

2006: B9

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

**FROM:** Nancy Naylor  
Assistant Deputy Minister

**DATE:** June 22, 2006

**SUBJECT:** Education funding regulations for 2006-07

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I am writing to inform you that the education funding regulations for 2006-07 have now been filed. These regulations give effect to the changes to education funding for 2006-07 described in the memorandum of June 12, **2006: B8 – Education Funding for 2006-07**.

Through these regulations, Ontario is allocating almost \$17.5B to education in 2006-07. This represents an increase of \$600M over the Grants for Student Needs (GSN) allocation for the 2005–06 school year.

The new funding regulations are:

- (1) Grants for Student Needs – Legislative Grants for the 2006-07 School Board Fiscal Year - O. Reg. 341/06 ;
- (2) Calculation of Fees for Pupils for the 2006-07 School Board Fiscal Year - O. Reg. 340/06;
- (3) Calculation of Average Daily Enrolment for the 2006-07 School Board Fiscal Year - O. Reg. 339/06.

These regulations may be accessed through the Ministry's public website, [www.edu.gov.on.ca](http://www.edu.gov.on.ca)

In addition to these new regulations, a number of changes have been made, as in previous years, to address technical and other issues in existing regulations. Amendments to the 2005-06 grant regulation and calculation of fees regulation have been posted on the Ministry website. These include:

1. Changes to streamline the approach to Primary class size (PCS) capital. As noted on page 7 of **2006: B8**, On-The-Ground (OTG) capacity in 2005-06 has, for PCS capital funding purposes only, been reduced from 23.5 for all elementary classrooms to 20 for purpose-built Kindergartens and 23 for all other elementary classrooms. The original regulatory provisions for 2005-06 have been replaced with a table outlining the board-by-board allocation of pupil places to meet PCS space needs.

2. Changes to implement funding of Net New Needs claims for 2005-06, including one-time funding to support boards at their 2003-04 baseline amounts (ISA Cycle 5), as described on page 14 of **2006: B8**.

To support the June 12 announcement of the 2006-07 GSN, the Ministry published draft versions of the education funding *Technical Paper, 2006-07* and *School Board Funding Projections for the 2006-07 School Year* on its website. Final versions of these documents are now available on the website [www.edu.gov.on.ca](http://www.edu.gov.on.ca)

As noted in **2006: B8**, the due date for 2006-07 Estimates is July 31, 2006, with an extension to August 31 before cash flow penalties are applied. Detailed instructions to the EFIS forms are posted on the TPFRR extranet site. If a board finalizes its budget in July, it should file its Estimates as soon as the budget has been approved.

I am also writing to advise you of a correction to information provided in **2006: B8**. On page 12 of that memo, under the heading **Annual Debt Service Costs related to New Pupil Place funding**, the second bullet reads "reserves, as reported by the board in the 2005-06 Revised Estimates". This should have read "reserves, as reported by the board in the 2004-05 Financial Statements". This correction has been made in the online version of **2006: B8** on the Ministry's website.

If you require further information about school board funding in 2006-07, please contact:

Pupil Accommodation Grant Transportation Grant	Nancy Whynot	(416) 325-4030 Nancy.whynot@edu.gov.on.ca
Other changes in the 2006-07 regulations	Didem Proulx	(416) 327-9060 Didem.proulx@edu.gov.on.ca
Financial accountability and reporting requirements	Andrew Davis	(416) 327-9356 Andrew.davis@edu.gov.on.ca

The 2006-07 school year is the third year of the government's multi-year plan to make a significant re-investment in publicly funded education, with more than \$2.7B in new funding since 2002-03. The 2006-07 school year will also see the implementation of the most significant reforms to the funding formula since its introduction in 1998. These changes include the realignment of grants to better reflect the real costs faced by school boards, the introduction of a School Foundation Grant, new approaches to funding transportation and Special Education, and a more responsive capital funding formula.

As always, school boards and other members of Ontario's education community will be essential partners of the Ministry as we work together in 2006-07 to ensure success for all our students.



Nancy Naylor  
Assistant Deputy Minister

Copy: Superintendents of Business and Finance  
Senior Plant Officials