

Legislative
Assembly
of Ontario



Assemblée
législative
de l'Ontario

STANDING COMMITTEE ON PUBLIC ACCOUNTS

LITERACY AND NUMERACY SECRETARIAT
(Section 3.07, 2009 Annual Report of the Auditor General of Ontario)

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The Honourable Steve Peters, MPP
Speaker of the Legislative Assembly

Sir,

Your Standing Committee on Public Accounts has the honour to present its Report and commends it to the House.

Norman W. Sterling, MPP
Chair

Queen's Park
December 2010

STANDING COMMITTEE ON PUBLIC ACCOUNTS*

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2nd Session, 39th Parliament

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STANDING COMMITTEE ON PUBLIC ACCOUNTS
LIST OF CHANGES TO COMMITTEE MEMBERSHIP

MARIA VAN BOMMEL was replaced by WAYNE ARTHURS on September 22, 2010.

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PREAMBLE

The Literacy and Numeracy Secretariat (Secretariat), part of the Ministry of Education's Student Achievement Division, was established in 2004 to provide specific support to school boards and schools.¹ The Secretariat is to assist them in fulfilling their responsibilities to improve the achievement of children from junior kindergarten to grade six and to help close gaps in achievement for lower-performing student groups and schools. Achievement is measured by Education Quality and Accountability Office (EQAO) test results in reading, writing, and mathematics.

The Auditor General (Auditor) noted that although the Ministry of Education (Ministry) did not achieve its EQAO target that 75% of 12-year-olds by 2008 would achieve a level-three or B average standard, substantial progress had been made over the last five years. The number of children achieving level three increased on average from 56% in 2003/04 to 65% in 2007/08. The Auditor said that further increasing this percentage will be challenging and made a number of suggestions for the Secretariat. The Auditor said, for example, Secretariat program funding was not always allocated to school boards and schools with the greatest need. He also said that neither the Secretariat nor the school boards visited adequately documented, monitored, or reported on school board improvement plans to improve student achievement. These are some of the findings of the Auditor's value-for-money audit of the Literacy and Numeracy Secretariat (section 3.07 of the Auditor General's 2009 Annual Report).

In May 2010 the Standing Committee on Public Accounts held public hearings on the Auditor's report. Senior officials from the Ministry and the Secretariat (which, as noted earlier, is part of the Ministry) participated in the hearings. (For a transcript of the Committee proceedings please see Committee *Hansard*, May 19, 2010.) The Committee endorses the Auditor's findings and recommendations. This Committee report presents the Committee's findings, views, and recommendations. The Committee requests that the Ministry and the Secretariat provide the Committee Clerk with written responses to the recommendations within 120 calendar days of the tabling of the report with the Speaker of the Legislative Assembly, unless otherwise specified in a recommendation.

Acknowledgments

The Standing Committee on Public Accounts extends its appreciation to officials from the Ministry of Education, including the Literacy and Numeracy Secretariat, for their attendance at the hearings. The Committee also acknowledges the assistance provided during the hearings and report writing deliberations by the Office of the Auditor General, the Clerk of the Committee, and staff in the Legislative Research Service.

¹ The Secretariat, when created, was associated with but separate from the Ministry of Education.

OVERVIEW

The Secretariat works with over 4,000 elementary schools across 72 school boards. It serves English- and French- language schools in both public and Catholic school boards and collaborates on measures such as setting targets. The Secretariat employs over 80 Student Achievement Officers (SAOs) who are experienced educators that work with schools and school boards on education strategies. Since its establishment the Secretariat has spent \$340 million, with almost \$288 million transferred to school boards to help them meet student-achievement targets. The Secretariat has 102 employees and a budget of \$81 million.

The Ministry said that Ontario is recognized as a global leader in education. Other countries look to it for advice and guidance. In international testing such as the Progress in International Reading Literacy Study (PIRLS), Ontario has improved at a faster rate than many other jurisdictions. In 2008/09, 67% of grade three and six students were achieving at or above the level-three standard in EQAO testing.

Objectives and Scope of the Audit

The objective of the audit was to assess whether the Secretariat had adequate procedures in place to:

- measure and report on the effectiveness of its activities in fulfilling its mandate to ensure that students in Ontario achieve a high level in reading, writing, and mathematics by age 12; and
- ensure that its transfer payments to school boards are properly managed and directed to the areas of greatest need of support for students' achievement levels to improve.

