Ontario

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2020: B 08

Date: June 19 2020

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

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

Subject **2020–21 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 2020–21. This information is being provided in conjunction with the release of the 2020–21 school year allocations for the Priorities and Partnership Fund (PPF).

Since COVID-19 has emerged as an unprecedented public health issue, the government has been diligently monitoring the developing situation to protect the health and well-being of all Ontarians. The government recognizes the significant impact this has had on families, students, schools, and the broader community. The release of the 2020–21 GSN provides further certainty to school boards for the school year to come.

The government remains committed to investments that have the greatest impact on the

classroom, while ensuring tax dollars are used more effectively. GSN funding for 2020–21 is projected to be $25.52 billion. The average provincial per-pupil funding is projected to be $12,525 in 2020–21, which is an increase of $250 or 2.0% from 2019–20.

This year's GSN includes targeted new investments to support school boards in responding to the COVID-19 outbreak and to address the unique learning needs of students, including a new Supports for Students Fund. Changes also include additional support for sick leave, increased enrolment, and other regular updates to the GSN. The GSN also reflects the implementation of ratified central agreements.

A. RESPONSE TO THE COVID-19 OUTBREAK

The ministry will provide $25.0 million in new funding in 2020–21 for extraordinary costs related to the COVID-19 outbreak:

- $10.0 million investment for mental health to support the continued learning and well-being of students
- $15.0 million investment to support technology-related costs

The ministry will release further details, including board level allocations, in the near future.

While the ministry remains hopeful that schools will be open in the fall and that they will remain open for the entire 2020-21 school year, given the continued uncertainty related to COVID-19, school boards are advised to be diligent in managing costs and carefully review all discretionary program spending as they develop their 2020–21 school year budgets.

High-Credit Day School Allocation

Due to the unprecedented current school year, the ministry acknowledges that some students may return to school next year having already successfully completed Ontario Secondary School Diploma (OSSD) requirements to graduate, in order to better prepare themselves for their post-secondary pursuits. While enrolment funded through the High-Credit Day School Allocation will continue to be funded at the same rate as adult day school, the ministry will monitor the number of eligible students enrolled with more than 34-credits to assess the financial implications for school boards.

B. COMPENSATION, SECONDARY CLASS SIZE, AND ONLINE LEARNING

The GSN reflects changes for compensation, class size and online learning based on nine recently ratified central collective agreements.

Compensation

The ministry will adjust salary benchmarks[1] by one per cent. The ministry will also provide benefits funding that vary by employee group, reflecting central agreements, which include up to one per cent increases for benefits' plan maintenance or improvements in 2019–20 and 2020–21 and additional inflationary increases.

Class Size and Teacher Job Protection Funding

There will be no changes to the funded or regulated class size averages for the elementary panel (kindergarten to grade 8). As announced in *2020:B04-Budget Planning Information for 2020-21*, for grades 9-12, the funded average class size in the Pupil Foundation Grant will be reduced from 28 to 23. This will impact related grants such as the Cost Adjustment and Teacher Qualifications and Experience Grant and the Geographic Circumstances Grant.

Funding continues to be available through the Teacher Job Protection Fund for classroom teachers, if needed, in relation to the changes to class sizes in 2020–21. With this support in place, and the additional local flexibility for some school boards, it is a continued expectation for the upcoming school year that school boards will not lay-off teachers associated with changes to class sizes. Given the reduction in the funded average secondary class size to 23, it is projected that no funding will be generated through this allocation in 2020–21. However, funding continues to be available if actual attrition and enrolment trigger funding through the allocation. In addition, the Supplementary Area Factors for base school facility operations, within the School Facility Operations and Renewal Grant, will be updated.

