

**PAAC on SEAC Tip Sheet on Deferred Special Education Funding
December 2024**

Has your school board left special education money unspent, from year to year?

Key Messages - Introduction

Regulation 474 outlines the role of SEAC – to provide advice concerning special education planning and budgets. SEACs consider how boards use the money they receive and how it can benefit students. SEACs need to know the truth about special ed spending.

SEACs often hear about funding shortages. Boards often say they have spent more than they received from provincial grants, perhaps especially concerning special education.

Most education funding is allocated in per pupil amounts, which are multiplied by total board enrolment.

Money to support students with special education needs (whether or not they've had an IPRC) comes from many different per pupil amounts.

Special ed funding is “incremental” – just one of the sources of funding for those students.

Boards may say they don't have enough special ed money for the accommodations to which students are entitled under the Ontario Human Rights Code, and for the supports teachers require. However, students' rights must be upheld and take priority over discretionary spending – for which students have no entitlement by law.

If any money from the Special Education Fund remains unspent in any school year, the Ministry requires that it be kept in a separate “Deferred Revenue” account, to be spent in future only for special education purposes.

It is logical that some money may be left over at year end, but SEACs would need be concerned if large amounts were left unspent.

Key Messages – TIPS

School board Audited Financial Statements are dated August 31st, every year. Then, the board of trustees consider and accepts them.

This year, the Ministry requires school boards to submit their 2023-24 Audited Financial Statements to the Ministry by November 15, 2024.

The Ministry also requires school boards to post their August 31st Audited Financial Statements publicly on the Board's website within 6 months of year end – that is, by the end of February the following year.

SEACs need the earliest possible access to that information – just as trustees do.

SEACs should request audited financial statements at their September meeting, and ensure that discussion is on their agenda.

SEAC should compare the most recent deferred amounts with amounts left unspent in previous years – to see how this money may have accumulated or diminished from year to year.

In the Financial Statement, you can search for the word “Deferred” and eventually find the amounts for the past school year and the year before.

If those statements do not specify how much special education money is deferred, SEACs should ask for that information and also should ask that future Audited Financial Statements provide that detail.

For easier access later in any school year, there are links to the most recent Audited Financial Statements of ALL Ontario school boards at https://efis.fma.csc.gov.on.ca/faab/Financial_Statements_AuditedFinancialStatements.htm.

Here are some examples of Deferred Special Education Funding amounts:

Toronto DSB Audited Financial Statements linked at

<https://www.tdsb.on.ca/About-Us/Business-Services/Budgets-and-Financial-Statements> show

very small amounts of Deferred Special Education Revenue:

- \$3,957 in August 2021
- \$7,692 in August 2022
- \$7,677 in August 2023

By contrast, here is quite a shocking example of **UNDERSPENDING** on special ed:

Upper Canada DSB’s Audited Financial Statements linked at

https://www.ucdsb.on.ca/our_board/district_plans/financial_information show very large amounts of Deferred Special Education Revenue:

- \$1,448,709 in August 2021
- \$5,233,757 in August 2022
- \$10,957,913 in August 2023
- \$15,659,887 in August 2024

They spent a lot **LESS** money on Special Education than the Ministry granted them each of those years.

That surplus money kept accumulating – with greater amounts left unspent and added, in each subsequent year.

Upper Canada SEAC will certainly want to find out why so much special ed funding is not spent and why Deferred Revenue is accumulating.

Key Messages – Further Tips:

Up to and including the 2023-24 school year, the Ministry required Boards to keep separate Deferred Revenue accounts regarding any unspent money from the Applied Behaviour Analysis (ABA) Training, After-School Skills Development (ASSD), and Specialized Equipment Allocation (SEA) grants.

In 2024-25, the Ministry will no longer require that specific Deferred Revenue accounting. All such special purpose money that is unspent from year to year must then go into the larger Special Education Deferred Revenue account and can be spent for any special education purpose.

SEACs should find out now if their board spent all such money in 2023-24 and previous years and – if not – how much of each amount was unspent.

SEACs will likely need to ask because those separate Deferred Revenue amounts may not be shown in their board's audited financial statements.