As part of the audit, the Auditor interviewed supervisory officers and principals at one French-language school board and five English-language school boards.

ISSUES RAISED IN THE AUDIT AND BEFORE THE COMMITTEE

Significant issues were raised in the audit and before the Committee. The Committee attaches particular importance to those issues discussed below.

Measuring and Reporting on Program Effectiveness

The Auditor noted that the Ministry's priorities are to attain high levels of student achievement, close gaps in student achievement, and maintain high levels of public confidence. In the five years preceding his 2009 audit, average EQAO results for both English- and French-language schools increased by almost 10% (from 56% to 65%). French-language schools achieved the Ministry's goal for achievement levels for 12 year olds in 2007/08; English-language schools did not.

The Auditor noted that other jurisdictions track the test scores of individual students over time, for example, by comparing a particular group of students'

grade three results with their grade six results three years later (cohort tracking). The Auditor believes that if the Ministry undertook cohort tracking in conjunction with test-score analysis it would have a better measure of the value of its investment in programs. The Auditor also noted that Ontario does not report how wide the gap is between the highest and lowest performers, that other jurisdictions do measure this and that those with narrower gaps tend to have higher average scores. The Auditor recommended that the Ministry report changes in the gap between top-performing and lower-performing student groups and schools, as well as how specific student cohorts perform over time while participating in the programs and initiatives intended to improve their performance.

CLLRNet Report

The Ministry referred to the Canadian Language and Literacy Research Network (CLLRNet) 2009 report titled *The Impact of the Literacy and Numeracy Secretariat: Changes in Ontario's Education System*. The report said that the Secretariat has had a major, and primarily positive, impact on Ontario's education system; there has been a significant shift in the culture of Ontario schools that is focused on enabling the success of all students; and that there has been sustained improvement in student achievement. The report also states that increased attention to evidence, research, evaluation and data can be expected to provide general, long-term benefits, across all areas of the education system in Ontario.

Improvement in EQAO Test Score Results

The Ministry attributed improvement in EQAO test score results to its multi-faceted approach to student success. It said that SAOs are respected superintendents, principals and classroom teachers from across Ontario who work directly with schools and school boards. They build knowledge and develop capacity to implement evidence-informed strategies to improve students' reading, writing and math skills.

The Ministry said that the Secretariat's initiatives work in an integrated way to improve student learning and achievement and narrow the gaps. It is difficult to quantify the exact degree of impact of individual strategies. Evidence that the Secretariat's approach works exists in the analysis of overall outcomes.

According to the Secretariat, some interesting results underlie the EQAO improvement scores for students achieving level three and four results. For example, when assessing the grade six writing results the Secretariat does not just assess who achieves level three or four but also:

- How many students have very high levels of special needs and are therefore exempt from the tests? (Over the last five-to-six years exemptions have decreased from 5% to 3%.)
- Who was not able to complete enough of the test to reach level 1? (Over the last five-to-six years the number has decreased from 5% to less than 1%.)

- What proportion of students is at level one or two and how has this number changed over the years? (Over the last six years the number of students producing work at level one has decreased from 5% to less than 1%.)

English- and French-language School Student Outcomes

The Committee asked why French language schools had better EQAO test results on average than English language schools. The Secretariat said that while it is almost impossible to say which factor has a particular impact, French school boards, for the most part, have had full-day learning in junior and senior kindergarten for a number of years. The Secretariat noted that this can have a significant impact, particularly on grade three results, on building that foundation for learning that carries through into later years. The French school systems have historically worked more closely together and shared best practices. There is also a focus on improving outcomes for children in the French system because parents must consciously choose to enrol their children in it.

The Secretariat said that the French first-language schools and the French boards across the province are designed for students who have French-language rights under the Charter. Not all those children, however, speak French in the home. The Secretariat said that in the early year programs in the French school system there is a focus on oral language development, a critical component to learning. The Secretariat has been working with a number of northern school boards on an oral language program (international researchers are in these schools). According to the Secretariat, a significant number of the 12 French boards are doing well, but for many of the small French school boards in the North, achieving good results is as much of a challenge as it is for English school boards in the North.

Gap Between Lowest-performing and Highest-performing

Ontario reports the proportion of students who achieve at levels one, two, three, and four on the EQAO tests. The Secretariat said that in a sense, the gap between the highest and lowest students is the difference between a student performing at level four and a student who has not yet reached level one. According to the OECD, Ontario has about half the gap of many other countries in the norm.

