The contracting resource base: a catalyst for educational administration reform

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Introduction
The past three years have been difficult for educators in Ontario as a growing provincial budget deficit precipitated the last provincial government led by the New Democratic Party (Socialist) to cut the level of resources made available to education. Running in parallel with reducing budgets was a growing reluctance on the part of local taxpayers to fund resource shortfalls without visible signs of improvement to, and greater accountability on the part of, the education service for a more effective, efficient and economic education system. The following outlines the most important features affecting the administration of education in the province of Ontario.

The professional response to the provincial crisis
Although public perceptions of a costly and failing education service were similar to those which existed in England and Wales ten years ago, the political response to the pressure for reform was, at least initially, markedly different. A Royal Commission was established to canvass a wide body of opinion in the province, an approach which respected the professional views of educators as well as the very important views of parent groups and other stakeholders. The final report produced by the Royal Commission - For the Love of Learning (MOET, 1994) – was a balanced document which achieved wide support from the provincial parliament, interest groups and the media. In broad terms, the recommendations of the Royal Commission Report focus on four engines of change:
1. a new kind of school-community alliance which recognizes that teachers alone cannot educate a child. School community councils are to be established with an emphasis on developing the community’s sense of responsibility for the education of children;
2. early childhood education beginning at the age of three to lay firm foundations for the future and to help mitigate the anticipated lack of nurturing presumed likely to occur in a rapidly changing society;
3. establishing a college of teachers to regulate professional standards and extending pre-service education to two years while revising existing arrangements for continuing professional development and preparation for principalship;
4. recognizing that schools, school structures and schooling need to be very different to prepare students for the world of work and the leisure of the future in a world increasingly reliant on information technology.

In sharp contrast to the approach to reform adopted by the British Government, the report portrayed a genuine wish to maintain an education service which is equitable for all, as well as a wish to work with educational professionals to create schools which are: the kinds of organizations most likely to prosper in the post-industrial, post-modern world … ones characterized by flexibility, adaptability, creativity, opportunity, collaboration, continuous improvement, a positive orientation toward problem solving and commitment to maximizing their capacity to learn about their environment and themselves (Hargreaves, 1994, p. 63).

Rapidly changing circumstances
Two key changes occurred very soon after the release of the report, and these provide an excellent example of how the good intentions of concerned professionals can be swiftly derailed by changing economic and political realities. First, in spring 1995, the federal government of Canada announced that it could no longer afford to continue distributing massive financial subsidies to provincial education programs. Ontario’s share of reduced transfer payments of an initial $800 million is substantial as it is the most populated of the provinces. In addition, from now on all transfer payments will be received by provincial treasuries as block grants which on all transfer payments will be received by provincial treasuries as block grants which are not earmarked for particular elements of provincial spending. Accordingly, provinces will decide the disposition of transfer funds to reflect their particular resource priorities more closely.

Second, the situation was compounded in July 1995 when the newly-elected Conservative government of Ontario announced further...
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To understand why a detailed examination of the concepts may be implied in educational policy, it is necessary to recognize that there are two types of equity. One is horizontal equity which may be considered as the equal treatment of equals. Within this context, administrators may provide equal access to a prescribed minimum offering. Recent official recognition of social and racial inequality has led to the identification of the second type of equity, vertical equity. Within this context comes the understanding that, for equality of educational opportunity to be achieved, there must be unequal treatment of unequal individuals. Vertical equity it is necessary to focus on the needs of individual students, and the types of resources necessary to meet these needs. It is this latter which requires a highly creative administrative and sensitive approach to resource management so clearly missing in the resource management approach currently emerging in the province. For example, school board administrators are faced with two dilemmas. One, they need more money to meet an increasing range of special educational needs, but financial resources from the province are being reduced instead of increased. Further, the provincial government is considering capping the ability of local government, including school boards, to raise additional revenues from local taxation. Two, an easy way of dealing with the problem would be to focus on attaining horizontal equity, but this would place administrators in the serious situation of having deliberately to ignore the identified needs of special groups and individuals.