Online Learning

As announced on November 21, 2019, Ontario students will be required to take two online credits to graduate from secondary school, starting with the cohort of students entering grade 9 in September 2020. As part of this transition, for the 2020–21 school year, the ministry will include an online learning adjustment in the Cost Adjustment and Teacher Qualifications and Experience Grant in recognition of the maximum average class size of 30 for online courses. The adjustment is based on the historical uptake of online courses in Ontario secondary programs (i.e., day school programs for pupils under 21 years of age, adult day school, continuing education and summer school programs) and is projected to be $4.3 million in 2020–21. Online courses will not be included in the calculation of a school board's secondary maximum average class size requirement of 23. Future adjustments to the funding methodology for online learning courses will be confirmed through the 2021–22 GSN.

While online courses will be a mandatory graduation requirement, as announced on March 3, 2020, parents/guardians will be able to opt their children out of the requirement. Further information with guidance on the implementation of opt-out procedures will be provided by the ministry in the near future.

[1] Does not include directors of education, senior administration staff, principals or vice-principals.

Discontinued Earned Leave Plan

The collective agreements with the Ontario English Catholic Teachers' Association (OECTA) and l'Association des enseignantes et des enseignants franco-ontariens (AEFO), covering the September 1, 2019 to August 31, 2022 period, include an agreement to discontinue the earned leave program as of September 1, 2019. As such, the Earned Leave Plan amount has been discontinued in the GSN.

C. TARGETED NEW INVESTMENTS

Supports for Students Fund

New in 2020–21, the Supports for Students Fund (SSF) provides flexible funding for school boards to support the learning needs of students, which may include special education, mental health and well-being, language instruction, Indigenous education and STEM programming. Note that in the Canadian Union of Public Employees (CUPE) and the Educational Workers' Alliance of Ontario (EWAO) agreements it is referred to as Investments in System Priorities (ISP). All funds should be used consistent with the central agreement obligations.

As noted in the 2019–20 Technical Paper, funding for adult day school teachers, that was previously provided through the Local Priorities Fund, was moved to the Continuing Education and Other Programs Grant. Depending on the collective agreement, these funds may be required for compensation or staffing under SSF.

Additional Support for Sick Leave

The ministry will increase the supply teacher benchmarks by the equivalent of one additional day to recognize school boards' experience with sick leave usage.

School Operations Allocation

The ministry will provide a two per cent cost benchmark 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).

D. STUDENT TRANSPORTATION

In January 2020, the ministry launched a review of student transportation, which aims to achieve a more equitable and needs-based student transportation system in Ontario. A targeted stakeholder advisory group has been established to provide expert advice to the ministry on student transportation funding, consortia model and operations, and procurement. While the review is underway, the overall Student Transportation Grant will be maintained at the previous year's funding level, with adjustments for enrolment growth. In 2020-21, the transportation allocation is projected to be over $1.0 billion.

In addition, as a result of the school closures announcement until the end of the school year, the 2019-20 Student Transportation Grant is being reduced by $24.8 million, which is based on the estimated fuel portion of transportation contracts in the grant for the months of May and June, as transportation services are suspended. For consistency, the ministry will also suspend

the fuel escalator/de-escalator over May and June 2020. This fuel adjustment reflects transportation fuel costs that are not being incurred by school boards and transportation consortia through their contracts with their operators while transportation services are suspended as a result of school closures and will not affect the 2020-21 Student Transportation Grant.

E. TRANSFERS TO GSN

To further support the ministry's efforts to streamline funding while also reducing administrative burden for transfer payment recipients, some existing allocations will be transferred into the GSN beginning in 2020–21:

Mental Health Workers $24.8 million

This funding supports regulated mental health workers in secondary schools to provide direct services to students and to support enhanced access through referrals to community mental health services for students in crisis. This allocation will be transferred to, and enveloped within, the Mental Health and Well-being Grant (formerly the Safe and Accepting Schools Supplement).

Experiential Learning $12.0 million

This funding is for staff and other supports to provide effective experiential learning opportunities to help students engage in education and career/life planning through exposure to a variety of careers and pathways. This allocation will be transferred to the Learning Opportunities Grant (LOG).

