type of exceptional student, and this data is based on the validated sample as opposed to the overall population of eligible students. These data, nonetheless, suggest the probable exceptionality distribution of Ontario's high need students.

Implementation Issues and Next Steps

The design of Ontario's new Special Education Grant has a number of advantages. Its two major components provide funding on an enrolment basis, and on an identified student basis. It was designed to minimize administration, in that only the most high need students, typically students whose needs are well documented and assessed, are required to be identified for funding purposes.

This high need student, or ISA, component of the funding approach, however, has faced a number of implementation issues. The administrative workload involved in identifying and documenting ISA-eligible students has been heavier than anticipated, leading to criticism that school board staff must invest considerable time and resources into preparing their ISA claims and preparing for the validation process. School boards have also contested the design of the ISA profiles, their access to professional assessments (an eligibility requirement for some students), and the gap between their existing program expenditures and the measured need for funding as a result of the ISA validation process.

In response to these concerns, policy work is underway to review a number of aspects of the ISA approach. These include administrative and software supports that can be made available to school boards to administer the accountability aspects of their special education programs; assessment standards that can be applied consistently and credibly by all school board staff; and provisions that will bolster funding stability and the ability to plan programs and staffing.

It is anticipated that the ISA approach to funding special education will undergo annual refinements in response to the experience of school boards in meeting the needs of exceptional students. It is also anticipated that the funding approach for special education will evolve in response to, and in support of, broader policy development in special education. New standards for the development of

Individual Education Plans for exceptional students, and standards for mandated school board Special Education Plans have also been recently released. In particular, Ontario has launched a major initiative to establish program standards for special education students, with findings scheduled to begin release in 2001-02. It is anticipated that these program standards will address new or refined definitions for each exceptionality; standards for screening and assessment protocols; standards for the level of service to be provided, who provides it and in what way; and a list of outcomes for each exceptionality consistent with the successful practices upon which the standards are based. These initiatives will undoubtedly influence future refinements in Ontario's special education funding model.⁴

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⁴ Further information about Ontario's special education funding model is available through the Ontario Ministry of Education's Web site at www.ed.gov.on.ca. Documents of interest are located in the finance section and include: 1) Technical Paper: Student-Focused Funding 2000-01, and 2) Resource Manual for the Special Education Grant Intensive Support Amount (ISA) Guidelines for School Boards 2000-01—this manual contains the exceptionality profiles and claim forms referred to in this article. Other information is available through the Education Finance Branch. Available information includes discussion papers on the 1999 and 2000 ISA results. To contact the Education Finance Branch, please write or telephone: Education Finance Branch, Ontario Ministry of Education, , 21st Floor, Mowat Block, 900 Bay Street, Toronto, Ontario, M7A 1L2, 416-325-2830.