Equity and equality of educational opportunity

Challenges inherent in meeting a reduction in resources in any one of the key areas of school administration are magnified by attempts to provide fair treatment for all students. It is almost certain that while administrators may strive to “make do with less”, at the individual school board level this includes pressures on administration to deal efficiently with issues related to demographic changes, collective bargaining, building maintenance, changing classroom technology, class size, transportation, insurance and uses of a range of resources. Concurrently, school administrators are expected to provide an acceptable quality of education to all students, and are expected to encourage, through a variety of means, a high level of classroom performance from teachers. This expectation must consider important philosophical underpinnings of the education system in Canada, such as equity and equality of educational opportunity, defined and discussed in the following.

Rural/urban contrasts

Problems associated with the concept of vertical equity are magnified when demographic and geographic differences are factored in. This is a particular issue in large countries such as Canada with sparsely populated areas, a large number of highly diverse cultures and an unequal distribution of highly urbanized and undeveloped settlements. In the province of Ontario, for example, with an area of 412,582 square miles (the UK has 94,226 square miles) and ten million unequally distributed inhabitants, there are very large differences between the resources available to students in Toronto (latitude 43°...
and those available to students in Fort Severn (latitude 56), owing to distance from source, availability and cost of transport. Further, the northern Ontario culture is very different from that in the south. In fact, differences in needs among various segments of the population are acutely distinguished from one another by geography alone. With this realization, it might need a miracle to achieve anything resembling vertical equity, and any hopes of improving on it may evaporate under the combined effects of the present and proposed constraints on the provincial educational budget.

Equality in urban areas

This is not to say that the emerging picture in urban areas is significantly better – just very different. Achieving vertical equity in smaller geographic areas such as cities brings its own set of challenges, and yet these also need to be accommodated in any resource management approach adopted by the province.

Three examples from one major city (population 317,000) will suffice. First, there is the complex structure of local educational administration. The educational needs of the city are supervised by a city-based secular board, a Roman Catholic separate board, and a county board overseeing the needs of approximately 58,000 schoolchildren in primary and secondary schools. Second, the diverse student population – in some of the city schools there are as many as 45 different languages spoken, and as many as 50 national and ethnic groups. Further, in the metropolitan area there are approximately 2,500 First Nations people consisting of (among many others) Mohawk, Ojibway, Chippewa and even Inuit from the far north. Third, important cultural constraints – while highly urbanized areas probably have more resources to provide equity, it may well be provided only within the horizontal context, as the social milieu is not conducive to intense cultural diversification. Further, any attempts at vertical equity for the culturally diverse population of the city in question must place a serious burden on school budgets, one which might be intolerable even when supported by the best of intentions. For the fall of 1995, the county board budgeted for $109.5 million – $10.9 million less than three years ago (see Appendix).

The management problem at school board level

As a result of current and proposed budget cuts, the county board is faced with major difficulties, some of which are categorized as follows:

- reduction in teaching staff and a freeze on wages and hiring, salaries and wages from $77.2 to $74 million;
- reduction in resources for the Media Centre from $0.63 to $0.58 million;
- reduction in programme services from $0.47 to $0.40 million;
- reduction in regular day school costs (furniture, equipment, computers, etc.) from $4.7 to $4.0 million;
- reduction in continuing and community education funding from $0.2 to $0.08 million;
- sustained debt charges and interest of around $2.5 million each year since 1991;
- increased bank charges and interest from $0.01 to $0.1 million;
- total budget reduced from $120.4 million in 1992 to $109.5 million in 1995.

There is no “fat” left to trim, bearing in mind that the reduced budget has to pay for increasingly expensive services. Despite this, a further $36 million cut is to be shared between the 172 Ontario boards. The impact will be felt in services, particularly professional support services, required to maintain vertical equity. Proposed cuts to administration are relatively minor and are as follows:

- business administration $0.82 to $0.76 million;
- general administration $0.49 to $0.4 million;
- superintendents of education (resource management, not salaries) unchanged since 1991 at $0.1 million.

