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Toronto (Ontario) M7A 0B8**2023:B04**

Date: April 17, 2023

Memorandum To: Directors of Education
Senior Business Officials
Secretary/Treasurers of School Authorities

From: Andrew Davis
Assistant Deputy Minister
Education Labour and Finance Division

Subject: **2023–24 Grants for Student Needs Funding**

I am writing to provide you with information about the Ministry of Education's Grants for Student Needs (GSN) funding for the 2023–24 school year.

GSN funding is projected to be \$27.1 billion, while the average provincial per-pupil base funding¹ is projected to be \$13,125 in 2023–24. Base funding¹ has increased by \$693 million or 2.7 per cent compared to 2022-23. This additional investment in public education demonstrates the government's commitment to providing students with access to the skills and opportunities they need to succeed. There is a further \$516.2 million in Priorities and Partnership Funding (PPF), bringing the total investment in public education to \$27.6 billion. The PPF funding is outlined in a separate memo.

This year's GSN includes targeted investments and adjustments for a range of initiatives, with highlights including student transportation funding model reform and related investments; summer learning supports; funding in support of the ongoing labour negotiations; Indigenous education priorities; and previous PPF investments continued through the GSN; new investments for the administration of remote learning and to support safe and clean schools; as well as other updates to support key priorities.

¹Base funding excludes one-time funding and funding for debt service costs.

A. NEW FUNDING FORMULA FOR STUDENT TRANSPORTATION

Starting in the 2023–24 school year, the ministry is implementing a new Student Transportation Grant funding framework that is transparent, equitable, and focused on reliability. The Student Transportation Grant is projected to be \$1,233.2 million in 2023-24 and is made up of the following three allocations:

- Transportation Services Allocation - \$1,225.8 million
- School Bus Rider Safety Training Allocation - \$1.7 million
- Transportation to Provincial or Demonstration Schools Allocation - \$5.7 million

As this is the first year of a new funding formula, the grant includes a Transition amount to ensure that no school board experiences a decline in funding compared to their allocation from the 2022–23 school year. The Transition amount is expected to be in place for four years (through the 2026–27 school year) and will be updated annually to reflect changes in enrolment, new routing results, and changes to benchmarks.

The ministry will be introducing enhanced reporting requirements under the new Student Transportation Grant. These reporting requirements are intended to provide the ministry with greater insight into how school boards are using certain components. Additional information pertaining to these enhanced reporting requirements will be shared at a later date.

Additional details on the new Student Transportation Grant funding framework are provided in a separate memorandum, 2023:B06 – Student Transportation Grant – Grants for Student Needs 2023-24.

B. SUPPORT FOR THE ADMINISTRATION OF REMOTE LEARNING AND THE PROMOTION OF SAFE AND CLEAN SCHOOLS

Funding for Remote Learning Administration

The ministry is providing a \$10.1 million investment in the School Foundation Grant to support remote learning administration. For students who wish to enroll in remote learning, school boards may offer remote learning instruction directly, they may partner with another school board to provide remote learning instruction on their behalf, or they may work with other school boards to deliver remote learning collaboratively.

Each school board with remote learning enrolment will generate funding to support the cost of the salaries and benefits of administrative staff (i.e., principal, vice-principal, school office support, information technology (IT)) based on a per-pupil amount as follows:

- Total remote learning elementary and secondary ADE x \$479.27.

Remote learning ADE is excluded from the ADE used in the In-School Administration Allocation, and other school-based/school facility-based allocations within the GSN. School boards will need to create a remote Board School ID (BSID) for each panel to track remote learning ADE.

Safe and Clean Schools Supplement

The ministry is providing a \$19.9 million investment in the Learning Opportunities Grant for additional services that support student well-being and maintain clean schools.

In addition to existing funding available in the GSN, the Safe and Clean Schools Supplement is providing funding through the following amounts:

- Professional/Paraprofessional amount: \$11.9 million to support the salaries and benefits costs for staff such as psychologists, social workers and child/youth workers, to enhance additional direct services for students
- Educational Assistants amount: \$4.0 million to support the salaries and benefits costs for educational assistants to work with students who may require additional support
- Custodian/Maintenance amount: \$4.0 million to support the salaries and benefits costs for custodians to maintain clean schools

School boards are expected to use the funding for these purposes, with priority given to professional/paraprofessional staff to support the well-being of students; however, boards have flexibility within these categories.

