

TO: The Chairperson and Members of the
Finance Standing Committee

FROM: Associate Director

SUBJECT: **2010-2011 PROPOSED OPERATING BUDGET
– GRANTS FOR STUDENT NEEDS (GSN)**

1. Background

2010-2011 Budget Guidelines: *Raising the Bar in Learning, Teaching and Leading* was tabled with the Committee in February 2010. Since then Karen Maxell, Assistant Deputy Minister of Education (Acting) released Ministry Memo 2010:B5 and 2010:B6 on Friday, March 26, 2010. Trustees have been provided with copies of those memoranda and a summary of the information contained in them.

Normal practice, subsequent to the GSN announcement, would be the presentation of a balanced budget for consultation with trustees.

2. Current

Since the GSN announcement, the Ministry has not yet released the Technical Paper to the sector. The Technical Paper is the Ministry document that provides information to boards on the calculation of grants, and once received is used by administration to ensure resources are appropriately allocated and the board budget is balanced. Upon release of this document, the budget development process will continue and a proposed balanced budget will be presented to the committee.

On April 6, 2010, Karen Maxwell, Assistant Deputy Minister (Acting) released Ministry Memo 2010:B8, attached as APPENDIX A. The release of this memorandum confirms that the government's proposed measures to contain public sector compensation will not result in any immediate changes to the GSN funding approach described in Ministry Memo 2010:B5.

An overview of budget implications resulting from information received to date will be presented at the committee meeting.

3. Report Status

This report is provided for information.

Respectfully submitted by:

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Associate Director

April 14, 2010

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2010: B8

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

FROM: Karen Maxwell
Assistant Deputy Minister (Acting)

DATE: April 6, 2010

SUBJECT: **Impact of Public Sector Compensation Restraint on
2010-11 Grants for Student Needs**

I am writing to advise you that the government's proposed measures to contain public sector compensation will not result in any immediate changes to the government's plans for the 2010-11 Grants for Student Needs (GSN).

The *Public Sector Compensation Restraint to Protect Public Services Act, 2010* was introduced in the Legislative Assembly on March 25, 2010, as Schedule 25 to *Bill 16, Creating the Foundation for Jobs and Growth Act, 2010*. The proposed legislation may be viewed on the Legislative Assembly website www.ontla.on.ca. If approved by the Legislative Assembly in its present form, Schedule 25 would affect the compensation plans of all non-bargaining employees in the broader public sector, including employees of school boards, for a period of two years, March 24, 2010, to March 31, 2012. Schedule 25 would also provide for a Public Sector Compensation Restraint Board to which employers and employees could apply for an order declaring whether the *Act* applies to an employer or employee.

At this time, the Ministry has no plans to change the 2010-11 GSN funding approach, as described in the memorandum of March 26, 2010: *B5 – Education Funding for 2010-11*. However, it should be noted that the initiatives and investments in this approach must be implemented by, and are conditional upon, the making of regulation by the Lieutenant Governor in Council. The Ministry intends to seek such a regulation and will advise you if it is made.

For planning purposes, school boards are advised that the Ministry has no plans to propose amendments that would reduce funding by any savings realized as a result of the proposed compensation constraint measures. If such savings are realized, the Ministry would expect that these savings would be used to meet key financial pressures. The due date for the submission of Board Estimates for 2010-11 continues to be July 30, 2010.

With the 2010-11 GSN, the government proposes to continue its investment in publicly funded education as a key to Ontario's future. These investments will support higher levels of student achievement, help to reduce gaps in student achievement, and contribute to increasing public confidence in education. Students will benefit from smaller class sizes, improved graduation rates, and safer, healthier schools. The education sector can help protect the gains our students have made by continuing to manage education resources responsibly and effectively. The Ministry will work with you and our partners in education to achieve these goals.



Karen Maxwell
Assistant Deputy Minister (Acting)

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