The Secretariat measures gaps for specific groups and tracks results. From 2002 to 2008/09 it reduced the gap of English-language learners' performance by half, which the Secretariat said is good for Ontario and is recognized positively by international groups, given the number of students coming to Ontario from all over the world. The Secretariat said that overall performance has improved but that the rate of improved performance of English-language learners has been twice that of the overall rate. It has also significantly reduced the gap for students with special needs, attributing this to the precision of teaching and the Secretariat's ability to take one teacher's good practice and to turn it into a broader good practice (across the system) quicker than ever before. The Secretariat added, however, that it is not able to designate the gap in performance on an individual basis. The Ministry said that while its cohort tracking may not be

as exact as that in some other jurisdictions, it shows by percentage and by board, the difference between how many students are achieving at each level.

Future areas of focus will include the socio-economic gap. Schools in the Ontario Focused Intervention Partnership (OFIP) one and two programs were likely to be those schools that had, for example, socio-economic challenges or students with special needs challenges. The Secretariat has a Schools on the Move program which highlights schools that have raised student achievement and sustained progress in raising those achievement levels over several years. In June 2010, the Secretariat celebrated schools in the program facing challenging socio-economic circumstances to demonstrate that demographics are not destiny (see Monitoring and Funding of Program Initiatives section below for more information on OFIP, Schools on the Move and other programs).

Committee Recommendation

The Standing Committee on Public Accounts recommends that:

- 1. The Literacy and Numeracy Secretariat shall report to the Standing Committee on Public Accounts on measures under consideration by the Secretariat to better utilize cohort tracking to assess the progress of the same group of students over time.**

School Board Improvement Plans

These plans are intended to help teachers, principals and senior school board staff plan and implement strategies to improve student achievement in both the short and long terms. The Ministry has adopted SMART goals (specific and strategic, measurable, achievable, result-based, and time-bound) for improvement plans and recommended that boards develop plans based on these goals. Although not required, all 72 boards have been submitting their plans to the Ministry. The Auditor noted, among other factors, that there was little documentation that the Secretariat reviewed the plans and a lack of documentation on SAO feedback to school boards on the plans.

The Auditor also noted that the Ministry has only informal accountability mechanisms in place and little assurance (or documentation) that school boards meet the goals or timelines in their improvement plans or undertake necessary corrective action. The Auditor said that more detailed board improvement plans that assess whether goals have been achieved, with recommended actions when goals are not met, would assist the Secretariat in its review of the results of school board program strategies. The Auditor's recommendations included that the Ministry implement a formal improvement-plan review process, require school boards to post improvement plans online, and properly document the results of Ministry monitoring efforts.

Nature of the Improvement Plans

The Ministry said that the board improvement plan is a living document that is designed to plan specific student achievement goals on an annual basis as

developed through the board's analysis of needs assessment data. It also improves achievement for all students in the board and provides a tracking and monitoring plan for improving student achievement. Finally, the plan provides an evaluation of the board's progress in meeting its goals.

The Ministry said that one of the key reasons for Ontario's success in improving student learning and achievement is the enormous support in place for educators, as well as the right amount of pressure and the working partnership that the Secretariat has established with boards. This partnership has enabled effective implementation of initiatives and monitoring of results that have contributed to overall student improvement in outcomes.

Completion and Review of Improvement Plans

The Secretariat works in partnership with the school boards and schools to improve student outcomes. Back in 2006, the Secretariat told school boards they needed specific plans to improve student achievement. The school boards then produced plans. Douglas Reeves, a consultant from the Centre for Leadership at Harvard University, was engaged in 2008 to review the 72 board improvement plans and processes in Ontario. That review yielded recommendations for each board and formed the basis for board improvement plan processes.

The Secretariat CEO said that when she was a school board director she thought she had good school and board improvement plans in place. Then she received a 27-page detailed report, following the Douglas Reeves review, specifying the need for further action and greater detail on what the board would change and how it would monitor progress. Her board "went back to the drawing board" in response to the Reeves report.

In June 2009, during the most recent cycle of improvement plans, the Secretariat asked school boards to submit their school improvement plans. The Secretariat reviewed the plans over the summer, developed a template for a good plan, and provided each school board with feedback on its plan and the overall board improvement plan in place during regional meetings.