Each school board's allocation within the Safe and Clean Schools Supplement is set out in the GSN regulation.

C. SUMMER LEARNING SUPPORTS

Transfer of Summer Learning Program

Funding of \$5.0 million for summer learning, previously provided through the Council of Ontario Directors of Education, is moving from PPF into the Learning Opportunities Grant. This funding supports literacy and numeracy programs for elementary students who would benefit from additional learning support over the summer months to mitigate the impacts of learning loss.

At the time of publishing this memorandum, this funding is included within the Learning Opportunities Grant but not in a specific allocation. Details of the allocation and funding methodology will be communicated separately.

55-Hour Summer School Credit Upgrading Courses

The ministry is continuing to allow for the 55-hour credit upgrading summer course option that has been available since summer 2020 on an ongoing basis. This option enables students to review and consolidate the overall expectations of a course that they had previously passed during that school year to upgrade and/or refresh any gaps in their knowledge and/or improve their marks.

These upgrading courses will continue to be exempt from the 34-credit threshold.

First Nation Students Enrolled in the Summer

The ministry is providing continued access to summer learning programming for First Nation students living on reserves in 2023-24 (i.e. summer 2024) at no cost to the First Nation. School boards should not charge tuition fees for these pupils and should report them as 'pupils of the board'.

D. LABOUR-RELATED CHANGES

Updates to salary benchmarks and other funding elements are being made to reflect:

- A \$1 per hour increase in education worker salary benchmarks in the 2022–23 school year over the 2021–22 school year, with a further \$1 per hour increase in 2023–24. This supports the recently ratified Canadian Union of Public Employees (CUPE) and Ontario Council of Educational Workers (OCEW) central collective agreements, and a labour provision for other education worker unions.
- A 1.25 per cent increase for teacher salary benchmarks in the 2022–23 school year over the 2021–22 school year, with a further 1.25 per cent increase in the 2023–24 school year as a labour provision.
- As the principals' and vice-principals' terms and conditions of employment expire August 31, 2023, salary benchmarks for these staff remain unchanged in the 2023–24 school year from the 2022–23 school year.

Employee Life and Health Trust benefits funding amounts are being adjusted for CUPE and OCEW education workers for the 2022–23 school year (in-year) and 2023–24 school year as per their respective central collective agreements.

The ministry is continuing to provide the Supports for Students Fund (SSF) in the 2023–24 school year, also known as Investment in Systems Priorities in some former collective agreements, which provides flexible funding to school boards to support the learning needs of students. School boards should continue to use this funding for its intended purpose under respective collective agreements for appropriate employee groups, subject to ongoing labour discussions. Note that funds provided through the Adult Day School/Continuing Education Supplement of the Continuing Education and Other Programs Grant may be required for compensation or staffing under the SSF, depending on the collective agreements for some employee groups.

The portion of the SSF for education workers is being increased by 3.24 per cent for the 2022–23 school year (over the amounts announced in the 2022–23 GSN) with a further 3.17 per cent increase in the 2023–24 school year. This supports the CUPE and OCEW central collective agreements. For other education worker unions, the increased portion of the SSF over the amounts specified for the 2021–22 school year in respective collective agreements, is included through a labour provision.

Since agreements with all labour partners have yet to be reached, school boards are expected to set up a provision for expenses related to the labour provisions described above, subject to

the outcome and conclusion of negotiations. Further information on how to report this provision will be released as part of the SB-Memo on the 2023–24 Estimates Education Finance Information System (EFIS) forms.

E. REALIGNMENT OF INDIGENOUS EDUCATION FUNDING

The ministry has reviewed the Indigenous Education Grant and is realigning funding to better support Indigenous education priorities. This realignment is reflected through changes to the First Nations, Métis, and Inuit Studies and Board Action Plan allocations within the Indigenous Education Grant, and a one-time realignment mitigation fund.

