

2008: B2

**MEMORANDUM TO:** Directors of Education  
Secretary/Treasurers of School Authorities

**FROM:** Nancy Naylor  
Assistant Deputy Minister

**DATE:** March 26, 2008

**SUBJECT:** **Education Funding for 2008-09**

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I am writing to provide information about education funding through the Grants for Student Needs (GSN) in 2008-09.

The Ontario government is committed to maintaining peace and progress in elementary and secondary education, and is currently facilitating provincial labour discussions. The unprecedented four-year teacher collective agreements, which expire this August, have been supported by a multi-year commitment of funding to provide a stable learning environment and improve learning outcomes.

Once the current provincial labour discussions are concluded, there may be further enhancements to the 2008-09 GSN.

In 2008-09, the government will, with the help and advice of the education community, continue its program of supporting improved student achievement through strategic investments in education and positive changes to the education funding formula.

Prior to the conclusion of the current provincial labour discussions, total education funding through the 2008-09 GSN is projected to be \$18.8B, which is \$315M more than the projected 2007-08 allocation announced in August 2007. This represents an increase of 1.7 per cent.

It should be noted that a regulation to govern grants to school boards in their 2008-09 fiscal year has not yet been made. The information in this memorandum is provided in the absence of such a regulation.

**The initiatives and investments described herein must be implemented by, and are conditional upon, the approval of such a regulation by the Lieutenant Governor in Council.**

The Ministry intends to seek approval for such a regulation and will advise you if it is approved.

## **A. BUDGET PLANNING ASSUMPTIONS**

The announcement of funding enhancements last August was another step in sustaining momentum for continued improvement in education in 2008-09. This release of the 2008-09 GSN is a further step. The information presented in this memorandum will assist school boards in making staffing decisions and developing balanced budgets for the next school year and sustainable cost structures in the years ahead.

For planning purposes, boards are advised of the following guidelines:

- The province is funding the 0.7 per cent increase and the increase in elementary specialist teachers/elementary teachers' preparation time, committed as a result of the 2004-2008 labour framework. (see **C. 2004-08 LABOUR FRAMEWORK** below, page 2);
- Boards should make appropriate adjustments in their budget planning for any contingencies arising from differences between actual salaries and funding benchmarks.

## **B. OVERVIEW OF 2008-09 GSN**

In late fall 2007, the Ministry initiated a consultation on the funding formula and invited a broad range of education stakeholders to provide input on the allocation methods for the August enhancements and priorities and needs in the sector for the 2008-09 school year and beyond. We want to thank again all those who participated in this process. These consultations have helped to shape funding enhancements for the 2008-09 GSN.

Enhancements for 2008-09 include the following:

- Completion of funding commitments flowing from the 2004-08 labour framework (page 2)
- Implementation of the August 2007 enhancements (page 3)
- Increased support for at-risk students through the new *Safe Schools Supplement*, which includes a new *Urban and Priority High Schools* component (page 4)
- Enhanced funding for improved student achievement (page 5)
- Enhanced funding to sustain existing capital programs and support new capital commitments (page 8)

In addition to Safe Schools funding, funding for the New Teacher Induction Program and the Reporting Entity Project is being transferred into the GSN in 2008-09 (page 10). Boards should be clear that this funding was previously provided through grants outside the GSN.

## **C. 2004-08 LABOUR FRAMEWORK**

In the 2008-09 GSN, the government will complete its two remaining commitments from the 2004-08 labour framework:

- \$103M to increase all salary benchmarks for teaching and non-teaching staff in the GSN, recognizing the 0.7 per cent increase as of August 31, 2008.
- \$44M to fund the 10-minute increase in elementary teacher preparation time from 190 to 200 minutes, to enable boards to hire an additional 590 specialist elementary teachers on a province-wide basis in 2008-09. Funding for specialist teachers has been added each year since 2005-06. Boards are encouraged to review staffing to support the addition of these teachers in their schools.

## **D. AUGUST 2007 ENHANCEMENTS**

In August 2007, the government announced a two-year commitment to increasing Ontario's investment in its publicly funded schools, with an in-year addition of \$182M in 2007-08 to be followed by a further \$127M in 2008-09. The Ministry provided initial details of these enhancements in the memorandum **2007: B9 – Enhanced education funding for 2007-08 and 2008-09**. The enhancements for 2008-09 are as follows:

### Special Education

An additional \$10M will be provided for special education in 2008-09. Boards will be advised of the allocation details following the completion of the current provincial labour discussions.

