



REPORT TO

REGULAR BOARD

PRELIMINARY 2018-19 BUDGET ESTIMATES (VOLUMES 4, 5 INCLUDES NON-INSTRUCTIONAL)

“Therefore, there is now no condemnation for those who are in Christ Jesus, because through Christ Jesus the law of the Spirit who gives life has set you free from the law of sin and death.”

Romans 8:1-2

Created, Draft	First Tabling	Review
May 8, 2018	May 17, 2018	

P. De Cock, Comptroller of Business Services & Finance

RECOMMENDATION REPORT

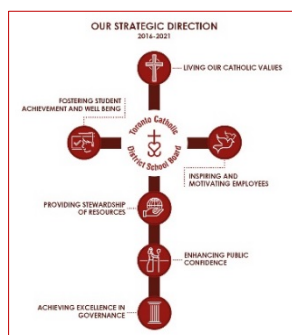
Vision:

At Toronto Catholic we transform the world through witness, faith, innovation and action.

Mission:

The Toronto Catholic District School Board is an inclusive learning community uniting home, parish and school and rooted in the love of Christ.

We educate students to grow in grace and knowledge to lead lives of faith, hope and charity.



Rory McGuckin
Director of Education

D. Koenig
Associate Director
of Academic Affairs

TBD
Associate Director
of Planning and Facilities

L. Noronha
Executive Superintendent
of Business Services and
Chief Financial Officer

A. EXECUTIVE SUMMARY

As per the requirements set out in the Education Act, TCDSB's budget estimates are balanced. The preliminary 2018-19 Non-Instructional budget expenditure estimates appearing in volume IV is balanced; based on consensus enrolment and staffing projections, and calculated Grants for Student Needs (GSNs) and Other Program funding projections. Volume V provides a strategy by which, under the current legislation, the TCDSB may work towards further financial sustainability through a reserve strategy.

Two budget related reports have been submitted to allow Trustees with conflicts of interest on instructional related funding the opportunity to participate in non-instructional and reserve funding related discussions. Volumes I to III focus on both the overall budget as well as instructional related expenditures, while Volume IV focuses on non-instructional expenditures and Volume V on financial sustainability. The two reports and associated Volumes of the Budget Book are intended to be read together for a fulsome understand of the budget, but are separated for the purposes of public debate.

The projected enrolment and estimated GSNs provide the capacity to determine the TCDSB's non-instructional support service levels. The Education Act and its regulations concerning Board Administration and Governance, i.e. upper expenditure limits and trustee's honoraria calculations, consequently prescribes TCDSB's service levels. The projected expenditures in the Non-Instructional expenditure category appear in the table below:

<i>Non-Instructional Expenditure Categories</i>	<i>2017-18 (\$M)</i>	<i>2018-19 (\$M)</i>	<i>Change (\$M)</i>
School Operations & Maintenance	95.9	98.1	2.2
Administration & Governance	27.7	28.5	0.8
Transportation	35.1	35.7	0.6
Total	158.7	162.3	3.6

The 2018-19 Budget Estimates include additional discretionary investments in the Non-Instructional Expenditure Category. The 2018-19 GSN announcement considered service level increases to both non-discretionary and discretionary areas of the Non-Instructional expenditure category budget. "Non-discretionary" investments are considered to be investments largely related to enrolment growth, restricted funding from the Province or required

through arbitration settlements. “Discretionary” investments are generally those using remaining unrestricted GSN funding. The additional investments into the non-discretionary category primarily include investments for inflationary costs in utilities, fuel and provincial discussion table improvements to salary and benefits. It also includes a new Full Time Equivalent (FTE) for a Human Rights and Equity Advisor, which is a new restricted funded position by the Province. Recommended discretionary investments include funding for a Student Travel Planner (STP) and two FTEs related to Human Resource Recruitment. A one-time investment from Accumulated Surplus in the amount of \$0.34M is also recommended for 2018-19.

The cumulative staff time required to prepare this report was 200 hours.

B. PURPOSE

1. This report has been prepared for the Board of Trustees in order to approve in principle the 2018-19 Budget Estimates for Non-Instructional Expenditure Categories (Volume IV) and the Reserve Strategy (Volume V), appearing in the attached 2018-19 Budget Book.
2. The Board of Trustees’ final approval for the 2018-19 Budget Estimates for Non-Instructional Expenditures and the Reserve Strategy as outlined in Volumes IV-V in the Budget Book will be sought at the Corporate Service Meeting scheduled for June 6th 2018.

C. BACKGROUND

1. ***Additional GSN increases in the Non-Instructional Expenditure Category are required.*** The GSNs do not adequately fund or mitigate ongoing cost pressures associated with inflation, utility and fuel rate increases, aging administrative facilities and information technology infrastructures upgrades. The 2018-19 GSNs also include funding for ongoing investments to meet prior year’s labour agreements for salary and benefits investments.
2. ***New Investments in the education sector and increased regulation of the education sector has increased TCDSB’s requirement for more service and support levels.*** The TCDSB was in a Multi-Year Recovery Plan (MYRP) for the last few years and difficult decisions reduced service levels across all functional areas of the board. As a result, the Non-Instructional Expenditure

Category requires a moderate reinvestment of funds in order to mitigate current and future anticipated operational risks.

3. ***Investments are recommended to continue providing the service levels necessary on the Non-Instructional*** side of operations to support the Instructional side. Non-Discretionary investments are predominantly for utility increases, increases in transportation costs and labour related increases governed by collective agreements, but this year also includes a restricted funded position of a new Human Rights and Equity Advisor. Some minor discretionary investments are recommended to help bolster service levels in both the area of transportation safety and the HR capacity to recruit for vacancies predominantly found on the Instructional side of the organization. The following tables outline these proposed investments.

<i>Non-Discretionary GSN Investments in Non-Instructional Expenditures</i>	<i>FTE</i>	<i>(\$M)</i>
Human Rights and Equity Advisor	1.0	0.15
Total	1.0	0.15

<i>Discretionary GSN Investments in Non-Instructional Expenditures</i>	<i>FTE</i>	<i>(\$M)</i>
Student Travel Planner	0.0	0.05
Human Resources Recruitment Staff	2.0	0.22
Total	2.0	0.27

In addition to investments from the GSNs, the 2018-19 budget estimates recommend modest Non-Instructional strategic one-time investments from the Accumulated Surplus as follows to also help bolster operational readiness to address recruitment and absenteeism:

<i>Discretionary Surplus Investments in Instructional Expenditures</i>	<i>(\$M)</i>
Increase Supply Pool of Retired Principals for Recruitment Activities in Human Resources	0.12
Budget Provision for School Board Cooperative Inc. (SBCI) Attendance Management Support Services	0.22
Total	0.34

D. STAFF RECOMMENDATION

1. That the Board of Trustees approve in principle a balanced budget with a base budget increase in the Non-Instructional Category by \$3.6M, inclusive of 3 new FTEs, as further detailed in Volume IV of the Budget Book.
2. That the Board of Trustees approve in principle for inclusion into the Non-Instructional Expenditure Category budget a strategic one-time investment from Accumulated Surpluses of \$0.34M for Human Resource related initiatives, as further detailed in Volume IV of the Budget Book.
3. That the Board of Trustees approve in principle the Reserve Strategy as detailed in Volume V of the Budget Book.
4. That staff present a balanced budget, with the Non-Instructional Category Expenditures appearing in Volume IV of the Budget Book reflecting any amendments necessary as a result of community budget consultations to the Board of Trustees at the Corporate Services meeting scheduled for June 6th 2018.