School boards were asked to update and resubmit their plans to the Secretariat in October 2009. Those resubmitted plans became the basis for the Secretariat's conversations with school boards throughout this past school year, and in particular became the foundation for discussions with them about accountability and monitoring changes. In January 2010, the Ministry held mid-year meetings with all boards to determine the progress made toward improved student achievement. Boards said that they focused on instruction, capacity-building, building school networks and the use of data to guide and inform their practices, set priorities and allocate resources.

The Secretariat noted that in accordance with the Auditor's recommendation, it provided better documentation on both the October review and January meetings with the school boards, noting a lack of adequate documentation in the past. It will continue to strengthen such documentation.

The Secretariat said that the school boards now cite specific and measurable goals and targets. They also report how they monitor activities, results, and gains. The Ministry added that the overall tenor of Bill 177, the *Student Achievement and School Board Governance Act, 2009* is that boards must be fiscally responsible but that they also have a core responsibility to concentrate on student achievement and student wellness. Boards must also develop multi-year strategic plans to achieve specified student achievement and well-being targets as provided for under Bill 177. Boards must hold their administrators responsible for student achievement.

Monitoring and Reporting the Achievement of Plans

Legislative and regulatory controls in place include a requirement for a director's annual report that is to be posted on board websites by January 31 of each year. The Ministry said that all 72 boards have posted their reports which can be accessed through the Ministry's website. Boards also produce annual reports with required information such as EQAO results and specific actions pursued to improve outcomes for students with low levels of performance.

Boards must be transparent within their communities about student achievement goals, to report on progress in reaching the goals, and to be held accountable not only by the Ministry but also by parents and the school community. The Ministry said this is being achieved through online postings of the board reports and directors' reports and by having province-wide testing with published results. The Ministry is also ensuring that financial accountability mechanisms are in place (see Program Funding section below for details).

Committee Recommendation

The Standing Committee on Public Accounts recommends that:

2. **The Ministry of Education shall report back to the Standing Committee on Public Accounts on criteria used by the Literacy and Numeracy Secretariat and the Ministry to assess school board improvement plans. The Ministry should include information on the template that it has developed for a good school board improvement plan. It should also explain how it transmits best practices for the plans to all boards.**

Monitoring and Funding of Program Initiatives

The Secretariat offers a number of programs including, as noted earlier:

- **Ontario Focused Intervention Partnership (OFIP):** Schools identified as low-performing or static are given targeted support, such as allowing teachers time away from the classroom to participate in professional development activities that will help them increase their effectiveness.

- **Schools on the Move:** Schools that have made substantial progress in raising student achievement and sustained this progress over several years are highlighted to share successful practices with other schools.

Others programs listed by the Ministry include OFIP Tutoring, Schools in the Middle, the Character Development Initiative, the School Effectiveness Framework, and various professional development programs for educators. The Ministry added that schools and school boards in varying circumstances benefit from differing levels and types of supports. It said that an educational advisor, Michael Fullan, is on a part-time contract with the Ministry to provide advice to the Secretariat on program development.

The Ministry cited OFIP as a key initiative which the Secretariat analyzes each year for effectiveness in improving student achievement. Since its inception in 2006/07, \$25 million has been invested each year in OFIP. An additional \$8 million has been provided for OFIP tutoring initiatives (before and after school) for students in need.

The research department produced a report on the Secretariat's work in schools that are categorized as OFIP one (34% or fewer students reaching the provincial benchmark) and OFIP two (34%-50% of students reaching the provincial benchmark). When the EQAO test results for these schools were compared to the overall provincial results, the OFIP one and two schools demonstrated far in excess of the Ontario school average improved achievement.

The Ministry said the Schools on the Move program increases confidence in publicly funded education by providing examples of schools that are improving student learning and achievement and reducing gaps in targeted groups. The program, which began in 2006 as a network of 23 schools, now includes over 140 schools across the province. The Secretariat said that it knows that improving outcomes for children is urgent and that successful programs must be scaled up quickly to schools across the province. There is no time for a two- or three-year analysis. The Secretariat must work with information and data on an annual basis. The data is both quantitative and qualitative.

