REPORT TO

CORPORATE SERVICES, STRATEGIC PLANNING AND PROPERTY COMMITTEE

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

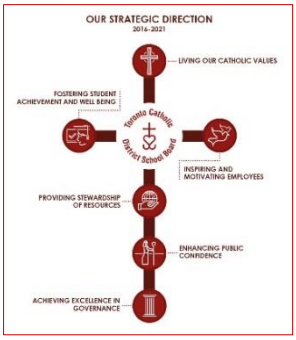
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May 29, 2018	June 6, 2018	

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.



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A. EXECUTIVE SUMMARY

As per the requirements set out in the Education Act, TCDSB's budget estimates are balanced. The 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 (GSN) and Education Programs - Other (EPO) 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 facilitate Trustees with conflicts of interest on instructional related funding, at their own discretion, 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, for example, 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:

Non-Instructional Expenditure Categories	***2017-18 ($M)***	***2018-19 ($M)***	***Change ($M)***
School Operations & Maintenance	95.9	98.1	2.2
Administration & Governance	27.7	28.5	0.8
Transportation	35.1	35.7	0.6
Other–Temporary Accommodations	3.2	0.1	3.3
Total	**162.0**	**165.6**	**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 an Equity and Human Rights Advisor, which is a new restricted funded position by the Province. Recommended discretionary investments include funding for a Student Travel Planner (STP) and two FTE positions 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 210 hours.

B. PURPOSE

1. This report has been prepared for the Board of Trustees in order to approve 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.

C. BACKGROUND

1. ***Additional GSN increases in the Non-Instructional Expenditure Category are required in the future***. The current GSNs do not adequately fund or mitigate ongoing cost pressures associated with inflation, utility and fuel rate increases, aging administrative facilities and information technology infrastructure 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 Equity and Human Rights 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.

Non-Discretionary GSN Investments in Non-Instructional Expenditures	***FTE***	***($M)***
Equity and Human Rights Advisor	1.0	0.15
Total	**1.0**	**0.15**

Discretionary GSN Investments in Non-Instructional Expenditures	***FTE***	***($M)***
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:

Discretionary Surplus one time Investments in Non-Instructional Expenditures	***($M)***
HR Recruitment	0.12
Retain School Board Cooperative Inc. (SBCI) Attendance Support Services	0.22
Total	0.34

D. BUDGET CONSULTATION RESULTS

1. The 2018-19 budget consultation survey was administered to stakeholders between April 27, 2018 to May 10, 2018. Four hundred and thirty five (435) stakeholders responded to the survey questions. Key questions posed for the Non-instructional areas focused on the areas of Transportation Services and Facilities.

2. For Transportation, 70% of those surveyed agreed or strongly agreed that TCDSB should continue to provide transportation services to non-qualifying and exceptional students. 55% of respondents also agreed that TCDSB should invest in a Student Travel Planning (STP) facilitator. Staff advise that these costs have been included in the current budget.

3. 62% of the respondents agreed or strongly agreed that their schools are clean and safe. On the question of maintaining school facilities, 97.6% agreed with this as a top priority. Staff advise that the current complement of custodial staff and various maintenance contracts have been maintained in the 2018-19 budget estimates.

4. In addition, there were budget presentations to a large number of TCDSB stakeholders. This included two rounds of consultations with Union and Federations, Audit committee, and the Ontario Association Parents in Catholic Education (OAPCE). An initial presentation was provided to the Special Education Advisory Committee (SEAC), but unfortunately due to some scheduling conflicts within SEAC a second round of consultation did not occur. Individual SEAC members were still invited to a subsequent consultation with OAPCE and Catholic Parent Involvement Committee (CPIC).

5. OAPCE was the only organization to provide a formal communication with regard to the budget consultation. That letter is appended at the end of this report. The communication describes a few issues and questions that were discussed during the meeting with staff. Finance and academic staff responded to these inquiries in-person. The most relevant part of this communication to the deliberation of the Non-Instructional part of the budget is that they are unsupportive of the hiring of two new FTEs for HR recruitment and are rather suggesting that capacity be found from within that Department. They are supportive of the onetime investment in hiring of retired Principals to assist with recruitment, but not the salary level allocated for these purposes. Finally, they

have made some suggestions on Information Technology (IT) related efficiencies that could be sought moving forward. Staff will take the IT suggestions in to consideration when approaching IT Strategic planning.

6. Staff responded to a great deal of questions and comments through these consultations and it was fruitful for both staff and stakeholders alike. Some exchange of information is still ongoing with some stakeholders (union groups) and members of SEAC, but staff recommend that the budget be approved as is and ongoing dialogue can continue and lead in to the 2019-20 budget process.

E. STAFF RECOMMENDATION

1. That the Board of Trustees approve 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, for inclusion into the Non-Instructional Expenditure Category budget, approve 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 the Reserve Strategy as detailed in Volume V of the Budget Book.