

# ONTARIO TEACHERS' FEDERATION

## Pre Budget Consultation Brief to the Standing Committee on Finance and Economic Affairs

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The Ontario Teachers' Federation is composed of the four Ontario teacher Affiliates, and OTF represents over 150,000 teachers in publicly funded schools across Ontario.

The Teaching Profession Act sets out the mandate of the Ontario Teachers' Federation. OTF's objectives include:

- Promoting and advancing the cause of education;
- Securing conditions that will make possible the best professional service; and
- Representing all members of the Pension Plan as established under the Teachers' Pension Act.

This paper will attempt to address each of these three objectives.

### **Promoting Education**

OTF understands the importance of full-time Junior Kindergarten and Senior Kindergarten. Giving children a firm early foundation will impact their lives far beyond their years in school. However, improvements in early education must not come at the expense of older children. Teachers and educational workers know that each day with a child is an opportunity to move him/her closer to that child's ultimate potential. We must ensure that we are maximizing the potential of all students.

The economic impact of improvements to early childhood education will be felt 20 years from now when our current young students enter the job market. Meanwhile, John Manley and the Canadian Council of Chief Executives express concern about whether our labour force will be prepared for what he calls the Pacific Century. Mr. Manley and his organization predict that new economic reality will require workers with different skills, more education, and the ability to adjust to continuing changes to workplace requirements. Students must be given opportunities to experience a wide variety of programs so that they can determine their interests and abilities so that they can find their place in the world of work.

All members of our society must be prepared to use their skills and abilities in the new economy. This means that we cannot leave some segments of society on the sidelines educationally. One segment of society under-represented in the current job market is our aboriginal population. Certainly one of the causes of this is the lack of successful education for aboriginal students. Improvements must be made to the education of our aboriginal population. Opportunities like the "Ring of Fire" must not be squandered for another generation of aboriginal youth.

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Two other groups under-represented in our current work force are adults who have not graduated from high school and recent immigrants who need to improve their language skills and/or general education. For these adults, continuing education is the only way they can take their rightful place in society. Adult education must continue to provide support for these life-long learners.

The Ontario government must ensure that all students have access to education that is appropriate for them. This includes students with special needs who may require accommodations or extra support. It also includes Franco-Ontarians who need access to education taught in their language, access to the same variety of programs found in English schools, and access to post-secondary education near their home communities.

The Ontario government must continue to search for ways to improve the educational outcomes for all of Ontario's learners. This is the only way Ontario will be prepared for the future.

### Recommendations

- Provide quality education for all students from JK to adult.
- Improve educational outcomes for aboriginal learners.
- Provide students with a wide range of appropriate programs, including adult education, special education, and French language programming.

### **Best Professional Service**

Canada and Ontario have some of the best performing educational systems in the world. We often point to results from international tests like PISA and TIMSS to demonstrate how well we are doing. These international tests randomly select schools in each country and test students on language, mathematics and science.

However, here in Ontario, we test every student in grade 3, 6, 9 and 10. The results of these tests are not used to determine the success of the system or to improve the education of the students who write these tests. Instead, they become a method of ranking schools. Results are released months after the tests are written, providing no informative feedback for students, parents or teachers. Test results continue to prove that socio-economic levels have an impact on performance in schools.

Ontario does not need to test every student. Tests using random samples could provide the same indicator of system success without the tremendous economic cost and lost education time for students.

In “Professional Capital,” Andy Hargreaves and Michael Fullan state that we should be evidence-informed, not data-driven. In other words, collecting vast stores of data for data’s sake does not improve student learning. Improving the educational outcomes for students and adjusting the teaching to help students should be the purpose of measuring student achievement. Teachers must retain the ability to gather the right data, and they must be given freedom to use this information to improve learning outcomes for their students.

In addition, the McGuinty Government demonstrated a lack of understanding of the teaching profession by legislating the removal of three professional development days. Professional development days provide important opportunities for teachers to work collaboratively. To borrow another line from Hargreaves and Fullan, those days are investments in capability and commitment.

Hargreaves and Fullan also state, “Successful and sustainable improvement therefore can never be done to or even for teachers. It can only be achieved by and with them.” (*Professional Capital* – page 45)

This speaks of the necessity for a collaborative model to enact growth and change. Collaboration and dialogue are important at every level and should be embedded in our practice.

### Recommendations

- Change standardized tests to random sample tests.
- Allow teachers more freedom in determining the appropriate collection and use of information.
- Provide collaborative professional development opportunities for teachers.

### **Pensions**

OTF and the Government are the two sponsors to the Ontario Teachers’ Pension Plan (OTPP). With \$129 billion in assets and over 300,000 active and retired members, OTPP is the largest pension plan in Ontario.

The pension partnership between OTF and the Government started in 1990, and the Partners have seen years of surplus and years of deficit. Over the last few years, both Partners have had to make difficult decisions to ensure sustainability of the Pension Plan. However, the stock market down-turns of 2000-2001 and 2008, along with current low interest rates, presented challenges for plan funding. The Central Bank’s attempts to control inflation have depressed interest rates, and this has resulted in funding pressures for all pension plans.

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Despite the demographic challenges associated with longer life-spans, and consequently longer retirements, coupled with the funding challenges created by historically low interest rates, the Partners managed to file a balanced valuation in 2012 without the need to increase contribution rates. While the Plan reported a subsequent \$5.1 billion deficit for January 1, 2013, over \$8 billion of current investment gains have yet to be realized due to the practice of smoothing losses and gains. These investment gains which will be included in the funding valuation calculations over the next three years already outweigh the current deficit.

Even in the most difficult times, defined benefit plans remain viable. These plans provide a livable income for retirees. These retirees will continue to pay taxes and support the economy for years to come.

In the report “Facilitating Pooled Asset Management for Ontario’s Public-Sector Institutions,” William Morneau outlines the following advantages of large pension plans:

- Lower fees paid to external investment managers and other service providers;
- Increased and more cost-effective access to alternative investment classes;
- Higher gross and net returns; and
- Improved risk management and investment monitoring.

Much lower administration fees and the pooling of risk give large defined benefit pension plans enormous benefits over defined contribution pension plans. Defined benefit pension plans also provide secure incomes for retirees. Retirees should not be exposed to the tremendous economic risks associated with defined contribution plans.

### Recommendation

- Increase the rate of participation of all Ontarians in defined benefit pension plans.

Finally, the Ministry of Finance is the branch of government that enables other branches to improve the life of all Ontarians. Making life better for its citizens should be the only goal of any government. However, Ontarians must also take responsibility to build our communities, our province and our country. Education is perhaps the most important way for Ontario to move forward. Parents and teachers understand the importance of education. We look to the politicians to ensure this importance is reflected in the budget.