

2009: B10

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

FROM: Nancy Naylor
Assistant Deputy Minister

DATE: September 23, 2009

SUBJECT: **In-year amendments to the 2008-09 and 2009-10
education funding regulations**

I am writing to provide you with information about in-year amendments to the education funding regulations that have been made by the Lieutenant Governor in Council, and about new short-term credit facility arrangements for Good Places to Learn (GPL) capital projects.

The in-year amendments make changes to the regulations for the 2008-09 and 2009-10 school years. They address technical and other matters, and implement decisions made after the 2009-10 Grants for Student Needs (GSN) announcement of March 26, 2009. There are also a few minor amendments to make corrections to the regulations for 2006-07 and 2007-08. All amendments are effective immediately.

The amendments for 2008-09 and 2009-10 affect the following areas of the GSN:

Short-term financing rates for Good Places to Learn (GPL) capital projects

Amendments to the 2008-09 and 2009-10 regulations update the interest rates recognized for short-term borrowing for GPL capital projects as stated in the memorandum of June 25, **2009: SB24 – Proposed Change to Short-Term Financing Arrangements**.

New short-term credit facility with the National Bank of Canada

The National Bank of Canada has agreed to provide a new short-term credit facility for a one-year period, effective September 1, 2009, for school boards to short-term finance GPL project costs. Under the terms of this arrangement, boards will be able to obtain financing for project costs at the one-, two-, or three-month Bankers' Acceptance (BA) rate plus 75 basis points.

The following terms will continue to apply from the previous facility with the National Bank:

- The loans are available to all school boards;

- The loans will be unsecured (based on the province's GPL commitments);
- There will be no administrative fees; and
- School boards will not be required to transfer any of their banking business to qualify for the financing arrangement.

School boards continue to have the flexibility to approach any financial institution and negotiate terms and conditions of their choice. The province will recognize and pay boards' short-term financing costs up to a maximum of the BA rate plus 75 basis points.

Capital Priorities

Amendments to the 2008-09 and 2009-10 regulations have updated the regulations to include Capital Priorities funding approvals.

Provincial Framework Agreements (PFAs)

As stated in the memorandum of March 27, **2009: B2 – Education Funding for 2009-10**, the government is fully funding its commitment to support the PFAs in 2009-10, including enhanced funding for program, staffing, and compensation. Amendments to the 2008-09 and 2009-10 regulations related to the PFAs continue the implementation of this commitment.

Mergers of school authorities and district school boards

Amendments to the 2009-10 regulations adjust funding for some school boards as part of implementing the mergers of school authorities with these boards.

Student Transportation

Amendments to Table 10.1 in the 2008-09 regulation implement funding adjustments to Transportation allocations for consortia reviewed as part of the transportation reforms and adjust funding for eligible boards to raise their financial capacity to contract for safe and reliable transportation services. For 2009-10, amendments to Table 11 adjust the Routing Efficiency Factor for eligible boards that have received a rating of "high" in the Routing and Technology section of the transportation Effectiveness and Efficiency (E&E) reviews.

Tuition Fees

There are amendments to the 2008-9 and 2009-10 regulations concerning the reverse tuition fee payable for pupils over the age of 21 and summer school pupils attending a First Nations school pursuant to a reverse tuition agreement. The amendments limit the fee to an amount that does not exceed the funding the board receives for such pupils under the GSN.

In the 2009-10 Calculation of Fees regulation, an amendment clarifies that certain tuition fee provisions apply to pupils, residing on a reserve, whose education is not otherwise provided for.

"Pupil of a board"

An amendment to the definition of "pupil of a board" in the 2009-10 regulations clarifies that a First Nations student who meets the requirements of *Ontario Regulation 471/98 – School Attendance Rights – Non-Resident Property Owners* is defined as a pupil of a

board for funding purposes.

Adult education

An amendment to the 2008-09 and 2009-10 regulations updates the definition of the term *mature student* in accordance with Policy/Program Memorandum #127, issued August 27, 2009. The amendment defines *mature student* as one “not enrolled in a day school program at any time in the 10 months immediately preceding the date of enrolment”.

Special education

An amendment to the list of facilities recognized for Facilities Amount funding under the Special Education Grant aligns the regulation with the *Services and Supports to Promote the Social Inclusion of Persons with Developmental Disabilities Act, 2008*.

Revocation of Outdated Regulations

The following regulations have been revoked.

- *O. Reg. 120/92 – Apportionment 1992 Requisitions*
- *O. Reg. 105/93 – Apportionment 1993 Requisitions*
- *O. Reg. 246/94 – Apportionment 1994 Requisitions*
- *O. Reg. 115/95 – Apportionment 1995 Requisitions*
- *O. Reg. 80/97 – Apportionment 1997 Requisitions*

Ministry Contacts

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Education funding for 2009-10 shows Ontario’s commitment to its education agenda despite the challenging economic times. The four-year Provincial Framework Agreements provide a background of peace and stability that allows the Ministry, school boards, and all education partners to focus on our goals for student achievement. The gains in achievement to date are significant. Careful management of education

resources and the ongoing identification of savings will help to solidify and advance these gains. The Ministry is committed to working with your school board and other partners in 2009-10 and future years to provide efficient and effective management of education funding to ensure that we support the learning of all our students.



Nancy Naylor
Assistant Deputy Minister

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