



REPORT TO

CORPORATE SERVICES, STRATEGIC PLANNING AND PROPERTY COMMITTEE

BUDGET 2019-20 FUNDING UPDATE

*“A generous man will himself be blessed, for he shares his food with the poor.”
Proverbs 22:9*

Created, Draft	First Tabling	Review
April 2, 2019	April 11, 2019	Click here to enter a date

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INFORMATION REPORT

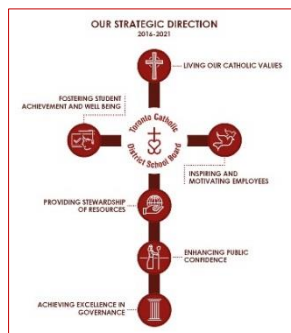
Vision:

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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Development, and Chief
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A. EXECUTIVE SUMMARY

1. ***Announcements made by the Ministry of Education will entail further release of data and more analysis to develop the budget.*** The Grant for Student Needs (GSN) funding and regulations are expected to be released by the Ministry of Education (EDU) by mid to late April.
2. ***The late release of data by the Ministry may impact the budget approval timelines previously communicated to the Board.*** Given the delay of the technical details release by the Ministry to potentially the end of April and Electronic Financial Information System (EFIS) Data to follow approximately two weeks afterwards, staff may not be in a position to develop preliminary budget estimates in time for May 9th Corporate Services Committee. An alternative plan would be to bring the preliminary budget estimates to Regular Board on May 16th or hold a Special Board meeting in the last week of May.
3. ***Based on preliminary analysis and review of the announcements, staff expect to reduce service levels across all program and service areas in order to develop a balanced budget.*** The Ministry of Education announcement on March 15th in Memorandum 2019:B08 regarding a New Vision for Education impacts many program and service areas, and the impact could contribute to the budget entering an unbalanced (deficit) position. On April 9, 2019 it has now been confirmed that an additional \$7.8M cost pressure has been added to the TCDSB budget based on a Ministry decision regarding Grades 4 to 8 teacher funding.
4. ***The Ministry has recently provided TCDSB with Key Planning Details for Attrition Protection.*** The Ministry of Education announcement on April 3rd, 2019 in Memorandum 2019:SB02 (attached as Appendix A) provides guidance to school boards on eligibility and reporting requirements with respect to attrition protection related to proposed class size changes (per the Ministry Memorandum) 2019:B08. The resulting Attrition Protection funding could also positively or negatively impact upon GSN funding.

The cumulative staff time required to prepare this report was 6 hours.

B. PURPOSE

1. This report has been prepared to provide known updates to the TCDSB budget process based on the “B” Memorandums’ and other communications received to date from the Ministry of Education.

C. BACKGROUND

1. ***Announcements for class size changes in some areas were made on March 15, 2019 (2019:B08).*** The new class size requirements for grades 4-8 and 9-12 reduce GSN funding for the TCDSB by approximately \$40-50M and reduces teacher positions by approximately 350 Full-Time Equivalent (FTE) positions over the course of the next four years.
2. ***Current Collective Agreement Local Priorities Funding will expire.*** The expiration of the Local Priorities funding associated with the 2 year Collective Extension Agreements will decrease GSN funding by approximately \$10M. The provincially negotiated extension agreements expire as of August 31st 2019.

The Local Priorities Amount was an amount provided by the last Government to School Boards for employee contract extensions for the period 2017-2019. It was intended for programs such as more special education staffing to support children in need, “at-risk” students, adult education and job reduction mitigation strategies related to declining enrolment and other exceptions.

TCDSB currently receives \$11.1M for Local Priorities and it equates to 119 Full-Time Equivalent (FTE) positions that spans almost all employee groups. Appendix D contains the listing of positions that this amount currently funds.

3. ***The continuance of the International Language (IL) Program has been signalled as a primary focus for this Board.*** While the value of the IL program has been confirmed by both Trustees as well as through parent surveys, based on current labour arbitration settlements as well as certain legislative prescriptions, the TCDSB may see the IL program lose all funding for the 2019-20 school year. If this were the case, the TCDSB would need to find approximately \$8.8 million in savings elsewhere to continue the program in 2019-20. This has the potential to be offset, should the current Provincial Government agree to fund all or part of the program.

