

Ministry of Education

Financial Analysis and
Accountability Branch

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Ministère de l'Éducation

Direction de l'analyse et de la
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2022: SB03

Date: February 15, 2022

Memorandum To: Senior Business Officials
Secretary-Treasurers of School Authorities (Isolate Boards)

From: Med Ahmadoun
Director
Financial Analysis and Accountability Branch

Subject: **Updates on Calculation of 2021-22 Stabilization and
Supplemental COVID-19 Support Funding**

Further to memorandum 2021: B12, I am writing to provide you with updates on the calculation of the Stabilization and Supplemental COVID-19 Support Funding.

The Stabilization and Supplemental COVID-19 Support funding amounts were limited to the level of reserve access by school boards for the safe operation of schools in 2020-21. This limit has now been removed, and school boards may qualify for Stabilization and Supplemental COVID-19 Support funding amounts higher than their reserve access levels in 2020-21. See Appendix A for an illustrative example of the updated calculation.

The ministry will calculate the projected funding amounts based on the new funding parameters and using information submitted in the 2020-21 financial statements and 2021-22 revised estimates. School boards eligible for the COVID-19 Support funding will be contacted and related Transfer Payment Agreement (TPAs) will be amended to reflect this change.

The ministry will also update the funding amounts once the 2021-22 financial statements are received and reviewed by ministry staff. School boards that become eligible for the funding based on the updated financial information at that time will be contacted and related TPAs will be amended as required.

CONTACTS

For any questions related to updated COVID-19 Support funding calculation parameters, please contact Andrew Yang at 416-937-3767 / Andrew.yang@ontario.ca or Yan Chen at 437-216-4933 / Yan.Chen@ontario.ca.

Sincerely,

Original signed by

Med Ahmadoun
Director
Financial Accountability and Analysis Branch

c: Directors of Education

Appendix A: Updated Illustrative Example

Accumulated Surplus (Deficit) Balance for the Purpose of Calculating Stabilization COVID-19 Support Funding	
1.0 2020-21 Revised estimates accumulated surplus / (deficit) available for compliance ending balance	140,000,000
...2020-21 Revised Estimates, schedule 5, item 3, column 4 (FO Active)	
1.1 Retirement gratuities	25,000,000
...2020-21 Revised Estimates, schedule 5, item 2.1, column 4 (FO Active)	
1.2 Committed sinking fund interest earned	60,000,000
...2020-21 Revised Estimates, schedule 5, item 2.8.1, column 4 (FO Active)	
1.3 Committed capital projects	15,000,000
...2020-21 Revised Estimates, Schedule 5, item 2.8.2, column 4 (FO Active)	
1.4 Ministry adjustments (i.e. POD adjustment)	-
1.5 Available accumulated surplus/(deficit) balance for the purpose of calculating Stabilization COVID-19 Support Funding	40,000,000
...Item 1.0 - Item 1.1 - Item 1.2 - Item 1.3 + Item 1.4, zero if negative	

2021-22 Reserve Access for the Purpose of Calculating COVID-19 Support Funding	
2.0 2021-22 In-year (surplus)/deficit for compliance purposes	10,790,000
...2021-22 Estimates, compliance report, item 1.3 (enter surplus as negative, deficit as positive)	
2.1 Operating allocation to be used in compliance calculation	830,000,000
...2021-22 Estimates, compliance report, item 1.7 (from section 1A, item 1.92)	
2.2 Maximum allowed reserve access for the purpose of calculating COVID-19 Support Funding	8,300,000
...1% of item 2.1	
2.3 Board funded COVID-19 expenses	9,000,000
...2021-22 Estimates, schedule 9.1, item 5 (enter as positive)	
2.5 2021-22 reserve access for the purpose of calculating of COVID-19 Support Funding	8,300,000
... least of item 2.0, 2.2, 2.3	
2.6 Ministry adjustments	-
2.7 2021-22 reserve access to be used in the calculation of COVID-19 Support Funding	8,300,000

Stabilization COVID-19 Support Funding Calculation	
2.7.1 2021-22 reserve access for the purpose of calculating COVID-19 Support Funding	8,300,000
... item 2.7	
2.8 Available accumulated surplus	40,000,000
...item 1.5	
2.9 Eligible Stabilization COVID19 Support Funding	-
...item 2.7.1 minus item 2.8, zero if negative	

COVID-19 Expenses To be Funded Through School Board Reserve		
3.1 2020-21 in-year (surplus)/deficit for compliance purposes (including COVID-19 expense) less POD Adjustment		10,000,000
...2020-21 Revised estimates, compliance report, item 1.3 (FO Active) less item 1.4		
3.2 2020-21 board funded COVID-19 expenses		9,000,000
...2020-21 Revised estimates, compliance report, item 1.5 (FO Active)		
3.3 2020-21 Operating allocation for compliance purpose		800,000,000
...2020-21 Revised estimates, compliance report, item 1.7 (FO Active)		
3.4 2% of 2020-21 operating allocation		16,000,000
...2% times item 3.3		
3.5 Reserve access for the safe operation of schools in 2020-21		9,000,000
...the lesser of item 3.1, 3.2 and 3.4		
3.6 2020-21 reserve access for safe operation of school as a percentage of operating allocation		1.125%
...-Item 3.5 / Item 3.3		
3.7 2021-22 COVID-19 expenses to be funded by school board reserves as percentage of operating allocation		0.875%
...2% less item 3.6, zero if negative		
3.8 2021-22 operating allocation		830,000,000
...item 2.1		
3.9 2021-22 COVID-19 expense to be first funded by school board reserves		7,262,500
...item 3.7 times item 3.8		
3.9.1 2021-22 reserve access to be used in the calculation of COVID-19 Support Funding		8,300,000
...item 2.7		
3.10 Opening balance of available accumulated surplus for COVID-19 expenses		40,000,000
... item 1.5		
3.11 COVID-19 expenses to be funded by school board reserves		7,262,500
...lesser of item 3.9, Item 3.9.1 and item 3.10		

Supplemental COVID-19 Support Funding Calculation		
4.0 2021-22 reserve access for the purpose of calculating COVID-19 Support Funding		8,300,000
...item 2.7		
4.1 COVID-19 expenses to be funded by school board reserves		7,262,500
...item 3.11		
4.2 Stabilization COVID-19 Support Funding		-
...item 2.9		
4.3 Supplemental COVID-19 Support Funding		1,037,500
...item 4.0 less item 4.1 and 4.2, zero if negative		