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April 13, 2017

MEMORANDUM

TO: Chairpersons and Directors of Education

FROM: Pat Daly, President Ontario Catholic

SUBJECT: **2017-18 Grants for Student Needs Announcements**

On April 12, 2017 the Ministry of Education issued Ministry Memorandum 2017:B04. This memorandum provides highlights of the 2017-18 Grants for Student Needs (GSN). The GSN for 2017-18 is estimated at \$23.8 billion which is an increase of \$879 million from the previous year.

As you are aware, OCSTA, along with the other Associations and the Crown, was involved in the negotiation of the recently ratified extension agreements. Certain of the extension agreements contained commitments made on behalf of the Crown alone, notably anticipated regulatory changes to the FDK program and the 4-8 class size. Recently, government consultations were held on these proposed regulatory changes and OCSTA articulated concerns, specifically with respect to the imposition of hard caps, particularly if appropriate funding does not accompany the proposed regulatory change. OCSTA will continue to advocate for adequate funding to accompany any regulatory changes implemented by the Crown.

In addition, based on the feedback that we received from boards during our regional meetings and consultations, we impressed upon the Crown the need for funds to flow to boards to assist in the implementation of the new extension agreements. The Human Resource Transition Supplement is the result of OCSTA's efforts to assist boards in this regard. OCSTA has also continued to advocate for a review of the transportation funding model. While the time lines are not as speedy as we would have hoped, we are pleased to see that the review will take place.

Highlights of the 2017-18 GSN are as follows:

Funding to reflect Ratified Extension agreements:

- increase in salary benchmarks for unionized teaching and non-teaching staff of 1.5 percent for 2017-18 school year, projected at \$257.2 million

- funding for one-time payment for professional development which results in a benchmark increase of 0.5 percent, projected at \$85.7 million * *Note: Unions to conduct survey of their members on the use of these funds to ensure expenditure is consistent with professional development and other professional expenses.*

Also related to the labour agreements the following investments:

Local Priorities Funding (LPF)

\$218.9 Million in 2017-18, the intent of the Local Priorities Funding (LPF) is to inject net new special education staffing positions into the system supporting students in need, at risk and adult education, however, this will depend on local board circumstances, which may impact the actual number of net new FTE. "Actual staffing will vary depending on specific agreements, local discussions and compensation specific to each board, as well as job security provisions, staffing reductions related to declining enrolment and other exceptions."

The availability of the LPF does not negate a board's established budget plan or need to adjust staffing levels through attrition. Concerns with local decisions that trigger use of attrition may be raised by local unions at the central dispute resolution committee.

Employee Health & Dental Benefit Trusts

2017-18 Table amounts will be updated to reflect inflation protection increases, projected staffing, and board shares of the benefit costs derived from the 2014-15 benefit costs for school boards.

Community and Other Priorities:

Community Use of Schools

3% increase (equivalent to \$0.8 million) within this grant for use consistent with the terms of the extension agreements, where applicable.

Human Resource Transition Supplement

A new fund within the Board Administration & Governance Grant (\$10.0 million) to assist in managing agreements.

Class Size:

Junior & Senior Kindergarten

Commencing in 2017-18, implementation of a class size cap of 90% of classes less than or equal to 30 with no more than 10% of JK-SK classes up to 32, only if one of the following exceptions is met:

- If purpose-built accommodation is not available (sunset of this clause after five years)
- If a program will be negatively affected (i.e. French Immersion)
- Where compliance will increase FDK/Grade 1 combined classes

To fund JK/SK cap the average funded class will be lowered to 25.75 in 2017-18. (*26.00 average funded in 2016-17*), projected funding in 2017-18 is \$16.7 million.

Commencing in 2017-18, Boards must hire an Early Childhood Educator (ECE) for all JK/ SK classes, where, in a school, in a single track at least one class has more than 30 students and one class has less than 16 students.

Grades 4-8

Commencing with 2017-18, Boards whose regulated Grade 4-8 average class size exceeds 24.5 will be required to reduce its 4 -8 maximum average class size to 24.5 within the next five years. To achieve this target the funded average class size will be reduced to 24.17 (\$39.6 million) in 2017-18 to 22.85 at the final phase –in year. Boards who are at or below 24.5 average will not be required to lower their maximum average class sizes.

Capital funding:

In 2017–18, \$1.0 billion will be allocated to school boards through the **School Condition Improvement (SCI)** program to address the significant backlog in school renewal needs. As part of the SCI funding, \$200.0 million is allocated to **Greenhouse Gas Reduction (GHG)** projects to reduce emissions from facilities in the education sector. The GHG funding is available immediately to boards to facilitate projects over the summer. Projects may include replacement, renewal and installation of energy efficient building components.

