

2007: B10

**MEMORANDUM TO:** Directors of Education  
Secretary/Treasurers of School Authorities

**FROM:** Nancy Naylor  
Assistant Deputy Minister

**DATE:** August 27, 2007

**SUBJECT:** Amendments to education funding regulations

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I am writing to inform you that amended Grants for Student Needs (GSN) regulations for 2007-08 have now been released. These amendments give effect to the 2007-08 funding enhancements described in the memorandum of August 14, **2007: B9 – Enhanced education funding for 2007-08 and 2008-09**. Regulations regarding student transportation funding enhancements will be published at a later date.

The amended regulations may be accessed through the Ministry's public website, [www.edu.gov.on.ca](http://www.edu.gov.on.ca), where the Ministry will in the near future post revised versions of the education funding *Technical Paper, 2007-08* and *School Board Funding Projections for the 2007–08 School Year*.

As stated in **2007: B9**, the Ministry will flow the increased funding to boards starting next month. To help trustees and school board staff make appropriate budget and program decisions that can have an immediate and positive impact as students return to school in September, the Ministry has updated the 2007-08 Estimates forms on EFIS to reflect the enhanced funding benchmarks. This will enable boards to calculate their increased revenues. As noted in **2007: B9**, each board's actual decisions about the use of this new funding will be reflected in its Revised Estimates, which are due November 30, 2007.

The 2007-08 enhancements, which will bring the GSN funding level for 2007-08 to \$18.45B, respond to school board requests for assistance with existing operating costs and anticipated cost pressures. School boards have identified these concerns as priorities, and it is expected that board decisions about the use of this increase will reflect those priorities. A board may also, depending on its financial circumstances, use these enhancements to expand education programs and hire additional staff.

As noted in memorandum **2007: B9** and detailed in the memorandum of August 20, **2007: SB17 – Cost Study Funding Enhancements**, the \$12M funding enhancement for student transportation will be allocated to eligible boards following a data collection and verification exercise. Following this process, the Ministry intends to recommend to the Lieutenant Governor in Council amendments to the regulations to allocate the student transportation funding enhancement.

In addition to the amendments to the 2007-08 GSN regulations noted above, the Ministry has made a number of technical changes in the 2006-07 and 2007-08 regulations to ensure that these regulations fully reflect the government's policy goals. These changes include:

#### Capital Debt Commitments Funding Program

In recognition of changes to the capital funding formula introduced in February 2005 and declining enrolment, the Ministry introduced the Capital Debt Commitment funding program in 2006-07. A change has been made to the 2006-07 and 2007-08 GSN regulations to include a board's lease commitments for instructional spaces that existed as of August 31, 2005, as part of a board's total capital debt commitments, in determining a board's eligibility for funding under this program.

#### Growth Schools Capital Program

Changes have been made to the Growth Schools Capital Program in the 2007-08 GSN regulation to reflect and clarify the government's policy goals for this program:

- 1) Eligibility for growth schools funding has been extended to schools that will open in the 2009-10 school year.
- 2) Eligibility for growth schools funding has been extended to schools that are located, or proposed to be located on sites that are within areas identified in an Education Development Charges (EDC) background study. This will allow boards to make additions to existing schools that are located on sites that were not purchased using EDC revenues.
- 3) School boards will no longer have to have NPP debt in excess of their NPP revenue to be eligible for Growth Schools funding consideration. The Ministry will analyze both a board's uncommitted NPP allocation and capital reserves to determine the board's ability to support the cost of the proposed Growth School(s). If a school qualifies for this funding program, the Ministry will approve a Growth Schools allocation net of the portion that is sustainable from a board's uncommitted NPP allocation and capital reserves.

#### Primary Class Size Capital Program

Amendments to both the 2006-07 and 2007-08 GSN regulations will allow school boards to use their primary class size capital allocation to fund retrofits that convert regular classrooms (loaded at 23) into kindergarten classrooms (loaded at 20), for the purposes of meeting the cap on primary class size. The original regulation language did not allow school boards to fund retrofits using their primary class size capital allocation unless it resulted in a higher pupil capacity loading for a school.

If you require further information about the GSN regulations and school board funding in 2007-08, please contact:

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Transportation Grant	Cheri Hayward	(416) 327-7503 Cheri.hayward@ontario.ca
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Other changes in the 2007-08 GSN	Mehul Mehta	(416) 325-2035 Mehul.mehta@ontario.ca
Financial accountability and reporting requirements	Marie Li	(416) 326-0201 Marie.li@ontario.ca

The government's commitment of significant new funding for education in 2007-08 was made possible, in part, by the excellent work done by school boards to develop their 2007-08 budgets and the ongoing collaboration and consultation between the Ministry and the education community. I look forward to working with you to ensure that education funding continues to meet the needs of Ontario's students and schools, and wish you well as we start the 2007-08 school year.



Nancy Naylor  
Assistant Deputy Minister

Copy: Superintendents of Business and Finance