



REPORT TO

STUDENT ACHIEVEMENT AND WELL BEING, CATHOLIC EDUCATION AND HUMAN RESOURCES COMMITTEE

**2019-20 BUDGET ESTIMATES
OVERALL & INSTRUCTIONAL VOLUMES 1,2,3,4**

“Dear children, let us not love with words or speech but with actions and in truth”

1 John 3:18

| Created, Draft | First Tabling | Review |
|----------------|---------------|---|
| May 20, 2019 | May 28, 2019 | Click here to enter a date. |

D. De Souza, Coordinator of Grants & Ministry Reporting
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RECOMMENDATION REPORT

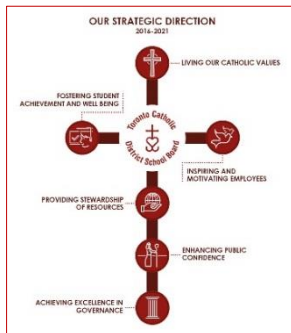
Vision:

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

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 Associate Director of Academic Affairs

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 Associate Director of Facilities, Business and Community Development, and Chief Financial Officer

A. EXECUTIVE SUMMARY

As per the requirements set out in the Education Act, TCDSB's proposed budget estimates are balanced. The 2019-20 budget expenditure and revenue estimates appearing in Volumes 1 to 6 of the Budget Book are balanced; based on consensus enrolment and staffing projections, calculated Grants for Student Needs (GSNs), Other Program funding projections and numerous recommended reductions to service levels.

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 1 to 4 focus on both the overall budget as well as instructional related expenditures, while Volume 5 focuses on non-instructional expenditures and Volume 6 on financial sustainability.

The first volume appearing in the 2019-20 Budget Book provides an overall contextual summary. The Volume is meant to provide trustees, parents and other stakeholders a snapshot of TCDSB's profile as a large, urban, diverse and Catholic school board. Enrolment data refers to the number of students projected to attend TCDSB schools in 2019-20, and is the key driver for revenue and expenditure calculations. Enrolment projections show an increase of 441 elementary students and a decrease of (338) Secondary students for the 2019-20 school year. The total student population is projected to be 91,962

The overall Grants for Student Needs are projected to decrease. TCDSB is projected to derive 92.5% of its operational revenues from the Provincial Grants for Student Needs (GSNs). The remaining funds are received in the form of Priorities and Partnership Funds (PPF) (formerly known as Education Programs – Other or EPOs) and other government agencies. Total funding is expected to decrease by approximately \$4.3M. 2019-20 Revenue projections are as follows:

| <i>Panel</i> | <i>2018-19</i> <i>(\$B)</i> | <i>2019-20</i> <i>(\$B)</i> | <i>Change</i> <i>(\$B)</i> |
|----------------|--------------------------------|--------------------------------|-------------------------------|
| GSNs | 1.06 | 1.06 | (0.03) |
| Other Revenues | 0.09 | 0.09 | (0.02) |
| Total | 1.15 | 1.14 | (0.05) |

The projected enrolment and estimated GSNs provide the capacity to determine the TCDSB's instructional and support service levels. The Education Act and its regulations concerning class sizes and required instructional minutes, consequently, prescribes TCDSB's service levels. The projected expenditures in the Instructional expenditure category are estimated in the table below. It should be noted that reductions in almost all areas of budget have been made in order bring the budget into balance. These reductions are almost exactly consistent with those cited in the May 9, 2019 Corporate Services Committee report. An updated listing of these reductions is separately provided in Appendix B and is also detailed in the Budget Book appearing in Volume 3.

| <i>Instructional Expenditure Categories</i> | <i>2018-19 (\$M)</i> | <i>2019-20 (\$M)</i> | <i>Change (\$M)</i> |
|---|----------------------|----------------------|---------------------|
| Classroom Teachers | 641.0 | 638.9 | (2.1) |
| Professionals & Paraprofessionals | 57.3 | 56.0 | (1.3) |
| In School Administration | 68.7 | 69.2 | 0.5 |
| Textbooks & School Computers | 36.0 | 34.2 | (1.7) |
| Education Assistants | 54.3 | 53.1 | (1.2) |
| Continuing Education | 23.2 | 22.3 | (0.9) |
| Resource Teachers | 5.6 | 4.2 | (1.4) |
| Occasional Teachers | 32.6 | 32.5 | (0.2) |
| Early Childhood Educators | 27.1 | 27.9 | 0.7 |
| Staff Development | 2.9 | 2.9 | 0.0 |
| Other Non-Operating | 41.1 | 38.7 | (2.4) |
| Total | 989.8 | 979.9 | (9.9) |

