

Ministry of Education

Financial Analysis and
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Ministère de l'Éducation

Direction de l'analyse et de la
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2020: SB20

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Memorandum to: Senior Business Officials
Secretary/Treasurers of School Authorities (Isolate Boards)

From: Med Ahmadoun
Director
Financial Analysis and Accountability Branch
Ministry of Education

Subject **Amendments to Ontario Regulation 280/19 - Calculation of
Maximum In-Year Deficit**

I am writing to inform you that Ontario Regulation 280/19 - Calculation of Maximum In-Year Deficit made under the *Education Act* has been amended.

On August 13, 2020, the ministry announced proposed changes to allow district school boards and isolate board school authorities to access their accumulated surpluses in excess of previously allowed limits. The amendments to O. Reg. 280/19 provide legal authority for boards to have greater access to their accumulated surpluses without first obtaining the Minister's approval. The key updates are:

- for the 2020-21 fiscal year only, changing the in-year deficit threshold not requiring Minister's approval from the lower of one per cent of school boards' operating allocation and accumulated surplus balance from the preceding fiscal year to the

- lower of two per cent of school boards' operating allocation and the accumulated surplus balance from the preceding fiscal year, if the additional deficit is incurred for reasons relating to COVID-19; and
- removing the In-Year Deficit Elimination Plan requirement for the 2020-21 school year.

School boards would be required to seek the Minister's approval where they are planning to incur:

- an in-year deficit that is greater than one per cent of their operating allocation for reasons unrelated to COVID-19; or
- an in-year deficit that would be greater than two per cent of their operating allocation.

Approval would be considered on a case-by-case basis and will be based on several factors such as the nature of the deficit, the pressing need for such expenses as well as the overall financial implications of the deficit to the school board.

If you require further information, please contact:

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Sincerely,

Original signed by

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