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2023:SBXX

Date: July XX , 2023

Memorandum to: Secretary Treasurers of School Authorities (Isolate Boards)

From: Med Ahmadoun
Director
Financial Analysis and Accountability Branch

Xiaofei Wang
Director
Education Modelling and Forecasting Branch

Subject **2023-24 Estimates Forms for School Authorities (Isolate Boards)**

I am writing to provide you with information about the Ministry of Education's Grants for Student Needs (GSN) funding for isolate boards for 2023-24 further to [Memorandum 2023:B04 – 2023-24 Grants for Student Needs Funding](#).

Details of the funding model are outlined in the Technical Paper, alongside other supporting GSN materials, found on the ministry's [Education Funding webpage](#). The Addendum to the Technical Paper, which notes the funding adaptations for isolate boards, is also available on the [Education Funding webpage](#).

The 2023-24 Estimates forms for isolate boards in Excel format and related instructions for completion will be provided to each isolate board separately.

Important Notes on 2023-24 Reporting

1. Enrolment Reporting for Remote Learning

Further to [Memorandum 2023:B04 — 2023-24 Grants for Student Needs Funding](#), if isolate boards deliver remote learning either directly or in partnership with other school boards, they will need to create a Board School ID (BSID) to track enrolment in remote learning schools. A new schedule “Schedule 13A Enrolment in Remote Learning Schools” has been added in the Estimates forms for isolate boards to report enrolment in remote learning schools as applicable. Note that total enrolment reporting in “Schedule 13 Enrolment” should also include enrolment in remote learning schools. Funding for remote learning administration is provided through a new allocation within the School Foundation Grant. Remote learning schools are not eligible for funding through the In-School Administration Allocation of the School Foundation Grant and other school-based/school facility based allocations within the GSN.

2. Balanced Budgets and Ministry Approval for In-year Deficits

Under the Education Act, a school board (including isolate boards) shall not have an in-year deficit for a fiscal year, with certain exceptions. A school board may incur an in-year deficit up to the lower of one per cent of the board’s operating revenue or the accumulated surplus for the preceding school year, consistent with the requirements set out in Ontario Regulation 280/19. School boards incurring an in-year deficit in 2023-24, in compliance with the requirements set out in Ontario Regulation 280/19, must submit an In-year Deficit Elimination Plan (IYDEP) indicating the measures it will take to balance its budget and eliminate the in-year deficit by the timelines outlined in the regulation. The IYDEP must be approved by the board of trustees.

If a school board anticipates an in-year deficit greater than the lower of one per cent of its operating allocation or the accumulated surplus for the preceding school year, Minister approval will be required. Therefore, the submission of an in-year deficit approval request, where applicable, is required as soon as possible to ensure it is reviewed prior to the start of the 2023-24 school year.

3. Implementation of New Public Sector Accounting Board (PSAB) Accounting Standards

For 2023-24, there will be three new PSAB accounting standards coming into effect:

PS 3160 Public Private Partnerships (P3) – this section provides specific guidance on the accounting and reporting for P3s. P3s are an alternative finance and procurement model where a public sector entity (e.g., isolate board) procures infrastructure using a private sector partner. Per PS 3160, the private sector partner's obligations include all the following requirements:

- design, build, acquire, or better new or existing infrastructure;

- finance the transaction past the point where the infrastructure is ready for use; and
- operate or maintain the infrastructure (note that operation and maintenance by the private sector partner is not a requirement under the provincial implementation scope. The reason for this broadened scope is to ensure consistent accounting of all provincial P3 arrangements with long-term financing).

A related template is available as part of the Estimate forms release email. The ministry requires completion and submission of this template in the 2023-24 Estimates. Form updates will be made in the 2023-24 Financial Statements cycle.

PSG-8 Purchased Intangibles – this guideline allows the recognition of purchased intangible assets (e.g. patented technology). Relevant forms have been updated and included in the Estimate forms release email.

PS3400 Revenue – this section provides guidance on the accounting and reporting of revenue related to exchange transactions (i.e., transactions where goods or services with performance obligations – enforceable promises to provide specific goods or services to a specific payor – are provided to a payor for consideration) and non-exchange transactions (i.e., transactions with no performance obligation where the entity receives an increase in economic resources without a direct transfer of goods or service to the payor). There are no forms changes; however, isolate boards should consider if this standard impacts their revenue recognition.

4. Reporting on the Use of Supports for Students Fund (SSF)

The reporting on the use of the SSF is now being incorporated into the Estimates forms. The form will be visible to users in the 2023-24 Estimates cycle. However, isolate boards will only be required to submit the form during the Financial Statements cycle.

5. Reporting of Labour Expenses Pending Central Collective Bargaining

As noted in [Memorandum 2023:B04 — 2023-24 Grants for Student Needs Funding](#), the ministry has included salary and benefits increases for education workers with negotiated central collective agreements and a labour provision for other unionized employees where agreements have not yet been reached with teacher federations and education worker unions. Consistent with the previous school year, isolate boards should estimate a labour expense provision for those employees where agreements have not been reached and record it on the Provision for Contingencies line on Schedule 10.

Estimates Submission

Please submit your 2023-24 Estimates through the [SharePoint](#) site by **September XX , 2023**.

In addition, the following documents should be submitted by authorized users to the SharePoint site by **September XX , 2023**:

The certificate signed by the Supervisory Officer (in PDF)
Compliance Report
In-Year Deficit Elimination Plan, if required
Public Private Partnerships Template (in Excel)

Late Submissions

If an isolate board is unable to meet the reporting deadline due to extenuating circumstances, please contact your ministry financial analyst or finance officer to discuss the need for an extension.

If the Estimates' submission is not received by the due date, the ministry may implement cash flow withholding until the submission is received. The cash withholding amount is equal to a 50% reduction in the isolate board's regular cash flow. Upon submission of the Estimates, the ministry will revert to the normal monthly payment process and will include in the monthly payment the total amount withheld up to that point.

Notice

Some of the elements, plans and proposals set out in this memo and in the Estimates 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 is subject to such regulations, if and when made.

Contacts

If you have any questions related to the completion of the Estimates package, please contact:

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Sincerely,

Original signed by

Med Ahmadoun
Director
Financial Analysis and Accountability Branch

Xiaofei Wang
Director
Education Modelling and Forecasting Branch

cc: Isolate Board Supervisory Officers