

**Ministry of Education**

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**2016: B20**

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

**FROM:** Joshua Paul  
Assistant Deputy Minister (Acting)  
Financial Policy and Business Division

**DATE:** **December 9, 2016**

**SUBJECT:** **In-year amendments to education funding regulations for 2011-12, 2012-13, 2013-14, 2014-15, 2015-16 and 2016-17 school years.**

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I am writing to inform you of in-year amendments to the education funding regulations that have been made by the Lieutenant Governor in Council. These amendments make changes to the Grants for Student Needs (GSN) funding regulations for the 2011-12, 2012-13, 2013-14, 2014-15, 2015-16 and 2016-17 school years and are effective immediately.

These amendments primarily affect:

- GSN funding to support the transition to Employee Life and Health Trusts (ELHT)
- Community Hubs Retrofit Funding
- Renewal Investments
- Child Care and Child and Family Program Capital Projects, Capital Priorities Grants, Capital Priority Land Purchases and Temporary Accommodations
- Earned Leave
- Section 68 Hospital Boards
- Transportation Allocation (2015-16)

In addition, there are other minor technical amendments that correct language in the existing regulations to ensure the regulations are fully up to date with the existing policy direction.

## **GSN Funding to Support the Transition to ELHTs**

As communicated in B-memo (B16), distributed to Directors of Education on October 7, 2016, the amendments to the 2016-17 GSN regulations include the funding adjustments to support the transition to the ELHTs, which will:

1. Flow the incremental funding necessary to support the government share of the negotiated funding increases per FTE; and,
2. Make the necessary adjustments to stabilize school board budgets as we transition to the new ELHTs.

In terms of incremental funding, for each Trust, the incremental GSN funding is based on the difference between:

- The 2014-15 average cost per FTE across all boards in a Trust, plus a 4% increase for 2015-16 and a further 4% increase for 2016-17; and
- The total amount per FTE to be remitted to each Trust.

In terms of stabilization adjustments, the ministry has provided details in the letters to each school board that describes how these adjustments are designed to 'true-up' boards to their existing cost structure per FTE.

As the timing of transition varies from group to group, the funding adjustments have been prorated to align with the timing of the wave implementation of each bargaining/employee group.

As the due diligence process is not yet complete on the final benefits costing template, the amounts of the monthly payments from boards to the Trusts and the proposed GSN table amounts will be preliminary, based on benefits data available as of September 15, 2016. Once the due diligence process is complete, any necessary reconciliation adjustments to future payments to the Trusts and/or GSN funding to boards will be made.

## **Community Hubs Capital Funding: Minor Retrofits and Accessibility**

An amendment to allocate \$50 million in capital funding across all school boards to enable the expansion of community hub use in schools to benefit both students and the local community. This funding is to be used to retrofit available space in schools into community hub space and to improve the accessibility of schools to allow greater opportunities for use by the community.

## **Renewal Investments**

These amendments allocate an additional \$575 million in school renewal funding for the 2016-17 school year (\$535 million through School Condition Improvement funding and \$40 million through the School Renewal Allocation) across all school boards to address their

renewal needs. This funding is part of the \$1.1 billion in additional school renewal funding discussed in B-memo (B13), distributed to Directors of Education on July 12, 2016, in respect of the 2015-16 and 2016-17 school years.

### **Child Care and Child and Family Program Capital Projects, Capital Priorities Grants, Capital Priority Land Purchases and Temporary Accommodations**

Amendments to the 2011-12 GSN, 2012-13 GSN, 2013-14 GSN, 2014-15 GSN, 2015-16 GSN and 2016-17 GSN, regulations update various tables.

These amendments reflect previous funding approvals and will enable school boards to begin planning and construction of approved capital projects, including building or purchasing schools, building additions, undertaking major retrofits/renovations to existing schools, and/or purchasing land.

### **Earned Leave**

This amendment implements the backstop calculation for boards, where the Ministry will adjust the amount deducted for earned leave based on the actual change in the absenteeism rate of permanent teachers from the previous school year. Earned Leave only impacts English-language separate district school boards and French-language district school boards, as set out in their collective agreements. In the original GSN funding announcement on March 24, 2016, funding was reduced based on the assumption that absenteeism would be reduced by one day for each teacher, with half the savings accruing to boards. The announcement spoke to the reimbursement boards would receive if they were not able to achieve a reduction of one day in their absenteeism rate, which is now being implemented through this regulation amendment.

### **Section 68 Hospital Boards**

The amendments allow the hospital boards to acquire computers and associated equipment for computer labs. The regulation prior to this amendment did not allow hospital boards to receive grant funding for capital infrastructure. As computers are occasionally considered capitalized assets, they become subject to the same restriction. This amendment will allow hospital boards to receive funding for the purchase of computers and associated equipment while continuing to restrict funding for infrastructure investments.

### **Transportation**

An amendment to the 2015-16 GSN regulation updates section 44 (1) Education Act. This technical amendment to the student transportation allocation reflects funding adjustments for the resetting of transportation baselines for school boards that have been reviewed as part of the effectiveness and efficiency review under the Student Transportation Reforms.

If you require further information about these changes, please contact:

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*Original signed by*

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