

APPENDIX B

Update Regarding Supplemental COVID-19 Support Funding and Use of School Board Reserves

On June 11, 2021, the Ministry of Education released the 2021:SB12 memo, which outlines the methodology in determining eligibility of the Supplemental COVID-19 Support Funding and Stabilization COVID-19 Support Funding for 2021-22. A copy of the memo and Ministry example of the eligibility calculation is provided in Appendix C.

Based on the parameters, and after applying TDSB's financial data, staff have determined that TDSB is not eligible for the Supplemental COVID-19 Support Funding and Stabilization COVID-19 Support Funding. TDSB's detailed calculation is provided below.

Please note the figures presented are subject to change. The final calculation will be based on the TDSB's year end financial statements submission for the two fiscal years.

A. Supplemental COVID-19 Support Funding

Step 1

To determine how much of the in-year deficit in 2020-21 is related to COVID-19. It is equal to the least of the following as a percentage of TDSB's \$2.93B operating allocation:

	Reference	% Amount
i. School board's reported in-year deficit (based on 2020-21 Revised estimates)	\$45.7M / \$2.93B	1.56%
ii. Board funded COVID expenses reported in Sch 9.1 of EFIS forms (based on Revised Estimates)	\$40.6M / \$2.93B	1.39%
iii. Two percent		2.00%
Least of the above for the 2020-21 fiscal year:		1.39%

Currently, the 2020-21 Board funded COVID expenses are projected to be approximately \$42.57M, which is higher than the \$40.6M reported in the Revised

Estimates indicated above. This amount is comprised of \$32.82M in additional teacher costs, \$2.42M in Early Childhood Educator costs, \$2.98M in additional school administrators relating to remote learning, \$3.6M in technology spending and \$0.76M in Special Education staffing costs.

Step 2

To determine how much of the in-year deficit in 2021-22 is related to COVID-19. It is equal to the least of the following as a percentage of TDSB's \$2.95B operating allocation:

	Reference	% Amount
i. School board's reported in-year deficit (based on 2021-22 forecast)	\$59.0M / \$2.95B	2.00%
ii. Board funded COVID expenses reported in Sch 9.1 of EFIS forms	\$0 / \$2.95B	0.00%
iii. One per cent for Estimates cycle (it may change to two per cent pending vaccination administration and medical advice in the Fall)		1.00%
iv. Amount determined in Step 1		1.39%
Least of the above for the 2021-22 fiscal year:		0.00%

Step 3

Take the sum of Steps 1 and 2, minus two per cent:

Step 1	1.39%
Step 2	0.00%
Minus 2%	(2.00%)
Result of Step 3	(0.61)%

If the result of step 3 above is positive, the school board is eligible for funding.

Result:

Since the result of Step 3 is negative, TDSB is not eligible for the Supplementary COVID-19 Support Funding. To be eligible for any of this funding, the Board funded COVID expenses for 2021-22 must exceed \$18.1M or 0.61% of the operating allocation (2% minus 1.39%).

This implies that school boards are required to fund pandemic costs up to 2% of their operating allocation through their reserves for the 2020-21 and 2021-22 school years, and the Ministry will only fund pandemic costs beyond 2% of the board's operating allocation.

B. Stabilization COVID-19 Support Funding

Where school boards do not have enough accumulated surplus, or reserves, to support COVID-19 expenses in 2021-22, the Ministry will provide Stabilization COVID-19 support funding so that all school boards can incur a comparable level of COVID-19 expenses.

The ending accumulated surplus, or Board reserves balance of \$116.7M is based on the 2020-21 total accumulated surplus available for compliance less the committed sinking fund interest earned.

		Reference	% Amount
2020-21 Ending Accumulated Surplus/(Deficit) or Board reserves balance as a % of Operating Allocation	A	\$116.7M / \$2.93B	3.99%
2021-22 In-Year Surplus/(Deficit) amount related to COVID-19 expenses	B	\$0 / \$2.95B	0.00%
2020-21 In-Year Surplus/(Deficit) amount related to COVID-19 expenses (based on Revised Estimates)	C	\$40.6M / \$2.93B	1.39%
The lesser of 2020-21 and 2021-22 COVID-19 Expenses	D	Lesser of B and C	0.00%
Eligible Stabilization COVID-19 Support Funding		If D is less than A, amount is 0%*	0.00%

* If D is greater than A, % amount is D minus 1% if D is higher than 1%.

Result:

Based on the above, TDSB is not eligible for the Stabilization COVID-19 Support Funding. To be eligible for this funding, the COVID-19 expenses contributing to the in-year deficit for either 2020-21 or 2021-22 (as per D above) must exceed TDSB's reserves balance of approximately \$116.7M, or 3.99% of operating allocation (as per A above).