First Nations, Métis and Inuit Studies Allocation

The funding methodology for the First Nations, Métis and Inuit Studies Allocation is being revised as part of a realignment within the Indigenous Education Grant. This revised methodology continues to enable and encourage school boards to offer First Nations, Métis and Inuit Studies courses to support the learning of Indigenous histories, cultures and perspectives for all students across Ontario.

The combination of the Pupil Foundation Grant and the supplemental First Nations, Métis and Inuit Studies Allocation funding supports the cost of a teacher where there are at least eight students² in the course in the school³. Where enrolment is less than eight students, supplemental First Nations, Métis and Inuit Studies Allocation funding is pro-rated to support a portion of the cost of a teacher. Where enrolment for a First Nations, Métis and Inuit Studies course in a school is at least 23 eligible students, funding to support the cost of a teacher is provided solely through the Pupil Foundation Grant.

The First Nations, Métis and Inuit Studies Allocation for each school board is based on multiplying the total funded First Nations, Métis and Inuit studies enrolment by a benchmark of \$645.64. Funded First Nations, Métis and Inuit studies enrolment is calculated per course in a school as follows and totalled to a school board level:

- Less than 8 students: Generates funded First Nations, Métis and Inuit Studies enrolment of $(\text{students} \div 8) \times 15$
- Greater than or equal to 8 eligible students and less than 23 students: Generates funded First Nations, Métis and Inuit Studies enrolment of $(23 - \text{students})$
- Greater than or equal to 23 students: is funded through the Pupil Foundation Grant only.

School boards continue to be required to deliver First Nations, Métis and Inuit Studies courses in a school where a minimum of eight students in that school enroll in the course.

² Excludes adult and fully high-credit pupils.

³ Schools in regard to the First Nations, Métis, and Inuit Studies Allocation refers to the program definition of schools used to track enrolment in the ONSIS system, i.e., Board School ID (BSID) and includes schools consisting purely of remote learning students.

Realignment of Funding into the Board Action Plan (BAP) Allocation

The funding methodology for the BAP Allocation is being revised as part of the realignment within the Indigenous Education Grant to better support Indigenous education priorities.

A new Supplemental amount includes two components:

- NHS-Based Per-Pupil Component: Average Daily Enrolment (ADE) x estimated National Household Survey (NHS) percentage of enrolment that is Indigenous x Per-Pupil Amount (PPA) weighting factor x \$129.19
- Board Total Per-Pupil Component: ADE x \$36.98

Engagement with Indigenous stakeholders and school boards will be held in the spring to determine the Indigenous Education provincial priorities that are to be supported through this new Supplemental amount. School boards are expected to set up a provision for expenses related to this Supplemental amount, subject to the outcome of this engagement. Details on the priorities will be shared with school boards by early June to support the submission of their 2023–24 budgets.

One-Time Realignment Mitigation Fund

The ministry is providing \$17.1 million to partially mitigate the impacts of the realignment within the Indigenous Education Grant for school boards that are facing a net funding reduction in the 2023–24 school year relative to the 2022–23 school year due to the changes outlined above. This transitional funding can support existing programming (excluding expenses related to school board administration and governance), recognizing that it takes time for school boards to adjust their cost structures.

Each eligible school board's funding under the One-Time Realignment Mitigation Fund is set out in the GSN regulation.

F. OTHER PPF TRANSFERS TO GSN

In addition to the Summer Learning Program transfer noted above, to further support the ministry's efforts to streamline funding while also reducing administrative burden for transfer payment recipients, the following PPF allocations are also being transferred into the GSN:

Specialist High Skills Major (SHSM) Expansion

Funding of \$13.2 million for Specialist High Skills Major (SHSM) programs is moving from PPF into the existing SHSM Allocation. This additional funding supports program growth and provides students with access to more SHSM programs, including programs in skilled trades related sectors and other high demand industries in key labour market sectors.

Early Math Intervention for Students with Special Education Needs

Funding of \$8.3 million, to support early math intervention for elementary students with special education needs, is moving from PPF into the Differentiated Special Education Needs Amount (DSENA) Allocation as a new Early Math Intervention amount. This funding helps increase

student engagement, closes learning gaps and ensures students are prepared for the transition into a de-streamed Grade 9 curriculum. With this funding, school boards can continue to identify and consolidate instructional strategies and supports for students with special education needs to address gaps in mathematics achievement. Funding through this allocation includes a base amount of \$106,816.10 and a per-pupil amount of \$0.28.