While it may be no one’s intent that the burden of the impact of reduced finances falls on professional support services, it is the area under the current system of incremental resource management most likely to be affected as it is the one most easily manipulated. This may be due to its composition of many parts, and past practice of reducing funding in small portions from many areas has created little agitation and met a net goal. There are two possible outcomes in dealing with the current situation.

Outcomes – without action

There is an immediate impact on equity issues. While the board may be able to provide horizontal equity, the quality of education in this context available to students in terms of variety and range of usefulness for their futures will of necessity decrease, simply because there is insufficient funding to provide more than a basic range. There is a profound impact on vertical equity – the unequal treatment of unequals – as special categories (cultural and language-related for
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example) can no longer be considered as part of the school curriculum. This results in a sink-or-swim situation for immigrants and seriously erodes multiculturalism within the context of the Canadian cultural mosaic.

Outcomes - amelioration
The $10.9 million budget reduction is a strong indicator that the county board has very seriously attempted to trim its budget. In fact, it is one of the leanest budgets around. However, even if no further funding reductions are made there must still be a reduction in services owing to increases in teacher salaries (if any), costs of services and equipment, and the board's increasing need to maintain currency in communications systems. Pressures from parent and other interest groups to increase, or simply maintain, quality in education are likely to be futile in their attempts to bring about results. In the long haul, schools will be besieged by increasingly frustrated and critical groups and will only be able to produce lower quality programmes.

There is no rational cure for this situation as successive reductions of resources reduce administrators to a process of resource allocation rather than one of resource management (Giles, 1995). Paramount in importance in ameliorating what is fast becoming a critical situation is a need for provincial reform of budgeting preconditions and practice.

The need for provincial reform
As the case study of the county board has shown, "death by a thousand cuts" is no way to run an education service. Clearly, it is no longer possible for even medium-size school boards (by Ontario standards) to withstand successive budget reductions, a de facto cap on their ability to raise taxes, and the need to meet the demands of centrally mandated reforms which are not supported by additional resources. Simultaneous management of contraction and reform may be possible but not set against an anarchonic funding and administrative apparatus which is "out of its time" in the educational climate currently emerging in Ontario.

There seem to be three root causes to the problem of resource management in the province. First, the reduction in resources has been the school board, rather than the provincial education system - a holistic view has not been a feature of resource management in the province.

Revisions to the management of resources in Ontario
Before introducing popularist "solutions", such as restructuring the curriculum, and introducing province-wide arrangements for the testing of students, politicians and Ministry of Education and Training (MOET) officials need to decide how best to revise the administrative mosaic before more reform is mandated at school level. What follows, then, are a number of (by no means exhaustive) suggestions which aim to align the need for reform more closely with an administrative apparatus more in tune with providing the resources for hard-pressed teachers to be effective, efficient, economic, but, perhaps most importantly, equitable in their work:

