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2011: B5

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

**FROM:** Gabriel F. Sékaly  
Assistant Deputy Minister

**DATE:** May 12, 2011

**SUBJECT:** **Education funding regulations for 2011-12**

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I am writing to inform you that the Grants for Student Needs (GSN) regulations for 2011-12 have been made by the Lieutenant Governor in Council. These regulations implement the funding enhancements, reforms, and other changes described in the memorandum of March 31, **2011: B3 – Education Funding for 2011-12**.

Through these regulations, the government is allocating a projected \$21B for elementary and secondary education in the 2011-12 school year.

The new funding regulations are:

- (1) *Grants for Student Needs – Legislative Grants for the 2011-12 School Board Fiscal Year*
- (2) *Calculation of Fees for Pupils for the 2011-12 School Board Fiscal Year*
- (3) *Calculation of Average Daily Enrolment for the 2011-12 School Board Fiscal Year.*

All of the above regulations may be accessed through the Ministry's public website, [www.edu.gov.on.ca/eng/policyfunding/funding.html](http://www.edu.gov.on.ca/eng/policyfunding/funding.html).

#### Amendments to existing regulations

The implementation of the province's GSN funding commitments has required technical amendments to the 2009-10 and 2010-11 GSN and related regulations. These include amendments to the following:

##### *O. Reg. 193/10 – Restricted Purpose Revenues*

This regulation has been amended to make changes to enveloping provisions that reflect changes to education funding described in **2011: B3**:

- (1) Since 2009-10, the GSN has included funding to help boards establish audit committees and internal audit functions. This funding, which includes funding for related staffing expenses, is enveloped. Two changes in the GSN may affect staffing expenses and the calculation of the internal audit envelope.

These changes are (1) the additional funding to assist school boards with the increased costs of OMERS contributions; and (2) the recovery of funds under the *Public Sector Compensation Restraint to Protect Public Services Act, 2010*. The regulation has been amended to include these changes in the calculation of the envelope.

- (2) A similar amendment has been made to the definition of the Special Education envelope to take into account any part of the additional OMERS funding that is attributable to Special Education.
- (3) Provisions to envelope the new Amount for School Condition Improvement have been added.
- (4) An amendment has been made to allow school renewal funding to be applied to any budget shortfall resulting from capital deficits on school renewal.

All of these amendments are reflected in the 2011-12 Estimates forms that have been recently released.

#### *O. Reg. 488/10 – Determination of Boards’ Surpluses and Deficits*

This regulation has been amended to make the following changes:

- (1) Previously, the portion of accumulated surplus that a board had committed to capital projects was excluded for compliance purposes. The regulation has now been amended to include this portion of the accumulated surplus in the determination of compliance. Please note that this change is effective as of September 1, 2010 – that is, in the current school year.
- (2) Starting in 2011-12, as boards were advised in the memorandums of **March 4, 2010: SB10 – Update on Changes to Financial Accountability, Budgeting and Reporting** and **April 21, 2011: SB12 – 2011-12 Estimates**, vacation accruals will no longer be excluded from compliance. **2010: SB10** encouraged boards to start looking at options to address this expense. In-year changes in vacation accruals will no longer be excluded from compliance. In addition, boards are required in 2011-12 to address, within compliance, 50 percent of their unfunded vacation accrued as of August 31, 2011. The remaining 50 percent will be addressed in 2012-13.
- (3) A change in accounting standards for capital transfers (PS 3410) means that revenues received by boards to purchase land will be in accumulated surplus. The regulation has been amended to exclude these revenues (received in the past and in the future) for compliance purposes.

#### Full-day Kindergarten (FDK)

In the memorandum of **April 14, 2011: SB9 – Full Day Early Learning Kindergarten Program (FDK) – Year 3 Capital Allocations**, the Ministry outlined capital funding allocations to support Year 3 of FDK implementation. Amendments have now been made to the Table “**FULL DAY JUNIOR KINDERGARTEN AND KINDERGARTEN ACCOMMODATION MAXIMUM AMOUNT**” in the 2010-11 GSN regulation to provide boards with the required capital allocation to support major capital costs associated with the implementation of Year 3. The same Table has been further updated in the 2011-12 GSN regulation to reflect support for Year 3 first time equipping and minor renovations; school boards are being allocated \$10,000 for every new Year 3 FDK classroom.

## Revocation of outdated regulations

In addition, the following outdated regulations have been revoked:

*O. Reg. 83/08      Calculation of Average Daily Enrolment for the 2008-09 School Board Fiscal Year*

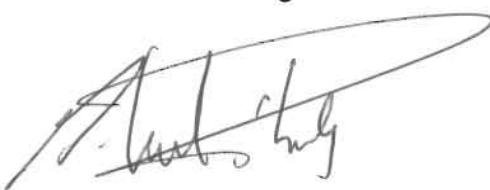
*O. Reg. 84/08      Calculation of Fees for Pupils for the 2008-09 School Board Fiscal Year*

*O. Reg. 85/08      Grants for Student Needs – Legislative Grants for the 2008-09 School Board Fiscal Year*

If you require further information about the GSN regulations and school board funding in 2011-12, please contact:

Capital	Nancy Whynot	(416) 325-4030 nancy.whynot@ontario.ca
Full-day Kindergarten Capital	Grant Osborn	(416) 325-1705 grant.osborn@ontario.ca
Financial accountability and reporting requirements	Andrew Davis	(416) 327-9356 andrew.davis@ontario.ca
Operating funding	Didem Proulx	(416) 327-9060 didem.proulx@ontario.ca
Student Transportation Grant	Cheri Hayward	(416) 327-7503 cheri.hayward@ontario.ca

With the 2011-12 GSN, Ontario has continued to demonstrate its support for a strong, publicly funded education system. The government's investment in education – 2011-12 is the ninth consecutive year in which funding has increased – reflects a commitment to higher student achievement, reduced gaps in achievement, and increased confidence in public education. Working together, I am confident that we can build on our success to date and further strengthen our education system for the benefit of all our students.



Gabriel F. Sékaly  
Assistant Deputy Minister

Copy: Superintendents of Business and Finance