Demographic Data Gathering

Funding of \$2.5 million is moving from PPF into the School Board Administration and Governance Grant as a new Demographic Data Gathering Allocation to support school board capacity to collect, analyze, and use voluntary student and workforce demographic data. This capacity enables school boards to pinpoint and address disparities in student achievement as well as in employment practices, increasing accountability to their communities. Funding through this allocation is calculated as a base amount per school board of \$30,702.00 and a per-pupil amount of \$0.16.

Any additional reporting requirements outside of EFIS and OnSIS will be requested by the Education Equity Secretariat of the ministry through a provincial accountability tool.

G. EXPIRATION OF THE COVID-19 LEARNING RECOVERY FUND

As directed in the memorandum [2022: B03 – 2022–23 Grants for Student Needs Funding](#), the temporary COVID-19 Learning Recovery Fund is expiring at the end of 2022–23, as school board operations normalize following the COVID-19 pandemic.

H. KEEPING UP WITH COSTS, ONGOING IMPLEMENTATION, OTHER ADJUSTMENTS AND REMINDERS

Non-Staff Benchmarks

The ministry is providing a 2 per cent cost update to the non-staff portion of the School Operations Allocation benchmark to assist school boards in managing the increases in commodity prices (i.e., electricity, natural gas, facility insurance, and other costs).

Ventilation Supports

The School Operations Allocation continues to provide funding support to optimize ventilation in schools, which is projected to be \$29.5 million.

Interim Special Incidence Portion (SIP) Funding Approach

The Special Incidence Portion (SIP) allocation is intended to support students with extraordinarily high needs who require more than two full-time staff to address their health and/or safety needs, and those of others at their school. In the 2023–24 school year, the ministry is undertaking a review to modernize the SIP Allocation and temporarily adjusting the SIP funding approach by using a formula to calculate the amount for each school board. Accordingly, SIP funding for each school board for 2023–24 is allocated based on the school board's historical SIP funding amounts plus a growth rate applied.

This funding approach to SIP will relieve school boards of administrative work required in the claims submission process. A similar funding approach was employed during the 2020–21 and 2021–22 school years.

School boards should continue to use this funding to help cover the costs of staff support to ensure the health and/or safety of students who have extraordinarily high needs and of others at school.

Each school board's SIP Allocation amount is set out in the GSN regulation.

Regional Internal Audit Team Administration

The West of Central Regional Internal Audit Team, previously administered by Waterloo Region District School Board, will now be administered by the Hamilton-Wentworth District School Board.

Differentiated Funding for Online Learning

The online learning and the in-person and remote learning credit load benchmarks are being updated for the third year of a multi-year trajectory. Reflecting the change in required online credits announced in Policy/Program Memorandum 167, the 2023–24 secondary benchmark for classroom teacher staffing through the Secondary Pupil Foundation Allocation and related grants will use a funded average credit load of 7.5 credits per pupil split between online learning (approximately 0.225) and in-person and remote learning (approximately 7.275). The online learning credit load benchmark assumes approximately 22.5 per cent of secondary students will take one course online in 2023–24. These planning assumptions may be reviewed based on experience and policy objectives.

Retirement Gratuities

This is the final year of a 12-year phase-out of the retirement gratuities resulting in a reduction in the benefits funding benchmarks. This 0.167 per cent reduction is applied to the benefits benchmarks in the foundation grants with equivalent adjustments to the benchmarks in the supplemental grants to reflect the reduction in benefits funding.

For school boards that provided one-time payouts of retirement gratuities in 2015–16, funding will continue to be recovered from school boards in 2023–24. This recovery, which began in 2016–17, will be over the estimated average remaining service life of school board employees eligible for retirement gratuities as of August 31, 2012. The funding recovered from school boards will be to the extent that school boards received funding from the ministry and to the extent that school boards reported a one-time gain in the early payout of retirement gratuities in 2015–16.

School Operations Allocation - Supplementary Area Factor

This is the final year of the five-year phase-in of updates to the Supplementary Area Factor for base school facility operations within the School Facility Operations and Renewal Grant to reflect a secondary class size of 23.