1. Establish a new means of funding education in the province which, with the exception of tax-rich large cities, is largely provided through local taxation (55.5 per cent in 1990).
2. The province should move towards a core pupil funding formula for all students which should realistically represent the average cost of educating a student and the fully-costed expectations of the MOET. The formula may be age-weighted in favour of younger students, with target funding projects a characteristic of the more senior grades.
3. In addition to core funding, a needs-related element should be included to reflect local conditions more closely. This additional funding should consist of two parts. First, an administrative addition to reflect additional costs such as heating, local building requirements, home-school transport, free school meals, etc.; and, second, an addition which would relate to student needs. Core and additional funding should reflect need and guaranteed province-wide service levels which are not subject to arbitrary political interference (for example, maximum class sizes).
4. Review the role and function of the 172 school boards which exist in Ontario. Define more clearly their professional support role in the educational service, in particular their responsibility for:
   - quality control and assurance;
   - staff development and personnel issues (human resource management);
   - advice, support and guidance;
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- customer service (complaints, support and advice) and marketing.
5 Reduce to a minimum the administrative function of the school boards. Many of these functions may be centralized at the MOET or at a very limited number of local “lean” MOET district offices. Alternatively, provincial administration of education could be put out to tender and privatized within clearly identified MOET service standard guidelines. These could include grounds maintenance, school meals, school maintenance, school cleaning and supply teaching, etc.
6 Establish an independent provincial Efficiency Savings Group (ESG) responsible for identifying and removing waste in the system. The ESG would serve two broad functions: first, to investigate, report and recommend efficiency savings across the province in a similar way to the Audit Commission in Britain. Second, to be responsible for managing specific province-wide efficiency projects, in such a way as to minimize disruption to schools, but maximize savings which can partly be offset against budget deficits and partly ploughed back into classrooms to improve service delivery. Specific projects which could be managed at the present time by such a body would include:
   • the phased merger of the 172 school boards in the province to create larger, more cost-efficient units;
   • bringing together in unified boards the English public schools, French public schools, English separate schools and French separate schools, to ensure maximum efficiency savings in terms of planning and support services to schools;
   • establishment of a provincial school supplies purchasing organization;
   • establishment of a provincial school transport commission;
   • standardizing of forms, procedures and statistical data collection. Ensure system-wide integration of data collection through the development of an Ontario computer-based management information system.

Conclusion
This paper recommends that Ontario manages into place a carefully-thought-through restructuring of the way that the resource interface is managed at provincial, school board and school levels. Calls for economies at school board level, as this example of the county board has shown, will simply not deliver efficiency, effectiveness, economy and equity. If existing administrative structures are sustained we will inevitably see an unravelling of educational provision in Ontario, enormous disparities in both the level and quality of services on offer to students, and an inability to address a growing range of professional issues relating to equity which, hitherto, has been a cornerstone of integration and social cohesion in this province.

References

Appendix: the county board of education budget for 1995 (fall)
The following overall figures are compared with the highest overall figures over the past four years, and are in millions of dollars.

Salaries and wages

Employee benefits
1995 – 10.6. These have increased each year.

Travel
1991 – 0.18, 1995 – 0.14

Business administration
1991 – 0.82, 1995 – 0.76.

Equipment
1991 – 0.15, 1995 – 0.13. This includes insurance which has increased by 61.97 per cent over five years.

General administration
1994 – 0.49, 1995 – 0.4.

Computer services
1991 – 0.34, 1995 – 0.22.

Superintendents of education
These figures include resource management, personnel training, staff development, public health services and school safety patrols, but not salaries. 1991 – 0.1, 1995 – 0.1.

Media centre
1991 – 0.63, 1995 – 0.58.
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Programme services
1991 – 0.47, 1995 – 0.40.

Communications
1994 – 0.25, 1995 – 0.25.

Regular day school costs
These include furniture and equipment, text and library books, classroom supplies, stationery costs, computer software, vocational education and core French programme needs.

Continuing and community education
1991 – 0.2, 1995 – 0.08.

Co-operative education – personnel training
1991 – 0.028, 1995 – 0.018.

Plant operation
1995 – 2.96. This has been increasing every year. It includes a 15.5 per cent increase in property insurance.

Plant maintenance
1994 – 1.33, 1995 – 1.33. This has been increasing every year and includes a 72.48 increase in vehicle insurance.

Transportation
1991 – 7.74, 1995 – 6.46. This includes special transport for exceptional students and homeschool transport.

Tuition fees
1991 – 0.57, 1995 – 0.48. This is composed of fees paid to other boards for special education services.

Capital non-allocable

Debt charges and capital interest
1991 – 1.62 and has been around 2.5 since. This includes debenture repayments and capital loan interest.

Other operating costs
1992 – 0.15, 1995 – 0.13.

Bank charges and interest
1991 – 0.01, 1995 – 0.1.

Total budget