Executive Summary

• In 1984, the Province of Manitoba’s Department of Education implemented a system to account for spending on public schools, the Financial Reporting and Accounting in Manitoba Education (FRAME) report.
• Largely patterned on reporting systems in Alberta and Minnesota, FRAME requires school divisions to utilize the same format in reporting revenues and expenditures.
• The FRAME report is divided into Operating Funds and Capital Funds. Operating Funds are further sub-divided into individual line items.
• While this report makes it possible to compare school divisions budgets accurately, it only measures inputs and ignores outcomes.
• While FRAME provides an excellent system for holding school divisions financially accountable, no such tool exists to hold them accountable for student achievement.
• A new reporting format modelled on FRAME should be implemented. It would require school divisions to utilize the same format for reporting student achievement.
• The new report would be called the Student Overall Achievement Report (SOAR).
• Categories would include standards tests results, teacher assessment of students, graduation rates, attrition and attendance.

Introduction

Manitoba’s thirty-eight school divisions\(^1\) vary widely in size, from just over 1000 students up to more than 30,000. Located in different regions, they serve vastly different student populations. It is not surprising that different divisions would have different priorities and spending patterns in educational programming.

Despite all these differences, it is still important to hold school divisions accountable for financial expenditures. The Province has done an excellent job of ensuring that in terms of inputs. The same cannot be said for holding them responsible for their most important task, student achievement, or outputs.

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\(^1\) Manitoba Education, Training and Youth, FRAME Report 2002-2003 Budget
Since 1984, school divisions have been required to report their revenues and expenditures in a format known as the FRAME Report (Financial Reporting and Accounting in Manitoba Education). These reports are published annually and provide a detailed breakdown of school division spending, a format which makes comparisons between divisions possible.

The Frontier Centre has made extensive use of FRAME Reports in its research. The following policy series reports and backgrounderds rely heavily upon information provided in the FRAME reports:

- Are School Boards Obsolete?
- A Merit Pay Plan for Manitoba Teachers
- Amalgamating School Boards Not an Answer
- Gaming the System: Special Education in Manitoba

While this commitment to transparency and accountability in fiscal matters for educational institutions is impressive, reporting to the public on student achievement is inconsistent, incomplete and uninformative. Manitoba needs to devise a method of reporting student achievement in a standardized way, also published annually. The FRAME report provides a model for how this can be done.

**History of the FRAME Report**

School divisions have always been required to report their revenues and expenditures to the provincial government. However, until the early 1980s, provincial reporting guidelines were quite broad. This naturally led to differences in the ways in which school divisions provided their financial statistics. This made it virtually impossible to accurately compare expenditures between divisions.

The Department of Education and individual school divisions felt it would be better to develop a system with a common reporting format. In 1982, a pilot committee was established. Modelled after the school reporting systems in Alberta and Minnesota, the FRAME accounting format was decided upon and implemented on a pilot basis in 1983. The next year, the FRAME reporting system became mandatory for all divisions. Since then, FRAME reports have been published yearly and are available in hard copy or online at [www.edu.gov.mb.ca/ks4](http://www.edu.gov.mb.ca/ks4).

**Format of the Frame Report**

FRAME reports expenditures by two main funds: Operating and Capital. Operating funds consist of regular yearly expenditures and make up the bulk of the information provided. Capital funds refer to grants provided by the provincial government for infrastructure development and vary from year to year, depending upon the needs of the school division.

The Operating funds section is sub-divided into nine different functions, each of which is further broken up into individual line items. The following are the nine different functions of the Operating funds section of the FRAME report:

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3 Manitoba Education, Training and Youth, op. cit.
Where applicable, each of these functions is broken up into the broad categories of salaries, employee benefits, services, supplies and materials, debt services and transfers. Expenditures for each of these functions are listed, along with the percentage of each division’s budget on each category, as well as the per pupil cost. The functions are also further broken down into line items specific to each function.

The FRAME report also displays revenue sources for each school division. Recorded are the exact amount and percentage of funding provided by the provincial government, municipal property taxes, other school divisions (via Schools of Choice), First Nations and revenue from private organizations and individuals. This makes it possible to see at a glance the major funding sources for school divisions and how they differ from division to division. The FRAME report even displays the portion of property tax funding which comes from portioned assessment (property taxes levied by the school division) or from the universal Education Support Levy. The property tax mill rates of each school division are published as well.