B. PURPOSE

This report has been prepared for the Board of Trustees to receive and deliberate on the draft 2019-20 budget in preparation for approval at an upcoming June Committee or Board meeting. Any approved and balanced changes to the draft budget will be captured in the next iteration of the budget presented for approval.

C. BACKGROUND

1. ***Based on analysis and review of the announcements to date, service levels across almost all program and service areas need to be reduced in order to develop a balanced budget.*** The Ministry of Education announcements on April 26th impacted many program and service areas, and if the impacts are not addressed, then the operating budget would enter an unbalanced (deficit) position. Consequently, the 2019-20 Budget Estimates must contain service level reductions in order to develop a balanced budget in compliance with the Education Act.
2. ***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 impacts the TCDSB budget by approximately \$12.5M for the 2019-20 school year and reduces secondary teacher positions by approximately 350 Full-Time Equivalent (FTE) positions over the course of the next four years.
3. ***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 \$11.1M. It equates to 119 Full-Time Equivalent (FTE) positions that spans almost all employee groups. The provincially negotiated extension agreements expire as of August 31st 2019.
4. ***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 IL program may lose all funding for the 2019-20 school year. Staff have yet to hear from the Ministry on whether Ministerial approval and all or part of the funding for this program will be provided for the 2019-20 school year. The assumptions in this report contain the notion that the program will continue at TCDSB, but that funding from the Province will be eliminated. This will create a cost pressure of \$8.9M.
5. ***The Ministry has not provided TCDSB specific PPF data.*** While Province wide figures were provided in the April 26th memo, the details specific to TCDSB have not been released. Similarly, the Technical Paper containing specific funding data and criteria was released on May 24th 2019, subsequent to the release of this report. Staff have made assumptions about the

continuation of various funds in order to produce the Budget Book. Staff do not expect large-scale swings in funding based on the unavailable data, but minor amendments may be necessary over the following week(s) depending on any TCDSB specific data that is released by the Ministry.

D. EVIDENCE/RESEARCH/ANALYSIS

Budget Consultation Feedback

- 1.** The 2019-2020 budget consultation launched on April 3, 2019, and included an enhanced webpage with supporting documents and tools for local school communities to initiate consultations in a number of ways. Consultation tools included website, online and paper surveys with feature for Catholic School Parent Council (CSPC) identification, budget video, Frequently Asked Questions (FAQs), social media posts, and letters to schools, parents, parishes and other stakeholders.
- 2.** A public consultation and virtual town hall was held on May 1, 2019, and staff held several meetings with stakeholders including unions, associations, Catholic Parent Involvement Committee (CPIC), Ontario Association of Parents in Catholic Education (OAPCE), Special Education Advisory Committee (SEAC) and Catholic Student Leadership Impact Team (CSLIT).
- 3.** This broad, multi-faceted plan was designed to reflect the compassion and care dictated by applying the Catholic lens when considering how best to support our students. Emphasizing the importance of parent and community voice in these consultations underscores the Board's commitment to maintaining public confidence to ensure feedback is considered while complying with the Ministry of Education's directive to submit a balanced budget for the 2019-2020 fiscal year.
- 4.** A report to Regular Board on May 16, 2019 provides a detailed version of the results of the public consultation. At a high level, public consultation showed a great deal of support for special education supports in both the elementary and secondary panel, 5th Block literacy program in the elementary panel, guidance teachers in the secondary panel, literacy/numeracy/tech-enabled resource materials, STEM and specialty focused programs and air-cooling/classroom furniture/playgrounds from a facilities perspective.

- Staff attempted to use much of the public input provided as a guide towards recommended appropriate reductions, however it should be noted that considerations towards legislative restrictions, collective agreement restrictions and funding restrictions are also all factors in making these difficult decisions.