Northern Supports Initiative (NSI) $7.0 million

This funding supports students with special education needs in all northern school boards and school authorities through three regional cooperatives. The cooperatives determine local special education priorities, to deliver joint, innovative and cost-effective programs and services that address the challenges associated with providing services to students with special education needs in Northern Ontario. Funding will be transferred to the new Northern Adjustment category that has been created under the Measures of Variability (MOV) component of the Special Education Grant, and this funding will be enveloped.

Curriculum and Assessment Implementation $4.3 million

This funding supports implementation and training for educators and system leaders as new curriculum, including Indigenous-focused curriculum, and assessment policies are released. This allocation will be transferred to the School Board Administration and Governance Grant (SBAGG). This allocation will not be subject to the school board administration and governance enveloping provision.

Executive Compensation (for increases introduced in 2017–18) $3.9 million

This funding supports 2017–18 executive salary and performance-related pay increases for designated executives. This allocation will be transferred to the SBAGG and will be subject to

the school board administration and governance enveloping provision.

Additional Educational Software Licensing $2.4 million

This funding is for educational software that supports learning in and outside of the classroom. It is being transferred to the GSN from existing ministry software licenses as they expire to provide school boards with flexibility to better address local needs. This funding will be provided though a new per-pupil component in the Pupil Foundation Grant (PFG), with a top-up allocation within the Geographic Circumstances Grant to ensure every school board receives a minimum amount of $30,000. This funding is in addition to funding in the textbooks and learning materials amount in the PFG.

Future Transfers to the GSN

The ministry intends to continue reviewing opportunities for additional transfers in future years. For example, during the 2020–21 school year, the ministry will be working to review the suitability of transferring the Specialist High Skills Major (SHSM) PPF into the GSN.

F. OTHER CHANGES AND ONGOING IMPLEMENTATION

Learning Opportunities Grant

Based on the Office of the Auditor General of Ontario 2017 Value-for-Money Audit, stakeholder feedback and data analysis on factors that disadvantage students, the ministry is making the following adjustments within LOG:

- Streamlining the Student Achievement Envelope by realigning it into two parts - an Experiential Learning (EL) Envelope and a Targeted Student Supports (TSS) Envelope.
    - The EL Envelope includes the SHSM and Outdoor Education Allocations, along with the new EL Allocation.
    - The TSS Envelope includes the Literacy and Math Outside the School Day, Student Success, Grades 7 to 12, Grade 7 and 8 Literacy and Numeracy and Student Success Teachers, and the Tutoring Allocations.
    - School boards must continue to use the allocations above only for these programs and must report any unspent funding as deferred revenue for future spending in these programs. There is flexibility in how school boards may use allocations within the two envelopes, as long as the funds in total are spent on the programs within each envelope.
- The Library Staff Allocation is being moved to the School Foundation Grant (SFG) and the School Authorities Amalgamation Adjustment is being moved to SBAGG.

Program Leadership Grant

The Program Leadership Allocation is being moved from the School Board Administration and Governance Grant to become its own grant – the Program Leadership Grant. This realignment will better delineate funding for the development and delivery of student programming.

Name Changes

To better reflect their current purpose and in response to stakeholder feedback, the following four allocations are being renamed:

- The Care, Treatment, Custody and Correctional (CTCC) Amount Allocation will be renamed the **Education and Community Partnership Programs (ECPP) Allocation**
- The Safe and Accepting Schools Supplement will be renamed **the Mental Health and Well-Being Grant**
- The Indigenous Studies Allocation will be renamed the **First Nations, Métis & Inuit Studies Allocation**
- The Ontario Focused Intervention Partnership (OFIP) Tutoring Allocation will be renamed the **Tutoring Allocation**

School Foundation Grant Definition Change Funding Impacts

This is the final year of a four-year phase-in of the funding impacts of the new SFG definition of a school, based on campus. A campus is defined as a property or properties which are owned, leased or rented by a school board, that are linked by a contiguous property line. This change includes funding impacts on other grants in the GSN that are based on the SFG definition of a school.