### Student Transportation

A \$10M enhancement in 2008-09 will support an increase in transportation funding of approximately 1.3 per cent for all boards to support wage enhancements for bus drivers. This investment will further update the cost benchmark for contracting transportation services. The government recognizes the contribution made by school bus drivers to provide safe, effective and efficient transportation service across the province. School boards are encouraged to work with operators and apply the additional funding for its intended purpose. The Ministry will issue an SB memo in the near future with further information about student transportation reforms, progress, and expectations for the 2008-09 school year.

### School Operations

An additional \$10M in 2008-09 will support an increase in School Operations benchmarks and similar increases to the benchmarks for Regular, Rural, and Supported Schools Top-Up for School Operations.

### New Schools In Growth Areas

As a result of significant new residential development, some boards are facing the need for new schools. To address this need, funding in 2008-09 will increase to provide an additional \$10M to support a further \$137M for Growth Schools through the Pupil Accommodation Grant. Please see below, page 8, for information about new criteria for Growth Schools funding.

### Benefits

An additional \$50M will be allocated in 2008-09 to assist boards with the existing cost of benefits for education assistants, office support staff (secretaries), professional/para-professional staff, and classroom teachers (including teacher-librarians, guidance teachers and department heads). The increases in the benefits benchmarks for these staff, and the grants or components of grants to which the increases apply, are as follows:

<b>Staffing Category</b>	<b>2007-08 Benefits Benchmark</b>	<b>2008-09 Benefits Benchmark</b>	<b>Grant(s)/Component(s) affected</b>
Education Assistants	16.00%	<b>24.00%</b>	Pupil Foundation
Office Support Staff	16.65%	<b>23.90%</b>	School Foundation
Professional/Para-professionals	14.80%	<b>19.00%</b>	Pupil Foundation
Classroom Teachers (including: Teacher-Librarian Guidance Teacher Department Head)	11.10%	<b>11.34%</b>	Pupil Foundation Teacher Qualifications and Experience PCS Reduction Amount Supported Schools Actualisation linguistique en français (ALF) Native Studies/Native Languages

### English As A Second Language (ESL)/Perfectionnement du français (PDF)

In 2008-09, enhanced funding of \$10M will be made available to increase the ESL/ELD and PDF components of the Language Grant. In August 2007, boards were advised that this funding would be allocated by increasing the weighting factor used to calculate funding for second year immigrant students under the Recent Immigrant Component to 82.5 per cent from the current 70 per cent. Based on the most recent enrolment data from school boards, this approach has now been revised so that the weighting factor for second year immigrant students in 2008-09 will be 85 per cent.

### Program Enhancement Grant

Additional funding in 2008-09 will provide a \$10M increase in the Program Enhancement Grant, raising the per-school amount to \$9,650 – an increase of \$2,150 per school, or almost 30 per cent. This grant supports the government's commitment to a well-rounded education through programs such as arts, music, physical education, and outdoor education, and it is expected that the funding will be used to fund or enrich existing programs or to offer new programs.

### Board Administration

Additional funding of \$10M will be provided in 2008-09 to increase the Board Administration Component of the School Board Administration and Governance Grant. This increase will be targeted to support boards with low enrolment. All boards with an enrolment of less than 26,000 ADE will receive a base amount of \$200,000 in addition to the current base amount of \$90,486.

### Adult Education / Continuing Education

An additional \$7M will be provided in 2008-09. The allocation details will be confirmed following the completion of the current provincial labour discussions.

## **E. SAFE SCHOOLS SUPPLEMENT**

As part of the government's comprehensive Safe Schools Strategy, amendments to the safe schools provisions of the *Education Act* came into effect on February 1, 2008. These changes more effectively combine prevention supports, early intervention, and discipline, with opportunities for students to continue their education.

To support the Safe Schools Strategy, the government allocated funding in 2007-08 outside the GSN that included:

- \$10.5M annually for professional supports – Social workers, Child and Youth workers, psychologists, attendance counsellors; and
- \$23M annually for programs and supports for expelled students and students serving long term suspensions.