Towards the end of the FRAME report, the funding provided by the provincial government is divided up according to specific programming for each school division. It is possible to see exactly what the provincial government gave to each school division for the following base support areas: instructional support, sparsity support, curricular materials, information technology, library services, Level I special needs, counselling and guidance, professional development and occupancy. A variety of categorical support areas are also listed.

The many benefits of the FRAME report are obvious. A common system for reporting revenues and expenditures makes it possible to compare the records of individual school divisions with regards to financial performance. But the value of that reporting clarity has no counterpart with regards to academic performance. Although it is important that income and spending be accurately reported, and it is true that such exercises ensure accountability by school divisions and their administrators, FRAME deals only with the means of public schools, not their ends. The purpose of a public education system is to assure that all children receive a basic grounding in academic skills. We do not adequately measure the accomplishment of that goal.

How can we build on the information provided in FRAME and report both the means and the ends? The answer lies in recognizing a basic tenet of high
performance government – to move beyond the measurement of inputs, or what is expended with the resources used, to measuring the results of that spending. More simply, what are the outcomes of the spending detailed in FRAME?

Extension of the FRAME Report – Measuring Outcomes

As noted earlier, Manitoba’s system of identifying the inputs spent imposes a high level of transparency and fiscal accountability on individual school divisions. However, this is not repeated in the field of student achievement, nor the outcomes of the spending identified. The current Manitoba government has eliminated all compulsory standards testing, except for those at the Grade 12 level. This makes it virtually impossible to compare school divisions with each other to see which ones have been most successful in terms of student achievement.

Considering the impressive thoroughness of the FRAME report in regards to financial accountability, why not create an outcomes report modelled upon the FRAME format? Since the previous provincial government had been in the process of implementing standards testing for all core subject areas, and other jurisdictions measure student achievement quite rigorously, it is obviously possible to reinstate comprehensive testing here. Data from these tests, along with local teacher assessment, would form the basis of the new report. This annual document would be titled the SOAR report (Student Overall Achievement Report).

As the FRAME report is broken up into different functions, the same would be true of the SOAR report. Different functions could include standards tests results, local teacher assessment of students, graduation rates, attrition and attendance. Each of these functions would be broken into up individual line items, thus making it possible to differentiate between different schools, grade levels and subject areas.

Along with recording the above-mentioned student achievement indicators, the SOAR report would also contain standardized data on the overall student populations of each school division. This would include demographics such as socio-economic status, gender and ethnicity. Just as the FRAME report shows which school divisions have the largest revenues, the SOAR report would make it possible to differentiate between “have” and “have-not” divisions in terms of providing explanatory information for differing student achievement levels. This would make comparisons between school divisions as fair and accurate as possible.

The SOAR report would work with the FRAME report in order to ensure overall school division accountability. Just as anyone can access the FRAME report and compare spending patterns of different school divisions, the SOAR report would also be made available to general public. Parents and other interested individuals would finally be able to see how their school division compares with other divisions in terms of student achievement.

Conclusion

The FRAME report made accurate comparisons of financial reports of school divisions. When it was created, both the province and the school divisions saw the
need for a standardized reporting system. The common format provides a context for the effective evaluation of school divisions’ financial performance.

The success of the FRAME report in holding school divisions fiscally accountable serves as an example of how a common reporting system for student achievement could have the same positive results. By re-implementing standards testing for students in the core subject areas, all school divisions would be using the same instruments to evaluate student achievement. A new report, the Student Overall Achievement Report (SOAR) would be created, thus providing a common reporting format for student achievement.

It is time for the Manitoba government to hold school divisions equally accountable in both finances and student achievement. These are equally important areas and each deserves to have a common reporting framework.

About the Author:
Dennis Owens is the Senior Policy Analyst at the Frontier Centre for Public Policy. A native of Portage la Prairie, Manitoba, and a descendant of homesteaders, Dennis Owens moved to Winnipeg to attend United College in 1965. He graduated from the University of Winnipeg in 1970 with a Bachelor of Arts in English and Political Science. Over a 20-year career in the transportation business, he rose to the position of operations manager of a Winnipeg-based firm. Since then he has researched and written about Canadian public policy issues for a variety of organizations including the Manitoba Taxpayers Association and the Prairie Centre.