D. EVIDENCE/RESEARCH/ANALYSIS

Announcement Highlights of New Vision for Education (2019:B08 –March 15, 2019 Appendix A)

- 1. *Grades 4 to 8 Class Size changing to 24.5 students to 1 teacher has very recently been confirmed as a \$7.8M negative impact to the TCDSB.*** The TCDSB is one of a few school boards with a class size greater than 24.5 to 1 teacher. The move from the 2018-19 current 24.97 ratio to the 2019-20 ratio of 24.5 students to 1 teacher requires additional funded teacher positions as previously committed by the Ministry of Education. The GSNs provided additional funding for school boards with a class size greater than 24.5 to 1 teacher class size staggered over a 4 year transitional period. The TCDSB is currently in the second year of the 4 year period.

Staff were concerned with the delay in GSN announcements and its impact on this particular issue. To be proactive, advance confirmation was sought to ensure that the appropriate increase in funding would be provided as previously committed to by the Ministry of Education. As a result of TCDSB staff's recent inquiries to confirm the continuance of funding to complete the 4 year transition, the Ministry of Education responded on April 9, 2019 indicating the following:

- School Boards are encouraged to use the information in the 2019:B08 Memo for planning purposes;
- School Boards are expected to move to a 24.5 to 1 regulated teacher class size for grades 4 to 8, and School Boards have the flexibility to use existing funding within the GSNs to make local staffing decisions;
- These proposed changes are subject to ongoing class size consultations running until May 31, 2019 and subject to approvals and regulations made by the Minister of Education or Lieutenant Governor in Council under the Education Act.

Staff are interpreting the above to mean that the Ministry is mandating an increase in teachers without additional funding and a simultaneous reduction in funding. The resulting cost and funding impact to the TCDSB is an additional 32 full-time equivalent Elementary Teacher positions at a cost of

\$3.3M and a funding reduction of \$4.5M, for a total financial impact of \$7.8M.

Staff are currently contacting the other 6 School Boards who are affected by this decision to gauge interest in co-signing a letter back to the Ministry of Education in order to request a reconsideration of this treatment.

2. ***Grades 9 to 12 Class Size changing to 28 students to 1 teacher.*** The move from the 2018-19 current 22 to 1 ratio to the 2019-20 ratio of 28 students to 1 teacher requires a reduction of teacher positions, which is anticipated to be achieved by normal teacher retirements over the course of 4 years.
3. ***Secondary Programming Funding terminated.*** The elimination of funding for Secondary Programming Teachers will decrease GSN funding for TCDSB by approximately \$2.5M and reduce 22.9 full-time equivalent Secondary Teacher positions achieved by normal teacher retirements.
4. ***E-learning class sizes increasing to 35 students to 1 teacher in the 2020-21 school year.*** The full impact of this announcement is unknown until the program delivery model is further defined.
5. ***Increasing the Student Transportation and School Operations Grant.*** Increasing the Student Transportation Grant by 4% to assist with increased transportation costs. In addition, the School Operations Grant will increase by 2% for increased utilities costs.
6. ***Preliminary budget estimates can only be fully developed once all factors are known.*** Several of the factors listed above are known, however, some are yet to be released by the Ministry (e.g. GSN technical paper, EFIS data). These factors are critical components in order to finalize estimates for consideration by the Board. Ministry staff have indicated that the release of this data may not be until the end of April. If this late timing comes to fruition, then staff will only be in a position to bring preliminary budget estimates by the Regular Board meeting on May 16th at the earliest.

**Preliminary Analysis of Impact on Attrition Protection
(2019:SB02 – April 3, 2019 Appendix B)**

7. *Scenario 1: Actual Attrition is higher than Board Forecast (for illustrative purposes only)*

If the Board has fewer full-time equivalent (FTE) classroom teachers on the ground at the start of the school year than forecast, the TCDSB may need to deploy additional teachers at the last moment in order to staff classes. This scenario may occur when teacher retirements exceed planned retirements. Total attrition protection will be less than forecast causing a cost pressure. In the scenario below where the Board has 10 fewer teachers than is required, this would cause a cost pressure of approximately \$(0.6M).

TCDSB Secondary Teachers – Scenario 1	FTE
Estimated Retirement for 2019-20	95
Less: Actual Retirement for 2019-20	105
Actual Retirements greater than Projected	(10)
Add: Attrition Protection at 50%	5
Unfunded Attrition	(5)
Loss of funding for 5 FTE =	\$(0.6M)

8. *Scenario 2: Actual Attrition is lower than Board Forecast (For illustrative purposes only)*

If the board has more full-time equivalent (FTE) classroom teachers on the ground at the start of the school year than estimated, the TCDSB will have sufficient teachers to support class re-organizations, and no additional teachers are required to be deployed at the last moment. In the scenario illustrated below, there would be 10 fewer retirements than estimated. Total attrition protection funding in this scenario would be \$1.1M.