Starting in 2008-09, this funding will be allocated through the new Safe Schools Supplement in the GSN. These components of the Safe Schools Supplement will be allocated using the same approach as in 2007-08. This allocation method is based on enrolment, social and economic indicators, and geographic factors, with all boards receiving a minimum allocation of \$25,000 for professional supports and \$50,000 towards programs and supports for suspended and expelled students.

In addition to the funding described above, the Safe Schools Supplement will include a new component, the *Urban and Priority High Schools* amount.

Urban secondary schools struggling with safety issues may face challenges that arise from their size and their neighbourhood and community settings, including poverty and lack of community resources.

To respond to these challenges, new funding of \$10M will be provided in 2008-09 and future years to support selected secondary schools in priority urban neighbourhoods. This funding would be used for in-school supports and development of resources targeted to students and their families.

The Ministry will advise boards in the near future of the specific criteria for selecting these schools and applying for funding.

## **F. FUNDING FOR STUDENT ACHIEVEMENT**

### Special Education

A \$57.3M enhancement in 2008-09 will increase the Special Education Grant. This is in addition to the \$10M announced in August 2007 (page 3 above).

The Ministry will continue to implement the recommendations in the 2006 report of the Working Table on Special Education for a new approach to special education funding and practices, consulting with stakeholders to ensure that the evolution of the special education funding approach supports students with special education needs, improves student outcomes, and places less emphasis on the identification process for students with special education needs.

As the evolution of the special education funding approach continues, this \$57.3M investment will support the transitional high needs funding levels for school boards, will ensure the availability of funding supports for the highest needs students, and will continue to support the provision of special education equipment.

This additional funding will be allocated to:

- Extend the transitional funding levels in the High Needs Amount (HNA) for 2008-09, to ensure that (a) no school board receives less HNA funding in 2008-09 than it received in 2007-08; and (b) boards with enrolment growth receive an increase in HNA funding.

- Recognize the increase in the number of highest needs students accessing support through the Special Incidence Portion (SIP).
- Increase the number of programs for school-aged children/youth in government approved care and/or treatment, custody and correctional facilities, following up on the ongoing review of these programs.
- Address increased need in the special education sector by recognizing growth in applications under the Special Equipment Amount (SEA).

### First Nations, Métis and Inuit Education Supplement

The First Nations, Métis and Inuit Education Supplement was introduced in 2007-08 to support school boards in providing more comprehensive education programs targeted to Aboriginal students, and to provide enhanced support for improved student achievement as outlined in the *Ontario First Nation, Métis, and Inuit Education Policy Framework* document.

This Supplement will be increased by \$5M in 2008-09 through its Per-Pupil Funding component.

This \$5M increase has not been allocated to boards at this time. The Ministry has projected the allocation of the current, 2007-08 Per-Pupil component, which totals \$5.5M, based on 2001 Census data. This is pending an update of the entire Per-Pupil component, which will total \$10.5M, using the 2006 Census data, which is the most recent available. Boards will be advised of their updated allocations once the Ministry receives and analyses the 2006 Census data, which is expected to be before the end of the current school year. The weighting factor that directs more funding to boards with a higher estimated proportion of First Nation, Métis and Inuit students will remain.

### Community Use of Schools

Recognizing the importance of Ontario's publicly funded schools as community hubs, the government provides funding through the Community Use of Schools program to help make school space more affordable for use after hours. In response to the demand for school space, funding for Community Use of Schools will be increased by \$12.9M in 2008-09. The Community Use of Schools Grant, formerly part of the School Operations allocation, will become a separate special purpose grant with a new funding component added:

- \$6.5M will be allocated through the current Operations component to help school boards with cost pressures, such as energy and labour costs, in order to support reduced rates and increased access. This brings the total commitment of funding through the Community Use of Schools Operations component in 2008-09 to \$26.5M.  
As in previous years, funding through the Operations component will be allocated in proportion to each board's projected School Operations allocation.
- \$6.4M will be allocated through a new Outreach Coordinators component to enable school boards to hire Community Use of Schools outreach coordinators. Coordinators will help ensure the effectiveness of the Community Use of Schools program at the local level through activities such as community outreach, developing school board policy, coordination with the Ministry, school boards, local schools and the local community, and information sharing and data collection.

Funding through the Outreach Coordinators component will be allocated as follows:

- \$36,000 per district school board; and
- \$800 per school, using the same definition of “school” that is used for the School Foundation Grant.