Collaborative Inquiry into Mathematics

In 2008, the Secretariat began to focus on mathematics learning in schools. It developed a program based on evidence and research, implemented it in 12 school boards, worked with the boards for a year, and had an independent university-based researcher follow up with surveys to obtain qualitative feedback back from teachers, boards and schools involved in the program. The Secretariat concluded from EQAO results the following August that in 11 of the 12 boards mathematics improvement was greater than the provincial average and deemed the program a promising practice. The program was scaled up to include 24 boards and the Secretariat may further expand it, depending on results.

Change Implementation

The Secretariat noted that change implementation is not easy. It added that Ontario is the only jurisdiction that can show a track record of sustained year-over-year improvement on a system-wide basis. There are not many researched examples of this kind of systematic change. The Secretariat noted a fundamental culture shift in teaching and learning and added that the result has been an open, collaborative culture which is key to teachers and principals owning the changes taking place, which in turn makes the changes sustainable.

The Secretariat said that high-quality teaching focused on individual children and implementing changes in teacher practices in order to meet the needs of those children are crucial. It noted that there is uneven implementation at best; implementing change in classrooms has not been an area of great success for the Ministry or government until recently.

The Secretariat stressed that at the school level, programs such as OFIP are really means of increasing the capacity of teachers and principals to implement measures for children that evidence and research indicate make a difference, and facilitate accurate and fast sharing of information across the province. Once teachers understand there is something that they can change in their practice to improve outcomes for their students, they will implement that change.

Resources for Teachers

The Secretariat said that it provides resources directly to teachers such as DVDs and monographs on practices that work well. In addition, in 2010 it focused on partnering with teachers to help children achieve level two EQAO results. For example, the Secretariat has worked with the Durham board on a program where a teacher works in classrooms in several schools that have large numbers of students producing work at level two, focusing, for example, on the kind of feedback teachers need to provide those students. Lessons learned are shared with other teachers.

The Secretariat said that it provides funding for teacher meetings, where teachers bring and examine student work, in order for teachers to be able to compare their assessment and expectations of students. One goal is to determine how teachers transmit those expectations to students. The Secretariat said that teaching is a very personal act with differences in styles but that the Secretariat is helping to promote consistency in assessments, expectations and tasks given to children.

Reducing Class Sizes

The Secretariat said that smaller pupil-teacher ratios can be beneficial but also noted that in more isolated schools, such as some in the north that have lower ratios, teachers lack other support mechanisms. For example, a teacher in this setting may be the only grade three or four teacher in the school and therefore unable to share experiences with a colleague doing the same job.

The Secretariat also noted research which indicates that if class size reduction improves outcomes for student learning, it is more likely to be in the primary division than elsewhere. It added that many large-scale attempts to reduce class sizes, such as in California, resulted in lower quality learning for children because of a lack of highly qualified, professional teachers (needed to teach in a larger number of smaller classes). The Secretariat noted differences in its approach in comparison with other jurisdictions. Ontario implemented class size reductions over a three-year period. This provided time to be selective in hiring the extra teachers required and occurred when the Secretariat was already investing significantly in building teacher capacity.

The Ministry said that it has clear evidence that in recent years the quality of teaching (already good) has improved across Ontario. It said there is now a process for teacher performance appraisal with accountability provisions. Citing data from five years ago, the Ministry said that there were six applicants for each spot available at teachers' colleges so the colleges were able to choose from "the best and the brightest."

Monitoring Student Achievement Initiatives

The Auditor said that in order for the Secretariat to have timely interventions and effective programs it must know which program initiatives work best and which should be modified or eliminated. He noted that the school boards that he visited had not carried out sufficient assessments of Secretariat initiatives and how these contributed toward improving student achievement (he did note that OFIP is assessed annually). The Ministry, as noted earlier, said that it is the sum effect of all programs that contributes to student achievement and noted difficulties in evaluating each program individually. The Auditor acknowledged the Ministry's position but recommended that the Secretariat should formally evaluate how well all its program initiatives contribute to improving student achievement, and modify or eliminate the less effective initiatives.

The Ministry said that it will review its programs over a three-year period, adding that the review process needs to be continual. As circumstances change, programs will need to change. The Ministry said that the Secretariat must be "fleet of foot," but that program documentation must also keep pace. The Ministry completed its RFP process in spring 2010 in order to establish vendors of record able to undertake formal program evaluations. During the first year, the Ministry will review a mix of large programs, such as OFIP, and smaller ones, such as small northern boards. It will review a similar mix over the subsequent two years of the three-year review process.

