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2021:SB08

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Memorandum to: Senior Business Officials

From: Med Ahmadoun
Director
Financial Analysis and Accountability Branch

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Subject **2021-22 Estimates (District School Boards)**

We are pleased to inform you that the 2021-22 estimates, related guides and instructions are now available through the estimates link on the “Reporting to the Ministry” section of the [Financial Analysis and Accountability Branch \(FAAB\) website](#).

TRAINING MATERIALS

Training materials for the 2021-22 estimates forms, which explain the most significant changes to the Grants for Student Needs (GSN), are available to download in the Education Finance Information System (EFIS) under the “Training Material” folder in the S2122EST application.

IMPORTANT NOTES ON REPORTING

A. Regulation amendments to exempt the three accounting adjustments

For the 2021-22 school year, the ministry will propose amendments to Ontario Regulation 488/10 – *Determination of Boards’ Surplus and Deficits* and Ontario Regulation 280/19 – *Calculation of Maximum In-Year Deficit* to exempt the three accounting adjustments related to employee future benefits, committed capital and sinking fund interest earned as school boards have already set aside reserves for these

three adjustments. Accordingly, these three accounting adjustments will no longer count towards the boards' calculation of the in-year deficit and the previous exemption under Ontario Regulation 280/19 will no longer be required.

B. *Balanced Budgets Requirements, Ministry Approval for In-year Deficits and Additional COVID-19 Funding Supports*

As announced in memorandum 2021:B07, The ministry also intends to propose amendments to existing regulations to allow school boards to incur an in-year deficit up to two per cent of their 2021-22 operating allocation without requiring minister's approval. However, pending vaccine distribution and public health advice, school boards are required to budget for half of the amount, or one per cent to support the first half of the school year. As a result, a school board may incur an in-year deficit up to the lower of one per cent of the school board's operating revenue or the accumulated surplus for the preceding school year, consistent with the requirements set out in Ontario Regulation 280/19. If a school board anticipates an in-year deficit greater than one per cent of its operating allocation, Minister approval will be required. In the fall of 2021, the ministry will confirm whether the flexibility of the additional one per cent will be needed. As always, the submission of an in-year deficit approval request, where applicable, is recommended as soon as possible to ensure it is reviewed prior to the start of the next school year.

In addition, Ontario Regulation 280/19 will also be amended to suspend the requirement for the In-Year Deficit Elimination Plan for the 2021-22 school year.

Finally, to support school boards that will draw funds from their accumulated surplus to fund expenses related to COVID-19, the ministry will offset some of these pressures with the following two funding programs:

1. **Stabilization COVID-19 Support Funding:**

This funding is applicable to school boards without sufficient reserves to incur an in-year deficit up to two per cent of their operating allocation. This funding will top-up school boards' available funds to incur in-year deficit for COVID-19 related expenses up to two per cent of their operating allocation for the school year 2021-22. As noted above, half of this funding amount, or up to one per cent of the operating allocation will be available to support the first half of the school year.

2. **Supplemental COVID-19 Support Funding:**

This funding is applicable to school boards that have already incurred or expected to incur a total COVID-19 related deficit of more than two per cent of their operating allocation over the 2020-21 and 2021-22 school years. This funding will cover the excess use of reserves for COVID-19 related expenses up to two per cent of their 2021-22 operating allocation. As noted above, half of this funding amount, or up to

one per cent of the operating allocation will be available to support the first half of the school year.

In the 2021-22 Estimates, school boards must not include revenue from these two funding programs as they will be calculated by the ministry after the 2021-22 Estimates submissions are received and included in the Finance Officer reviewed Estimates submission. Furthermore, revenue from the Stabilization COVID-19 Support Funding will count towards the calculation of in-year compliance deficit for Minister's approval, while revenue from the Supplemental COVID-19 Support Funding will not. For details, please see the 2021-22 Estimates EFIS instructions.

With regards to the funding announced for 2021-22, for school boards that access more than a total of 2% of their operating allocation from their reserves over the 2020-21 and 2021-22 school years, eligible 2020-21 expenses only include existing planned 2020-21 expenditures at the time of this announcement. School boards will be required to submit an attestation to this effect at the end of the 2020-21 school year. Further details will be provided with the 2020-21 Financial Statements forms to be released in fall 2021.

C. *Library Staffing and Expenses Reporting*

The ministry is introducing requirements to enhance reporting for library staff funding. This additional reporting is intended to provide the ministry with greater insight into how school boards are funding libraries and related supports.

The enveloping provisions of the Library Staff Allocation in the School Foundation Grant remain in effect.