Overall Service Level Impacts

- Senior staff were able to identify a preliminary list of reductions that fully offset the funding shortfall in order to balance the budget.* Staff consolidated all mandated reductions, along with any mandated increases and offsets from Local Priority Funds. They then identified several preliminary labour and non-labour related reductions or revenue increases that could potentially fully offset the estimated funding shortfall. The following analysis provides a high-level summary of those potential recommendations (FTE = Full Time Equivalent). Appendix A provides a segregated view of these reductions in a similar format provided at Corporate Services Committee on May 9, 2019. The Budget Book (Volume 3) provides a detailed analysis of the proposed service levels adjustments (Appendix B).

| Description | \$M | FTE |
|--|----------------|----------------|
| Increase based on enrolment change | 1.20 | 12.5 |
| Mandated Impacts from Elementary Class Size | 3.30 | 32.1 |
| Mandated Reductions from Secondary Class Size | (10.20) | (94.9) |
| Reductions Associated with Local Priority Fund | (9.70) | (118.9) |
| Other Elementary Panel Reductions | (3.20) | (31.0) |
| Other Net Secondary Panel Reductions | (0.40) | (4.0) |
| Board Administration and Governance Reductions | (1.15) | (10.0) |
| Other Non-Labour Impacts | (12.65) | - |
| | (32.80) | (214.2) |

- The overall service level impact to the TCDSB amounts to a reduction of 214.2 FTE staff positions.* Reductions would be completed by way of attrition and senior staff are confident that no layoffs would occur, however the impact on the system will certainly be felt through service level reductions to students. The following table provides a high-level analysis of the employee groups that would be affected if the potential recommendations carried through the Preliminary Budget Estimates in June.

| Employee Group | FTE |
|--|----------------|
| Toronto Secondary Unit (TSU) | (129.4) |
| Canadian Union of Public Employees (CUPE) | (60.7) |
| Toronto Elementary Catholic Teachers (TECT) | (12.6) |
| Management, Administrative and Professional Association (MAPA) | (7.0) |
| The Education Worker's Alliance of Ontario (EWAO) | (2.0) |
| Principals and Vice-Principals (P&VPs) | (1.5) |
| Executive Staff | (1.0) |
| | (214.2) |

3. *Other options are also available to balance the budget.* Senior staff have also provided a few other options that could be used to balance the budget. This list is non-exhaustive; however, it should be kept in mind that the large majority of the Board's budget is restricted in terms of being applied either to specified programs or to classroom ratios. The following is a short list of other potential strategic offsets that are flexible types of funding and related to "Instructional". Another shortlist is provide under the complementary "Non-Instructional" report (inclusive of transportation related analysis).

| Description | \$M |
|---|------------|
| Move IL Programs to Evenings/Weekend Format | 7.30 |
| Introduce Paid Parking for Employees | 3.20 |
| Eliminate Non-Qualifying Student Transportation | 3.00 |
| School Block Budget Reductions | 1.00 |

4. *Over the course of the year, the Board of Trustees passed previous motions for items to be considered in the 2019-20 Budget.* Appearing in the table below is a list of budget items that require consideration and decision to be included in this year's operating budget. In summary, the budget impact amounts to another \$2.1M to the operating budget for which additional service level changes are required. Trustees also recently passed a motion to maintain Special Education funding at the same level as the previous year. This was done without the benefit of knowing the shortfall faced by the Board and the GSN announcements. As part of the annual operating budget planning process, the Board of Trustees will make budget decisions, which in effect supersede all previous funding related motions and decisions as per normal practice. None of the amounts listed below have been included in the balanced

budget thus far. Should any of these items be included then an offsetting reduction in another expense area would be required.

| Description | \$M |
|--|---------------|
| Restoration of School Block Budget to the 2014-15 budget allocation levels | (1.70) |
| Maximize the funding entitlement for Lunchtime Student Supervisors | (0.30) |
| Establish an Integrity Commissioner | (0.10) |
| Maintain Special Education Budget at Previous Year's Level | (3.00) |
| Total Impact | (5.10) |

E. STAFF RECOMMENDATION

1. That the Board of Trustees refer this report and any accompanying approved motions and/or changes, to the Corporate Services Committee on June 6, 2019 for further deliberation and approval of the 2019-20 Preliminary Instructional Related Budget Estimates.