Committee Recommendation

The Standing Committee on Public Accounts recommends that:

- 3. The Ministry of Education shall report back to the Standing Committee on Public Accounts on the Ministry's review of the effectiveness of the various Literacy and Numeracy Secretariat**

programs. The Ministry should specify the review criteria, the results of reviews already conducted, and any changes to programs that have resulted from the reviews.

Program Funding

The Auditor said that some program funding was based on need; in some cases schools received a set amount; and in other cases the Secretariat could not fully explain the funding allocation model. According to the Auditor, funding that is based on average daily enrolment as opposed to relative need fails to focus scarce resources on the highest priority areas identified by assessments such as EQAO testing and fails to target funding to low-performing schools or boards. He noted that not all school boards submitted reports on the use of program funds to the Secretariat and there was little follow-up to obtain these reports. He recommended that the Secretariat should ensure its program funds are allocated to the areas of greatest need and that the funds are being spent for the intended purpose.

The Secretariat said that from 2006/07 to 2009/10 half of the \$25-million in funding was allocated based on enrolment and the other half on need. The Auditor said there was no documentation that demonstrated this at the time of his audit and that it appeared to the Auditor at that time as though enrolment played a significant role in determining the allocation of funds. The Secretariat said that it now has a better breakdown and clear data about socio-economic challenges to schools. This data is matched against overall results for schools.

Needs Based Funding: Schools in the Middle

The Ministry said that in 2009/10 OFIP funding was adjusted to reflect the significant reduction in the number of low-performing schools, defined as those where less than 34% of students achieved level three and four on EQAO testing. The Ministry reduced the overall number of schools in the low-performing category from 19% to 6%. The reduction in OFIP funding enabled the Secretariat to provide funding support to “middle initiative” schools, where 50% - 74% of the students achieve the provincial standard on four out of the six EQAO assessments in grades three and six. It said this demonstrates that the Secretariat does measure outcomes to assess program effectiveness and make revisions as needed.

Boards receive a base amount of funding depending on the number of schools that fit the “in the middle” criteria. In 2009/10, approximately \$9 million was provided to boards for support to more than 1,400 schools in this category.

The Secretariat said that \$59 million for capacity building is support for improved teaching and learning. The Ministry said that it agreed with the Auditor that it is necessary to specify the funding formula for each of the programs, as well as the rationale behind the formula. The Ministry hopes to have documentation in place that will satisfy the Auditor when he next examines the Secretariat.

Needs Based Funding: Small and Northern Board Numeracy Initiative

In 2009/10, about \$2 million to \$3 million was provided to 17 school boards to reach over 400 small and northern schools, in order to build capacity in numeracy, teaching and learning. Math facilitators are supporting teachers in deepening their understanding of effective instructional practices for mathematics.

The Secretariat explained the process for targeting these boards. It first examined board level data to assess areas of greater need. It then focused on individual school data as well as the numbers of schools. As noted earlier, a certain amount of board funding is on a per capita basis. Some programs, however, are more focused on schools that demonstrate they are dealing with challenges.

According to the Secretariat, public data on lower-performing schools and actual results may be different. For example, in many school areas in the north the schools are so small that EQAO suppresses public data because it may identify individual students. It is possible that public data may be skewed towards low performance in urban areas because of this type of data suppression. The Secretariat has access to the private data, which helps inform assessments.

The Secretariat also said some boards need additional funding because of geography and the distances that people have to travel. For example, schools in small and northern boards are often situated far apart, which makes sharing information and practices more difficult. For these 17 boards the Secretariat directly funded an additional staff member to spend consecutive weeks in different schools working with individual teachers. The Secretariat said evidence now indicates that this classroom-embedded professional learning is having a greater impact on changing teacher practice than some other methods. The Secretariat said a large differential in the amount of per student support in two different boards in one example cited by the Auditor arose because the school with lower support was a large urban board in the south while the school with higher support was a northern board with a large geographic footprint.

Funding to Boards

The Ministry noted that school boards must report on funding received as well as the effectiveness of strategies and lessons learned so that appropriate adjustments can be made. The Ministry said that its documentation on how it spent money in the past was not as good as it could be. It drew attention to a number of enhanced accountability measures now in place. The Ministry has a formal transfer payment contract with each school board for funding initiatives that clearly outlines the Ministry's expectations. School boards provide the Ministry with financial and activity reports on an annual basis. The Ministry will follow up and through evaluation, determine whether money spent is being used effectively and will also consider whether money should be redirected for better use.