Accommodation Costs in School-Based Child Care Spaces

As previously communicated through memorandum 2023:SB03, School-Level Data Verification for Child Care Centres Located in Schools, the Ministry of Education is developing a new sustainable child care funding model. As part of this process, the ministry is investigating options that would support the standardization of accommodation costs in school-based spaces, with rates set by the ministry, effective January 1, 2024. As such, school boards should plan conservatively for accommodation revenues until such time as the funding formula is finalized. The ministry intends to communicate these rates in summer 2023 through a future memorandum.

I. UKRAINIAN STUDENTS WITH A CANADA-UKRAINE AUTHORIZATION FOR EMERGENCY TRAVEL (CAUET) VISA

The ministry is providing continued access to a publicly funded school at no cost to Ukrainian students with a CUAET visa. School boards should not charge tuition fees for these pupils and should report them as 'pupils of the board' for ministry funding purposes for the duration of their CUAET visa.

J. ENHANCED ACCOUNTABILITY MEASURES

External Audit Capacity

Funding of \$0.8 million is being provided through a new External Audit Allocation to enhance school boards' external auditors' capacity to support the following functions:

- Enhancing the ministry's enrolment audit accountability function
- Performing staffing Full-Time Equivalent (FTE) compliance audits to enhance accountability of the Benefits Trusts Allocation

The External Audit Allocation comprises two amounts:

- Enrolment Audit amount: supports the cost of an enrolment audit, based on a cyclical approach of approximately six school boards per year.
- Staffing FTE Audit amount: supports the costs of a staffing FTE compliance audit (i.e., Appendix H in EFIS) based on a cyclical approach of approximately 15 school boards per school year.

School board selection for enrolment and staffing FTE compliance audits and requirements/parameters are set out by the Financial Analysis & Accountability Branch of the ministry each school year, with further details to be communicated at a later date.

Balanced Budget Requirements Related to the Implementation of the Asset Retirement Obligations Accounting Standard

The new accounting standard PS 3280 Asset Retirement Obligations (ARO) was effective as of April 1, 2022, and school boards are required to implement the standard in their 2022–23 school board fiscal year, effective September 1, 2022.

Upon implementation of the ARO standard, school boards will report an adjustment to their opening accumulated deficit in the 2022–23 school year as well as to the in-year amortization and accretion expense until the affected assets are fully amortized. School boards will be provided with funding to address the ARO liabilities when they carry out eligible projects to abate the hazard materials. As the revenue and expense are not recognized on the same basis, there will be an impact on school boards' in-year surplus/deficit. The ministry is amending Ontario Regulation 488/10: *Determination of Boards' Surplus and Deficits* to exclude ARO related revenue, expense, accumulated deficit and accumulated surplus from the in-year and accumulated deficit for balanced budget compliance purposes.

K. CONTINUED STABILIZATION FUNDING FOR DECREASES IN ENROLMENT

The ministry recognizes that some school boards continue to see declines in enrolment and the GSN continues to provide a variety of measures that help stabilize funding.

- the \$21.1 million Declining Enrolment Allocation (DEA) provides school boards with transitional support recognizing that it takes time to adjust cost structures to reflect declines in enrolment. The DEA consists of a First-Year component which provides funding supports for school boards that experience year-over-year enrolment decline from the prior year, and a Second-Year component equal to 25 per cent of the prior year's First Year component.
- the \$30.1 million Recent Immigrant Supplement provides time-limited funding to support the out-year financial implications of the extraordinary and temporary decline in recent immigrant enrolment due to the COVID-19 pandemic.
 - School boards generate top-up funding, where needed, if actual weighted enrolment falls below the level determined by the total weighted enrolment for each of the four years that generated funding through the English as a Second Language/English Literacy Development (ESL/ELD) Allocation Recent Immigrant Component and the Programme d'appui aux nouveaux arrivants (PANA) Allocation in their 2019–20 Financial Statements.

L. CAPITAL

Details of capital funding programs are provided in a separate memorandum, 2023:B07 – Capital Funding for the 2023-24 School Year.