School Renewal Allocation (SRA) of an additional \$40.0 million for improvements to schools for flooring, walls, ceilings, playing fields etc. 40% of the funds are allocated towards operating/maintenance expenditures (i.e. painting) and the balance (60%) allocated towards capital nature expenditures (i.e. roof repairs, accessibility enhancements. Operating /maintenance funding may be directed towards capital expenditures, however not the converse.

Indigenous Education

In response to conversation with Indigenous representatives the naming of grants specific to supporting Indigenous education have been changed to reflect “Indigenous” peoples, formally referenced as (First Nation, Metis, Inuit, Native).

Commencing in 2017-18 - Enveloping of the Per-Pupil Allocation of the Indigenous Education Grant: In addition to the enveloping provision, boards must spend at least \$84,083.77 on a dedicated Indigenous Education Lead. This Lead must be at least 1.0 FTE and work closely with a Board Supervisory Officer who is accountable for the implementation of the Ontario First Nation Metis and Education Policy Framework through the Board Action Plan. Indigenous Education funding in 2017-18 is projected to be approximately \$25.3 million.

School Foundation Grant

Multi-Building Adjustment

Funding for an additional principal where an elementary or secondary school consists of multiple buildings on the same campus with large enrolment.

- Elementary Each building at least 150 ADE & average at least 300 ADE
- Secondary Each building at least 200 ADE & average at least 700 ADE

Starting in 2017-18 School Foundation Grant funding based on campus definition of a school. A Campus is defined as a property or properties owned, leased, or rented by a board that are linked by a contiguous property line. The impact of this change on GSN funding will be phased-in over four years.

Cost Pressure Funding:

\$31.4 million to support boards with increases to electricity, transportation, and non-staff operations costs:

- the Student Transportation Grant will be increased by 2 percent.
- 2 percent cost benchmark update to the non-staff portion of the School Operations Allocation benchmark to assist boards in managing the increases in commodity prices (natural gas, facility insurance, electricity* and other costs). **2016-17 electricity benchmark was adjusted by 3.5%*

As a reminder, the following funding model reforms began in prior years and continue to be implemented:

- 2017–18 is the final year of a three-year phase-in of School Board Efficiencies and Modernization (SBEM) measures, introduced in 2015–16
- In 2014-15 the Ministry began the four-year implementation of a new funding model for what will now be called the Differentiated Special Education Needs Amount (DSENA) Allocation (formerly High Needs Amount), 2017-18 is the final year of phase-in.
- In 2014–15 the Ministry began phasing in a new allocation method for the School Board Administration and Governance Grant and 2017–18 is the final year of the four-year phase-in.

Rural Education: Government to conduct regional engagements to discuss approaches in supporting education in rural and remote communities. Discussion paper and on-line survey are being developed to focus and support the dialogue. Information on engagement process can be found at: ontario.ca/ruralschools.

Transportation: The Ministry to engage in a 12-18 month multi-stakeholder engagement to seek input and feedback on the vision for student transportation. This engagement is responsive to the Auditor General’s recommendation and the lobbying work of the Association regarding the student transportation funding formula.

2017-18 School Year Education Programs – Other (EPO) Funding

To facilitate school boards' budget planning for the 2017-18 school year, the Ministry confirms that \$140.4 million (\$214.1 million in 2015-16) of EPO funding will be allocated to school boards and school authorities to support ministry priorities. Within this amount:

- \$101.4 million is allocated by program and by school board.
- \$39.0 million to be allocated by board later in the year.

Of note, the four largest EPO funding programs are: Renewed Mathematics Strategy K-12 at \$55.0 million represents 39% of the total \$140.4 million EPO allocation, Autism Supports & Training / Autism Supporting Transition to New Ontario Autism Program at \$11.9 million (8.4%), Early Years Lead at \$8.9 million (6.3%), Focus on Youth Program at \$8.0 million (5.7%).

The 2017-18 GSN Technical Paper, board by board estimates, and other information regarding funding for 2017-18 is available on the Ministry of Education website.

<http://www.edu.gov.on.ca/eng/policyfunding/funding.html>

We trust that this summary is of assistance. We would like to thank Dan Duszczyzyn for his ongoing work with OCSTA in analyzing data and costs allowing us to advocate more effectively. Any questions with respect to the GSN highlights may be directed to Dan at 519-835-0212 or email:

dduszczyzyn@ocsta.on.ca or Steve Andrews at sandrews@ocsta.on.ca.