The Secretariat is also reviewing its financial processes and developing a logic model to address the need for improved documentation and to further define program objectives, outcomes, measures and reporting requirements. The logic

model for the programs will link strategic planning to the funding process and the outcomes. The Ministry will undertake a review of lead board use, which it expects to complete by the end of fiscal year 2010/11. It has taken interim steps to bring many initiatives administered by the lead boards back into the Ministry. As noted earlier, it now has a documentation process to track how money is being used and will receive reports on its use.

Committee Recommendation

The Standing Committee on Public Accounts recommends that:

- 4. The Ministry of Education shall provide the Standing Committee on Public Accounts with the Ministry's most recent data showing how much funding for Literacy and Numeracy Secretariat programs was allocated based on need and how much was allocated based on enrolment. The Ministry should include information on its criteria for determining how it assesses whether program money has been spent effectively and whether the Ministry has identified any program areas where money currently being allocated for certain programs should be redirected elsewhere. The Ministry should also report on the percentage of total funding for the specific programs actually spent on the intended services.**

Use of Financial Agents: "Banker Boards" and Lead Boards

The Auditor noted that in some cases the Secretariat uses financial agents to act as distributors of ministry funds to third parties or other school boards. These agents include the Council of Directors of Education (CODE) and a number of school boards, and are collectively referred to as "banker boards." The Auditor's review of these financial arrangements generally indicated that proper accountability measures to effectively monitor the banker boards and ensure that government funds were being spent appropriately were not in place. He said some banker board administrative fees were far in excess of the 13% average. The Auditor recommended that the Secretariat ensure that the CODE expenditures are appropriately approved and supported and reconsider pre-flowing funds to "banker" school boards.

The Secretariat will consider on a case-by-case basis when it may be more appropriate to use a lead board. The Ministry said, for an example, this would likely be appropriate for a regional meeting in Kenora because a lead board would have knowledge of the best and most economical facilities available. The Ministry added that since receiving the Auditor's report the Secretariat has centralized and reviewed its financial documentation that supports the amounts paid to CODE and to lead boards.

The Ministry said that part of its review of lead board use will focus on the administration fee paid to banker boards or lead boards. The fee covers overhead such as phone calls and working with other boards. The Ministry said it will

consider the best way to pay administration costs that is appropriate and relevant to the effort made and that it is not wedded to a particular percentage. The Ministry will also examine the administration fee charged by CODE.

Committee Recommendations

The Standing Committee on Public Accounts recommends that:

- 5. The Ministry of Education shall provide the Standing Committee on Public Accounts with an interim report on the Ministry's review of lead or banker board use. The Ministry should specify:**
 - **whether it is on track to complete the review by the end of fiscal year 2010/11;**
 - **what initiatives formerly administered by lead or banker boards have been returned to the Ministry;**
 - **whether the Ministry will continue to use lead or banker boards and if so, what the criteria will be for selecting the boards and monitoring their expenditures; and**
 - **what criteria the Ministry will use to determine appropriate levels of payment for services provided by these boards and how expenses submitted by the boards will be reviewed.**

Consistency of Student Assessments

The Auditor said that in general, the only assessments made throughout the school year that parents see are report card marks and EQAO test scores for grades three and six. He noted in a 2003 audit that one possible method of measuring consistency in student assessments for some subjects is to compare report card marks to EQAO scores but said that the Ministry does not have a procedure in place for this. After each of his school board visits, the Auditor undertook his own comparison of report card marks with EQAO scores and found that for 4% of students, EQAO scores bear no resemblance to report card marks. The Auditor recommended that the Ministry should monitor the results from different types of assessment, especially those from report cards and EQAO tests, to identify any major discrepancies for follow-up.

The Ministry said that it commissioned a study comparing student report card marks with grade three and six EQAO achievement results. It said that the study determined that there is comparability between the two different measures of student achievement. The Ministry said, however, that further analysis of the data is needed to confirm the extent of the relationship and to identify factors that influence that relationship.