TCDSB Secondary Teachers – Scenario 2	FTE
Estimated Retirement for 2019-20	95
Less: Actual Retirement for 2019-20	85
Actual Retirements less than projected	10
Less: Attrition Protection	(10)
Unfunded Attrition	0
Increase of funding for 10 FTE =	\$1.1M

9. Other key elements of the Attrition Protection Funding

Attrition Protection Funding provides school boards with funding adjustments to address situations where actual teacher staffing retirements are higher or lower than the school board's forecasts. In the event actual attrition is higher than forecast, the attrition protection funding provides only 50% of the cost to place teachers in the resulting vacant positions, and the school board carries the resulting cost difference. When the actual attrition is less than forecast, the attrition protection funding provides 100% cost coverage.

An additional 5% top-up to the attrition protection funding provides further support for the teacher staffing complement associated with Science, Technology, English and Math (STEM) Programs and Specialized Programing Courses. This means boards are being provided with 105% attrition protection funding or put another way for every 20 teacher job reductions, one is being added back.

Supporting Students with Autism Spectrum Disorder (2019:SB04 April 5, 2019 Appendix C)

10. Pursuant to 2019:B07 titled "Supporting Students with Autism Spectrum Disorder (ASD)", this memorandum provides additional funding and reporting information to support school board implementation for the remainder of the 2018-19 school year. It is not anticipated to generate any significant amount of funding for the TCDSB because most applications for funding have already been submitted.

11. *Funding for Continuous Enrolment after March 31, 2019 (extended count date)* The ministry is implementing a one-time process to fund eligible students who have been receiving Ontario Autism Program (OAP) services and are entering the publicly funded education system for the first time after March 31, 2019. This new process, specific only to these students, will allow school boards to receive funding equivalent to the school board's 2018-19 average per pupil funding amount for all eligible students enrolling from April 1, 2019 to the end of the 2018-19 school year.

The funding to support these students will be the lesser of:

1. The reported enrolment of these eligible students multiplied by the school board's average per pupil funding amount (as reported in the 2018-19 Revised Estimates); and

2. The actual incremental costs to school boards to support these students for the remainder of the 2018-19 school year.

12. *Extended Deadline for Special Incidence Portion (SIP) Claims.* School boards will be allowed to submit SIP claims for eligible students with ASD as per the criteria set out in this memorandum. The SIP claims must meet the criteria as outlined in the 2018-19 SIP Guidelines.

The SIP claims submission deadline for these students will be extended to September 30, 2019, while the approval process remains unchanged. The SIP Staff Support Level Timetable will be required to demonstrate that staff support was in place for the 2018-19 school year.

13. *Extended Deadline for Special Equipment Amount (SEA) Claims.* School boards will be allowed to submit SEA claims for eligible students with ASD as per the criteria set out in this memorandum. The SEA claims must also meet the criteria as outlined in the 2018-19 SEA Guidelines. The SEA claims submission deadline for these students will be extended to September 30, 2019, while the approval process remains unchanged. These SEA claims will need to demonstrate that SEA claims purchases were made in the 2018-19 school year.

E. METRICS AND ACCOUNTABILITY

1. ***Staff are approaching the budget by assuming that reducing existing service levels is necessary.*** The Ministry of Education B Memo announcements to date, Appendix A, indicate a reduction of service levels will be required in certain areas. Should the decision regarding the Grades 4 to 8 teacher funding not be changed then the Board is currently in a position where at least \$7.8M of reductions need to be identified from unrestricted funding.
2. ***Consultation with the public will focus on service level reductions.*** The consultation will consist of informing the public of the Ministry of Education B Memo announcements, potential impacts on TCDSB, and existing cost pressures. The public consultation efforts will then ask for feedback on whether the provincial announcements should be fully prioritized ahead of changes to existing service level provisions (e.g. reduce other service levels to compensate), existing service levels should be prioritized ahead of new

services or solicitation of broad feedback on changing the existing mix of service levels.

F. CONCLUDING STATEMENT

This report is for the consideration of the Board.