M. ISOLATE BOARD SCHOOL AUTHORITIES

As in previous years, funding for isolate board school authorities will be adjusted, as appropriate, to reflect changes in funding to district school boards. As such, funding for isolate board school authorities may include adjustments to some of the items presented in this memorandum. The ministry will provide further information to isolate board school authorities through an updated Addendum to the 2023–24 Technical Paper for Isolate Board School Authorities in the coming months.

N. REPORTING

Dates for Submission of Financial Reports

The ministry has established the following dates for submission of financial reports:

Date	Description
June 30, 2023	School Board Estimates for 2023–24
November 15, 2023	School Board Financial Statements for 2022–23
December 15, 2023	School Board Revised Estimates for 2023–24
May 15, 2024	School Board Financial Report for September 1, 2023 to March 31, 2024

Rural and Northern Education Funding (RNEF) – Schools List

By June 30, 2023, school boards must submit to the ministry the list of all the additional schools, approved by board of trustees' motion, to be eligible to spend the RNEF Allocation on these specific schools. Please submit these motions along with the list of these additional schools to EDULABFINANCE@ontario.ca including the school name, School Facilities Inventory System (SFIS) number, Campus ID, Board School Identification number (BSID) and panel (elementary/secondary). **Please include "RNEF" in the subject line of your email.**

O. INFORMATION RESOURCES

If you require further information, please contact:

Subject	Contact	Email
Broadband	Philippe Madore	Philippe.Madore@ontario.ca
Capital Policies and Renewal	Andrea Dutton	Andrea.Dutton@ontario.ca
Capital Priorities, Child Care Capital, Site Acquisition and Project Accountability	Paul Bloye	Paul.Bloye@ontario.ca

Central Labour Agreements	Matthew Beattie Heather Diggle	Matthew.Beattie@ontario.ca Heather.Diggle@ontario.ca
Curriculum and Assessment Implementation and Additional Educational Software Licensing	Mishaal Surti	Mishaal.Surti@ontario.ca
Executive Compensation	Patrizia Del Riccio	Patrizia.DelRiccio@ontario.ca
Field Services (including French as a second language, international education, and regional offices)	Andrew Locker	Andrew.Locker@ontario.ca
Financial Accountability, Reporting Requirements, External and Regional Internal Audit	Med Ahmadoun	Med.Ahmadoun@ontario.ca
French-language Education	Roxanne Hotte	Roxanne.Hotte@ontario.ca
Indigenous Education	Renita Deonarain	Renita.Deonarain@ontario.ca
Online Learning	Laurie McNelles	Laurie.McNelles2@ontario.ca
Operating Funding Modelling (including Benefits Trusts funding model)	Xiaofei Wang	Xiaofei.Wang@ontario.ca
Operating Funding Policy (including Benefits Trusts policy)	Romina Di Pasquale	Romina.DiPasquale@ontario.ca
Professionalism, Teaching Policy and Standards	Anshoo Kamal	Anshoo.Kamal@ontario.ca
Special Education	Claudine Munroe	Claudine.Munroe@ontario.ca
Student Achievement	Dianne Oliphant	Dianne.Oliphant@ontario.ca
Student Mental Health	Claudine Munroe	Claudine.Munroe@ontario.ca
Student Transportation	Mehul Mehta	Mehul.Mehta@ontario.ca
Student Well-Being and Parent Engagement	Suzanne Gordon	Suzanne.Gordon@ontario.ca

General questions regarding the GSN release can be emailed to: EDULABFINANCE@ontario.ca.

P. OTHER GSN MATERIALS

For further information, please see the 2023–24 Education Funding Technical Paper and GSN Projections for the 2023–24 School Year, which are available on the [Education Funding webpage](#).

Q. CONCLUDING REMARKS

Some of the elements and proposals set out in this memo can only take effect if certain regulations are made by the Minister of Education or Lieutenant Governor in Council under the *Education Act* or other legislation as required. Such regulations have not yet been made. Therefore, the content of this memo should be considered subject to such regulations, if and when made.

In closing, the ministry would like to thank you and acknowledge the ongoing and extraordinary work of school board teams to support students, families and the broader community, especially while navigating the unique challenges of recent years. We remain committed to working closely with you to facilitate the next school year, with the best interest of Ontario's students in mind.

Sincerely,

Original signed by

Andrew Davis
Assistant Deputy Minister
Education Labour and Finance Division