This additional funding brings the government’s total investment in Community Use of Schools in 2008-09 to \$32.9M. The government has committed to increasing this investment to \$66M over the next four years, which will include \$17M in annual funding to make after-hours access free-of-charge in priority schools in targeted communities where there is a strong need for access to community space.

Boards are encouraged to consult the eight effective practices identified through a survey of board-level Community Use of Schools programs at <http://www.edu.gov.on.ca/eng/general/elemsec/community/>.

### Utilities

To address the cost of energy and utilities, an additional \$7M in funding will be provided, which represents a 1 per cent increase in the non-salary benchmark of the School Operations Grant. This is in addition to the \$10M for School Operations announced in August (page 3 above.)

### Non-salary benchmarks

An increase of \$8.5M, or 1 per cent, will be provided in 2008-09 for non-salary benchmarks to assist boards with the costs of textbooks, learning materials, classroom supplies, classroom computers and school office supplies.

### Student Transportation

For 2008-09, the government is providing an additional \$27.1M in funding for transportation. This represents an increase of 3.5 per cent over the 2007-08 allocation, and increases the projected transportation allocation to \$806.5M. These investments build on the government’s commitment to reforming student transportation to ensure safe, effective and efficient services across the province.

In addition to the \$10M increase announced in August 2007 to support wage enhancements for bus drivers described above (page 3), these investments are:

- A cost benchmark increase of \$15.4M, or 2 per cent in recognition of higher fuel, capital and other operating costs for student transportation.
- An additional amount of \$1.7M for school boards that experience enrolment increases in 2008-09. These boards will receive increases proportional to their transportation allocation.
- School boards with declining enrolment will not see their funding reduced in 2008-09.

Other funding enhancements, which are in addition to the \$27.1M funding increase, support the ongoing implementation of important reforms to student transportation:

- In 2007-08, the Ministry provided an additional \$2.3M to boards that were part of Effectiveness and Efficiency (E&E) reviews. These adjustments will be included in their 2008-09 base allocation. In 2008-09, the Ministry will continue to conduct E&E reviews on established consortia, and will make funding adjustments based on the findings.

- As part of the August enhancements that applied to the 2007-08 school year, the government committed a projected \$12M to support the delivery of safe and effective transportation services where contract rates were below the new cost benchmark. Following the validation and verification of data submitted by school board, a total of \$16.9M was provided in the 2007-08 school year. This funding will continue in 2008-09 and future years, where boards have a consortium plan, approved by the Consortia Plan Review Team, that indicates the boards will achieve full consortium status by the September 2008 deadline.

As noted above (page 3), the Ministry will issue an SB memo in the near future with further information about student transportation reforms, progress, and expectations for the 2008-09 school year.

## **G. SCHOOL CAPITAL PROGRAMS**

### New Capital Funding for 2008-09

As part of the Ministry's ongoing commitment to work with school boards to meet their capital needs, \$500M in new funding will be available to boards starting in 2008-09. This funding will support capital programs, including Growth and Prohibitive to Repair (PTR) schools. Details on this funding will be provided to school boards in a subsequent SB memo.

Boards are encouraged to review their capital plans to ensure that projects and priorities are up-to-date. It is important to note that funding will continue to be allocated on a project approval basis at benchmark costs, so boards must plan for projects within those parameters.

Over the next year, the Ministry will continue to work on making changes to the existing grant and accountability processes to ensure equitable and adequate allocation of funds, efficient utilization of existing space, energy efficiency, appropriate design and construction of schools, and cost-effective maintenance and repair of schools.

### New Schools in Growth Areas

Funding through the Growth Schools Allocation of the Pupil Accommodation Grant continues to be available for schools in areas of new residential development. The current (2007-08) criteria include:

- The board has an Education Development Charge (EDC) by-law in place; and
- The planned school is needed for the 2007-08, 2008-09 or the 2009-10 school year.

To provide more school boards with access to this funding, the Ministry has expanded the eligibility criteria for 2008-09 as follows:

- School boards without EDC by-laws will be eligible for Growth Schools funding consideration; and
- The planned school is needed for the 2008-09, 2009-10, 2010-11, or the 2011-12 school year.

These changes will facilitate the funding of more new school construction through the Growth Schools Allocation in 2008-09.