Retirement Gratuities

This is the ninth 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 will be 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 2020–21. 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 at 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 boards reported a one-time gain in the early payout of retirement gratuities in 2015–16.

G. CAPITAL

Details of capital funding programs are provided in a separate memorandum.

Funding for School Renewal

The ministry is committed to supporting healthy and safe learning environments. Over the past two school years, the ministry has invested approximately $2.7 billion in supporting the repair and renewal of school facilities. For the upcoming school year, the ministry will continue to invest approximately $1.4 billion to maintain and improve the condition of schools. This includes $1.07 billion in School Condition Improvement funding and $375 million towards the School Renewal Allocation.

H. PLANNING FOR THE FUTURE

The government remains committed to ensuring strong fiscal management and value for every taxpayer dollar spent. As such, the ministry will be reviewing accountability requirements for the following throughout the upcoming school year to inform policy direction for the 2021-22 school year:

- School Board Administration and Governance Grant - The school board administration and governance enveloping provision requires that a school board's net administration and governance expenses in a fiscal year do not exceed the administration and governance limit. It is the ministry's expectation that school boards be in compliance with the enveloping provision within SBAGG.

- Secondary Class Size - The *Class Size Regulation* (O. Reg. 132/12) sets out class size requirements for all grades. In recent years, the ministry implemented a compliance framework to ensure compliance with the elementary provisions of the Class Size Regulation. The ministry intends to review the secondary provisions of the Class Size Regulation.

I. ISOLATE BOARD SCHOOL AUTHORITIES

As in previous years, funding for isolate board school authorities will be adjusted in 2020–21, as appropriate, to reflect changes in funding to district school boards. The ministry will provide further information to isolate board school authorities concerning their 2020–21 funding, through an updated Addendum to 2020–21 Technical Paper for Isolate Board School Authorities in the near future.

J. REPORTING

Dates for Submission of Financial Reports

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

Date	Description
August 19, 2020	School board Estimates for 2020–21
November 13, 2020	School board Financial Statements for 2019–20
November 20, 2020	School board Enrolment Projections for 2021–22 to 2024–25
December 15, 2020	School board Revised Estimates for 2020–21
May 14, 2021	School board Financial Report for September 1, 2020, to March 31, 2021

Rural and Northern Education Funding (RNEF) – Schools List

School boards must submit to the ministry, by June 30, 2020, the list of all the additional schools, approved by board motion, to be eligible for the RNEF Allocation. Please submit these board 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.

K. INFORMATION RESOURCES

If you require further information, please contact:

Subject	Contact	Telephone and email
Benefits Trust Funding and Retirement Gratuities	Romina Di Pasquale	romina.dipasquale@ontario.ca
Capital Policies	Andrea Dutton	andrea.dutton@ontario.ca
Capital Priorities and Project Accountability	Paul Bloye	paul.bloye@ontario.ca
Financial Accountability and Reporting Requirements	Med Ahmadoun	med.ahmadoun@ontario.ca
Operating Funding	Paul Duffy	paul.duffy@ontario.ca
Special Education	Claudine Munroe	claudine.munroe@ontario.ca
Student Transportation and Executive Compensation	Colleen Hogan	colleen.hogan@ontario.ca

General questions regarding the 2020–21 GSN release can be emailed to: EDULABFINANCE@ontario.ca

L. OTHER GSN MATERIALS

For further information, please see the 2020–21 Education Funding Technical Paper and GSN projections, which are available on the ministry's website.

M. NOTICE

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 to be subject to such regulations, if and when made.

In closing, the ministry would like to acknowledge once again the ongoing, tireless efforts of school board teams to support students, families and the broader community. We have seen our education system rise to the challenge and provide innovative, flexible solutions in the best interest of students. The ministry will continue to work with our partners and remains committed to the safety of our students and school communities. The ministry looks forward to working closely with you to facilitate planning for the next school year.

Sincerely,

Original signed by

Andrew Davis
Assistant Deputy Minister
Education Labour and Finance Division