School boards that are not fully utilizing the funding provided for library staffing through the Pupil Foundation Grant, along with the existing enveloping provision of the Library Staff Allocation, will be flagged in the EFIS forms and required to submit a multi-year plan highlighting their vision and next steps to address any underspending in this area.

D. *Reporting of Expenses Related to Capital Planning Capacity Amount, Non-instructional Space Amount and Parent Engagement Amount*

The Capital Planning Capacity (CPC) Amount, Non-instructional Space Amount and Parent Engagement Amount are moved from the Board Administration Allocation to School Operations Allocation and School Foundation Allocation; however, school boards should continue to report the related expenses under board administration as per the Code of Accounts. The funding will be distributed to the board administration line under respective allocations in Data Forms B, C and D to cover the expenses reported on that line.

E. Enrolment Reporting

1. Remote Learning:

The enrolment for students taking remote learning should continue be reported in the home school of the students. School boards that are contemplating delivering remote learning through virtual schools in 2021-22 should note that virtual schools will not be listed in the school level input forms of EFIS and students enrolled in virtual schools should be reported in their home school.

2. Quadmester and Octomester Delivery Models:

Where school boards continue to offer the quadmester and octomester delivery models, there are no anticipated changes to the methodology for calculating Average Daily Enrolment (ADE) in these models and they will be funded the same way as the 2020-21 school year. Any updates or changes in requirements will be communicated through the release of the 2021-22 Enrolment Register Instructions for Elementary and Secondary Schools, anticipated in late spring/early summer.

F. Appendix H Reporting

As a reminder, Appendix H is a position-based schedule using two specific measurement dates, October 31 and March 31. Any positions created or retained to support school boards in maintaining health and safety measures for 2021-22 (e.g. positions created to reduce class size, enhance school cleaning) should be reflected on Appendix H and follow the inclusion and exclusion criteria outlined in the instructions consistent with prior years.

Given the differing education delivery models (e.g. octomester, quadmester) used by school boards to support student cohorting in 2021-22, classroom educator positions supporting the quadmester or octomester models should be reported as the sum of their position's full-time equivalency (FTE) for their first two quadmesters or first four octomesters, to align as closely as possible to the typical October count date. For purposes of the March count date, school boards should assume that regular delivery models will have resumed. Should this not be the case, school boards can adjust the FTE in their 2021-22 revised estimates submission. Given that all of the necessary information may not be available to support the preparation of the 2021-22 estimates submission, school boards should provide their best estimate of FTE for the October count date based on previous year staffing levels where they continue to be supported through the ministry's funding announcements and a return to regular delivery models for the March count date.

The FTE reporting of positions not supporting the quadmester or octomester models has not changed and school boards should continue following the reporting instructions and guidelines when completing Appendix H. Please refer to Section Appendix H and Subsection Input – General for the reporting criteria.

With the introduction of Section C. - Library Staffing and Expenses, school boards are reminded to apply consistent reporting methods to their library and guidance FTEs at all reporting cycles in order to accurately report the FTEs on Appendix H lines 4.1 Library and Guidance Staff – Library Teachers, and 4.2 Library and Guidance Staff – Guidance Teachers. The FTEs reported on lines 4.1 and 4.2 will be pre-loaded into Section C. Library Staffing and Expenses.

G. Supports For Students Fund (SSF) and Investment in Systems Priorities (ISP)

Although there is no specific reporting related to SSF and ISP in the 2021-22 estimates, the ministry is providing an excel template with reporting instructions which can be downloaded through the File Download Portal under the “2021-22 Estimates” folder in EFIS to facilitate school board reporting for the 2021-22 financial statements.

Various staffing categories are currently pre-loaded based on the central collective agreements and additional blank lines are included to input the details of other staffing categories and related expenses.

SUBMISSION OF FINANCIAL REPORTS

Please submit your 2021-22 estimates through EFIS 2.0. In addition, please submit electronically by June 30, 2021 a copy of the following documents, via attachment, to estimates.met@ontario.ca:

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

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: “2021-22 Estimates Supporting Documentation – DSB ##”.

LATE SUBMISSIONS

It is important that school boards meet the due date above as the information is needed for the interim reporting in the provincial budget and the ministry may implement cash flow penalties for estimates that are not received in EFIS by the due date. If the school board is unable to meet the reporting deadline due to extenuating circumstances, please contact your ministry financial analyst to discuss the need for an extension.

NOTICE

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

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EFIS package/Other Questions	Ministry financial analysts, information can be found on the FAAB website under the " Contact Us " section		

Original signed by

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cc: Directors of Education