### Good Places to Learn

In 2007–08, the Good Places to Learn (GPL) Stage 3 funding is providing school boards with an allocation of \$500M to continue to support high and urgently needed renewal projects, including funding to address inadequate or lack of specialized spaces such as gymnasias, libraries, science labs.

The Ministry is also announcing \$250M in 2008-09 to fund Stage 4 GPL renewal needs. The allocation to school boards will be determined in-year.

### Long-Term Financing Vehicle for Capital Programs

The Ministry and the Ontario Financing Authority (OFA) will continue working together to offer a provincial long-term financing vehicle for construction costs incurred by school boards under the following capital programs:

- Good Places to Learn Renewal;
- Prohibitive to Repair;
- Primary Class Size Reduction Capital;
- Growth Schools; and
- Capital Transitional Adjustment for French-language boards.

The Ministry will also work with school boards to provide long-term financing through the OFA for costs funded through the New Pupil Places allocation that are not permanently financed capital projects.

In addition, an amendment has been made to the Permanent Improvements Regulation to allow school boards to long-term finance construction costs of new administration buildings. Boards are requested to notify the Ministry, at the early stages, of any new administrative building projects being planned. The Ministry will assess the board's financial ability to support these projects. Boards are reminded that capital funding provided for pupil accommodation purposes and proceeds from the sale of schools cannot be used to fund administrative buildings.

### Short-term Financing

Boards will continue to be reimbursed for their short-term interest costs incurred on projects that are underway for the capital programs mentioned above:

- In 2008-09, where a board short-term finances by borrowing from its internal reserves, the Ministry will recognize these costs at the 3 month Banker's Acceptance (BA) rate in effect on September 2, 2008.
- In 2008-09, where a board short-term finances by external borrowing, the Ministry will continue to recognize the short-term interest costs for the 1, 2, or 3 month BA plus 20 points.

### Capital Accountability Tools

In fall 2007, the Ministry introduced a comprehensive capital financial analysis template that all school boards are required to complete over the next several months in cooperation with Ministry staff. When completed, this tool provides an accurate assessment of a board's current capital financial position, with respect to capital projects the board has undertaken as well as the board's capacity to take on new capital debt for planned projects. As such, it is an important tool in the analysis and approval of

new transfers from Capital Reserves, eligible Capital Debt Commitments funding and Growth Schools.

Boards are also reminded that, as of June 12, 2006, Ministry approval is required prior to entering into any new capital financial commitment and/or tendering a capital project funded through New Pupil Places and other capital programs. This requirement is intended to ensure that boards have the financial resources to undertake new capital projects and support the associated long-term capital debt costs.

This policy requirement was confirmed through an amendment to O. Regulation 446/98.

#### Proceeds of Disposition Reserve for PTR schools

A further amendment will be made to Regulation 446/98 to create a new category of Proceeds of Disposition (POD) capital reserve. Boards receiving funding approval through the PTR capital program will be required to place the POD of a PTR-funded site into this new reserve and will be required to consult with the Ministry on the application of these proceeds to future capital priorities.

### **H. PROGRAMS TRANSFERRED INTO THE GSN**

In addition to the transfer of Safe Schools funding into the GSN (see page 4 above), funding for two other programs previously funded outside the GSN – the New Teacher Induction Program and the Reporting Entity Project – will be provided through the GSN starting in 2008-09.

#### New Teacher Induction Program

The New Teacher Induction Program (NTIP) provides a full year of professional support so that new teachers can develop the requisite skills and knowledge that will enable them to achieve success as experienced teachers in Ontario.

Starting in the 2008-09 school year, the current annual funding of \$15M for NTIP will be allocated through the GSN as a new component of the Cost Adjustment and Teacher Qualifications and Experience Grant. Funding will be allocated on the same basis as in previous years:

- \$20,000 per district school board; and
- \$2,000 per “new teacher”.

For the purposes of NTIP, a “new teacher” is defined as a teacher (including a teacher trained out-of-province) certified by the Ontario College of Teachers who has been hired into a permanent position – full-time or part-time – by a school board, school authority or provincial school to begin teaching for the first time in Ontario.

In 2008-09, allocations for the “new teacher” amount will be calculated based on the number (on a head-count basis) of new teachers hired between October 2, 2007, and October 31, 2008, inclusive. Boards will report this number of new teachers through Estimates and Revised Estimates.

It should be noted that, starting in September 2008, NTIP funding will be flowed to boards monthly as part of the regular GSN transfer payment, rather than quarterly as at present.

