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**Ministère de l'Éducation**  
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**2019: SB20**

**Memorandum to:** Senior Business Officials

**From:** Romina Di Pasquale  
Director  
Education Labour and Finance Implementation Branch

Med Ahmadoun  
Director  
Financial Analysis and Accountability Branch

**Date:** October 24, 2019

**Subject :** 2019-20 Revised Estimates (District School Boards)

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We are pleased to inform you that the 2019-20 revised estimates, related guides and instructions are now available through the revised estimates link on the “Reporting to the Ministry” section of the [Financial Analysis and Accountability Branch \(FAAB\) website](#).

### ***IMPORTANT REPORTING CHANGES FROM ESTIMATES***

#### **A. Reporting of Eligible Attrition Full-Time Equivalent (FTE)**

School boards should update their eligible attrition FTE in Section 7 of the EFIS form to reflect actual attrition for 2019-20.

The ministry will review the submitted actual eligible attrition FTE and make determinations with regards to Projection Variance Protection funding through the Teacher Job Protection Fund. This will be reflected in the school boards' financial statements EFIS submission. The ministry may look at alternative cashflow update options to reflect this adjustment if deemed necessary.

#### **B. Reporting of Committed Capital Projects**

Schedule 5.5, Committed Capital Projects, in EFIS has been updated to align with requirements of the new regulation *Calculation of Maximum In-Year Deficit (O. Reg. 280/19)*.

Depreciable projects are reported in the following sections to track three types of projects whose amortization is excluded from the calculation of adjusted in-year deficit

that school boards need to eliminate for purposes of the new regulation. They are as follows:

- i. Projects pre-September 1, 2010
- ii. Ministry-approved projects on or after September 1, 2010
- iii. Projects without ministry approval between September 1, 2010 and August 31, 2019
- iv. Projects without ministry approval on or after September 1, 2019

The amortization expense of the projects under i and ii will be excluded from the calculation of the adjusted in-year deficit. The amortization expense of the projects under iii will be excluded from the calculation of the adjusted in-year deficit if the school board's accumulated surplus at year end is greater than or equal to 1% of their operating revenue.

#### **c. Updated Compliance Report and Reporting of the In-Year Deficit Elimination Plan**

A new section has been added to the Compliance Report to calculate the adjusted in-year deficit that school boards need to eliminate within two fiscal years as required by the new regulation *Calculation of Maximum In-Year Deficit* (O. Reg. 280/19).

The adjusted in-year surplus/deficit is calculated by taking the in-year surplus/deficit for compliance purposes and excluding the following items:

- i. Amortization expense of three types of projects aforementioned,
- ii. Deficit related to sinking fund interest earned adjustment, and
- iii. Deficit as a result of using accumulated surplus to offset the impact of phasing in employee future benefit liabilities.

Additionally, the In-Year Deficit Elimination Plan (IYDEP) is now part of EFIS, instead of the stand alone Excel file used this spring. The form must be completed at any time when the school board's adjusted in-year deficit meets the threshold identified in the regulation.

#### **D. Reporting of Fees and Pupil Accommodation Charge (PAC) Revenues**

*Ontario Regulation 278/19 - Calculation of Fees for the 2019-2020 School Board Fiscal Year* includes changes to reflect the context of the Reciprocal Education Approach (REA). As these regulatory changes were made after the submission of school board's 2019-20 Estimates, the ministry has updated the EFIS forms to reflect the revised base fee calculation. The calculation can be viewed in EFIS under a newly created "Appendix B Adjustment: Version after adjustment" in the 2019-20 Estimates. Please note the Pupil Accommodation Charge to First Nation students has been removed; however, it can still be charged to international VISA students and out of province students.

Under the REA, school boards are required to charge a First Nation this revised base fee for the 2019-20 school year, or in the reverse context, pay this amount to the entity operating an eligible First Nation school.

### **E. Labour Negotiations**

The 2019-20 revised estimates doc set do not include funding related to the terms of central agreements that have been reached. Should central agreements be centrally ratified with education sector unions prior to December 1, 2019, school boards should include additional expenses related to the terms of the agreement. The ministry will revise the GSN and table amounts once all labour negotiations have concluded and central agreements have been ratified by respective federations and unions. Details will be communicated to school boards at a later date.

## ***SUBMISSION OF FINANCIAL REPORTS***

Please submit your 2019-20 revised estimates through EFIS 2.0. In addition, please submit electronically by December 13, 2019 a copy of the following documents; via attachment, to [revest@ontario.ca](mailto:revest@ontario.ca):

<b>From School Board's Active EFIS Submission (in PDF)</b>
<ul style="list-style-type: none"><li>• Certificate of the Director of Education (Signed by the Director of Education)</li><li>• Compliance Report</li><li>• Schedules 9, 10 and 10ADJ</li><li>• Section 1A summary</li></ul>

The file name used should follow the naming convention specified on the FAAB website and school boards are requested to include the following text in the subject line of the email: "2019-20 Revised Estimates Supporting Documentation – DSB ##".

### **Late Submissions**

It is important that school boards meet the due dates above as the information is needed for the interim reporting in the provincial budget. The ministry may implement cash flow penalties for revised estimates that are not received in EFIS by December 13, 2019. The penalty is equal to a 50% reduction in the school board's regular cash flow.

Upon submission of the revised estimates, the ministry will revert back to the normal monthly payment process and will include in the monthly payment the total amount withheld up to that point.

### **Contacts**

Subject	Name	Phone	Email
EFIS user/navigation assistance	Stevan Garic	(437) 221-9722	<a href="mailto:Stevan.Garic@ontario.ca">Stevan.Garic@ontario.ca</a>
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EFIS package	Ministry financial analysts, information can be found on the FAAB website under the <a href="#"><u>Contact Us</u></a> section		
EFIS login assistance	N/A	N/A	<a href="mailto:efis.support@ontario.ca">efis.support@ontario.ca</a>

Original signed by

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cc: Directors of Education