Referring to the Auditor's observation that EQAO scores bore no resemblance to report card marks for 4% of students, the Ministry said that standardized tests held on one day are not always reflective of student performance throughout the year. For example, a student may come to school sick on the day of the test and receive

a bad mark. The Secretariat added that the discrepancy is more likely to occur for students with particular barriers to learning. The EQAO test takes place with some accommodation of special needs but often does not include the kind of broad accommodations that are in place for the student throughout the year. The Secretariat said that both the EQAO assessments and the report card marks are important assessments of where students are, and give boards, schools and teachers important information.

Committee Recommendation

The Standing Committee on Public Accounts recommends that:

- 6. The Ministry of Education shall provide the Standing Committee on Public Accounts with an update on the Ministry's assessment of data from the study that it commissioned to compare the consistency of student report card marks with their grade 3 and 6 EQAO achievement results and inform the Committee as to whether it will consider ongoing correlation tracking.**

Ontario Statistical Neighbours Information System (OSN)

The Auditor described the Ontario Statistical Neighbours Information System as an information system for analyzing school performance, demographics, and school program information. The database, among other uses, is intended to help the Secretariat with strategic planning and to identify similar schools to facilitate the sharing of best practices. School principals' use of the tool was infrequent because the principals did not have direct access to the system – instead, they had to get the information from their SAOs. The Auditor recommended that the Ministry should consider granting all school boards and schools direct access to the system. This would be more cost-effective than school boards having to develop and maintain their own systems, as some were doing.

The Ministry said that it has developed an online version of the OSN database that provides school board superintendents with access to an information management system. It agrees with the Auditor that access to this system will be useful for developing strategies for improving student achievement at the board and school levels. The information will enable school boards and schools to identify whether their results are improving, declining or remaining static and to compare themselves with similar schools or boards based on demographics and other program information. Superintendents will be able to share this information with their school principals. The Ministry has been training superintendents on how to use the online OSN system.

The Ministry has used the system to identify schools needing support, including a number of coasting schools that perform above average, but are not making continued gains. It has also enabled the Ministry to identify a set of "schools on the move." Staff members at those schools are expected to share their knowledge and practices through networking with other schools across Ontario.

CONSOLIDATED LIST OF RECOMMENDATIONS

The Standing Committee on Public Accounts requests that the Ministry provide the Committee Clerk with a written response to each of the Committee's recommendations within 120 calendar days of the tabling of the report with the Speaker of the Legislative Assembly, unless otherwise specified in a recommendation.

The Standing Committee on Public Accounts recommends that:

1. The Literacy and Numeracy Secretariat shall report to the Standing Committee on Public Accounts on measures under consideration by the Secretariat to better utilize cohort tracking to assess the progress of the same group of students over time.

2. The Ministry of Education shall report back to the Standing Committee on Public Accounts on criteria used by the Literacy and Numeracy Secretariat and the Ministry to assess school board improvement plans. The Ministry should include information on the template that it has developed for a good school board improvement plan. It should also explain how it transmits best practices for the plans to all boards.

3. The Ministry of Education shall report back to the Standing Committee on Public Accounts on the Ministry's review of the effectiveness of the various Literacy and Numeracy Secretariat programs. The Ministry should specify the review criteria, the results of reviews already conducted, and any changes to programs that have resulted from the reviews.

4. The Ministry of Education shall provide the Standing Committee on Public Accounts with the Ministry's most recent data showing how much funding for Literacy and Numeracy Secretariat programs was allocated based on need and how much was allocated based on enrolment. The Ministry should include information on its criteria for determining how it assesses whether program money has been spent effectively and whether the Ministry has identified any program areas where money currently being allocated for certain programs should be redirected elsewhere. The Ministry should also report on the percentage of total funding for the specific programs actually spent on the intended services.

5. The Ministry of Education shall provide the Standing Committee on Public Accounts with an interim report on the Ministry's review of lead or banker board use. The Ministry should specify:

- whether it is on track to complete the review by the end of fiscal year 2010/11;
- what initiatives formerly administered by lead or banker boards have been returned to the Ministry;

- whether the Ministry will continue to use lead or banker boards and if so, what the criteria will be for selecting the boards and monitoring their expenditures; and
- what criteria the Ministry will use to determine appropriate levels of payment for services provided by these boards and how expenses submitted by the boards will be reviewed.

6. The Ministry of Education shall provide the Standing Committee on Public Accounts with an update on the Ministry's assessment of data from the study that it commissioned to compare the consistency of student report card marks with their grade 3 and 6 EQAO achievement results and inform the Committee as to whether it will consider ongoing correlation tracking.