Boards are expected to use NTIP funding for eligible NTIP expenditures and are still required to meet NTIP program requirements according to legislation and the *NTIP*

*Manual: Induction Elements* and to participate in any NTIP related support and evaluation activities. Boards will also continue to submit an NTIP Plan and a Final Report (including a detailed accounting statement, which may be subject to audit) to the Teaching Policy and Standards Branch of the Ministry via the local Regional Office.

Boards are reminded that they may use NTIP funds to support beginning Long-Term Occasional (LTO) teachers. For the purposes of NTIP, a beginning LTO teacher is defined as a certified occasional teacher who is in his or her first long-term assignment, with that assignment being 97 or more consecutive school days as a substitute for the same teacher.

The Ministry will provide further information about NTIP reporting and accountability in the near future.

### Reporting Entity Project

Funding for the Reporting Entity Project supports school boards with the costs of preparing and reporting financial information to the Province for the implementation of the generally accepted accounting standards prescribed by the Public Sector Accounting Board (PSAB). Starting in the 2008-09 school year, the current annual funding of \$5.7M for the Reporting Entity Project will be allocated through the GSN as part of the Board Administration component of the School Board Administration and Governance Grant.

Consistent with the funding approach used for the 2007-08 school year, funding will be allocated as follows:

- \$50,000 per district school board
- \$1.05 provided per pupil of the board (ADE)

School Authorities will each continue to receive \$10,000.

## **I. DECLINING ENROLMENT WORKING GROUP**

The impact of declining enrolment is being felt by more and more boards. In 2008-09, 60 boards are projected to have declining enrolment.

While the government has introduced a variety of measures to help declining boards, the impact and effectiveness of these stabilizing measures has not been fully assessed. The Ministry will establish a working group to look at these measures as well as other strategies that might help boards in adjusting costs to enrolment decline, in ways that advance the goals of student retention and student achievement. The results of the working group will be an important input for the 2010 funding formula review. Details on the membership and mandate for the working group will be announced in the coming weeks.

## **J. OTHER CHANGES TO EDUCATION FUNDING IN 2008-09**

### Rural Schools

Schools identified as Rural Schools are eligible for enhanced top-up funding for school operations and renewal. In the 2007-08 GSN regulation, Table 25 lists almost 1,000 facilities as Rural Schools. The Ministry will propose amendments to simplify the process of identifying Rural Schools in the 2008-09 GSN regulation by using postal

codes. This will significantly reduce the number of schools listed in the table. All schools that meet the current criteria remain eligible for enhanced top-up funding. Estimates forms will continue to include a pre-loaded list of each board's Rural Schools.

## **K. INVESTMENTS OUTSIDE THE GSN**

In 2008-09, the government will continue to support other important initiatives with \$270M in investments outside the GSN. This includes funding for the first year of a commitment to provide school boards with an additional \$40M over the next four years to hire approximately 160 more school library staff. Further information about 2008-09 funding in addition to the GSN will be provided by May 15, 2008.

## **L. SCHOOL AUTHORITIES**

As in previous years, funding for School Authorities will be adjusted in 2008-09, as appropriate, to reflect changes in funding to district school boards. The Ministry will provide further information concerning funding in 2008-09 for School Authorities in the near future.

## **M. REPORTING AND ACCOUNTABILITY**

### Primary Class Size (PCS)

The per pupil amount in the Primary Class Size Reduction Amount will be \$799 per Junior Kindergarten to Grade 3 pupil (ADE). This amount maintains funding levels, adjusted for increases in salary and preparation time benchmarks under the 2004-08 labour framework.

As in previous years, schools boards are required to complete a comprehensive PCS plan by the end of June, showing the projected primary class size for 2008-09. Boards will be provided with information about accessing the PCS website in an SB memo to be issued in the near future. Boards can also refer to the memorandum of January 10, **2008: B1 – Primary Class Size: 2007-08 results and 2008-09 planning**, for guidance in planning. The Ministry encourages boards to develop these plans as early as possible. The information will be updated in September to reflect the actual primary class size results. The reports include current and historical class size statistics for each school with elementary grades and for the board overall. The Ministry uses the data from the actual primary class size results to populate the Class Size Tracker on the public website.

The Ministry will work with boards that have not met the targets on their PCS plans and results to ensure that the PCS targets are achieved in September 2008.

In 2008-09, school boards should organize their elementary classes so that, on a board-wide basis:

- At least 90 per cent of primary classes have 20 or fewer students;
- 100 per cent of primary classes have 23 or fewer students;
- 100 per cent of combined grade 3/4 classes have 23 or fewer students; and
- Average class size in grades 4-8 does not increase beyond 2003-04 levels or 25:
  - Boards that historically have been above 25 (that is, had an average 4-8 class size greater than 25 in 2003-04) are encouraged to achieve an average of 25 or to match the lowest average class size achieved since 2003-04.

Boards may be subject to cash flow penalties if any of the PCS targets are not met. Once a school board meets the PCS targets, it may use any surplus from the PCS Reduction Amount to address other needs in the elementary panel.

Transitional Program Equivalency (TPE) was provided on a limited basis in 2007-08 to allow boards to exempt specific primary classes from the PCS standards. In 2008-09, TPE will be considered only for programs such as French Immersion or other specialty programs that require congregating students. Classes exempted under TPE will have a cap of 23 students.

### ESL and PDF Funding

As was previously communicated to directors of education in March 2007, each school board is expected, in the 2008-09 school year, to show specific ESL/PDF allocations at the school and board level in line with its strategy to improve student outcomes. Starting in 2008-09, the Ministry will be working with selected boards to review their ESL/PDF strategies and programs. These reviews will help inform boards and the Ministry to improve reporting for 2009-10 and to improve student supports and outcomes.

For 2009-10, each board will be expected to report publicly on its strategy to improve student outcomes, the allocation of ESL/PDF funds to support this strategy, and evidence it can provide to support its approach. The goal is to achieve an improved system-wide understanding of the range of effective approaches to using these resources. Boards continue to have flexibility and responsibility for decisions about the use of these funds.

The Ministry will communicate more information about this reporting in the near future.

## **N. REPORTING – DUE DATES**

In recent years, school boards have submitted their annual Revised Estimates at the end of November and Financial Statements in mid-December. In 2008-09, the timing of these two submissions will be changed to provide more effective public reporting. This change addresses a number of issues, such as the break in the continuity in reporting that resulted from the submission of Revised Estimates before the Financial Statements and the lengthy gap between the fiscal year end and the reporting date for Financial Statements.

The Ministry has established the following dates for submission of financial reports in the 2008-09 school year:

June 30, 2008	Board Estimates for 2008-09
November 14, 2008	Board Financial Statements for 2007-08
December 12, 2008	Board Revised Estimates for 2008-09
May 15, 2009	Board Financial Report for September 1, 2008, to March 31, 2009

It is recognized that school boards will need to review their budget and reporting processes as a result of the change in reporting dates. For this transition year, the Ministry will extend the timelines to December 31, 2008, before any cash withholding would apply.

The Ministry expects that Estimates forms will be available on EFIS before April 10, 2008. In the interim, boards may continue to use the Simulation Function in EFIS as a planning tool for their 2008-09 budget process (see the memorandum of February 16, 2007: SB3).

## O. INFORMATION RESOURCES

The document *Projections of School Board Funding for the 2008-09 School Year* is available on the Ministry website [www.edu.gov.on.ca](http://www.edu.gov.on.ca). The *Technical Paper, 2008-09* will be available on the Ministry website in the near future.

If you require further information about school board funding in 2008-09, please contact:

Pupil Accommodation Grant	Nancy Whynot	(416) 325-4030 Nancy.whynot@ontario.ca
Transportation Grant	Cheri Hayward	(416) 327-7503 Cheri.hayward@ontario.ca
Other changes in the 2008-09 GSN	Karen Maxwell	(416) 327-9060 Karen.maxwell@ontario.ca
Financial accountability and reporting requirements	Andrew Davis	(416) 327-9356 Andrew.davis@ontario.ca

In the 2008-09 school year, the Ministry will continue to work with school boards and other education partners to ensure that Ontario's publicly funded schools continue to encourage high achievement for every student and provide the supports and programs that will help every student learn. Effective use of education dollars to meet student needs is essential to ensuring a strong foundation for our schools. Together, we have achieved great progress in improving student achievement, and we look forward to continuing our partnership toward this goal.



Nancy Naylor  
Assistant Deputy Minister

Copy: Superintendents of Business and Finance