



REPORT TO

CORPORATE SERVICES, STRATEGIC PLANNING AND PROPERTY COMMITTEE

2019-20 BUDGET ESTIMATES NON INSTRUCTIONAL VOLUMES 5 & 6

"I appeal to you, brothers and sisters, in the name of our Lord Jesus Christ, that all of you agree with one another in what you say and that there be no divisions among you, but that you be perfectly united in mind and thought."

1 Corinthians 1:10

May 20, 2019

May 28, 2019

June 6, 2019

D. De Souza, Coordinator of Grant & Ministry Reporting

G. Sequeira, Coordinator of Budget Services

P. De Cock, Comptroller of Business Services & Finance

RECOMMENDATION REPORT

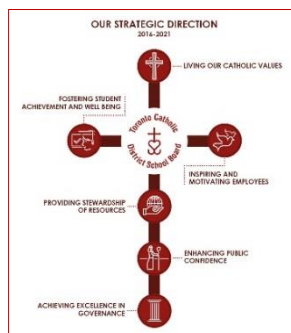
Vision:

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

L. Noronha
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 budget estimates are balanced. The 2019-20 Non-Instructional budget expenditure estimates appearing in the Budget Book's Volume 5 is balanced; based on consensus enrolment and staffing projections, and calculated Grants for Student Needs (GSN) and other funding projections. Volume 6 provides an update regarding the financial reserve strategy facilitating the means by which the TCDSB can achieve further financial sustainability.

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 two reports and associated Volumes of the Budget Book are intended to be read together for a fulsome understanding 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, establish upper expenditure limits and prescribe the trustee's honoraria calculations, and consequently, defines 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>2018-19 Revised Estimates (\$M)</i>	<i>2019-20 Estimates (\$M)</i>	<i>Change (\$M)</i>
School Operations & Maintenance	98.0	97.9	(0.1)
Administration & Governance	25.5	25.6	0.1
Transportation	37.2	36.7	(0.5)
Other—Temporary Accommodations	3.9	3.2	(0.7)
Total	164.7	163.4	(1.3)

The cumulative staff time required to prepare this report was 210 hours.

B. PURPOSE

This report has been prepared for the Board of Trustees in order to approve the 2019-20 Budget Estimates for the Non-Instructional Expenditure Categories (Volume 5) and the Reserve Strategy (Volume 6), appearing in the attached 2019-20 Budget Book.

C. BACKGROUND

- 1. *Based on the analysis and review of the announcements to date, staff expect that service levels across all program and service areas will need to be reduced in order to develop a balanced budget.*** The Ministry of Education announcements on April 26th affect 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. *Staff have been working on analysing the impacts of previous announcements.*** The following paragraphs provide a brief recap of previous announcements on March 15th, 2019 related to non-instructional impacts.
- 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 \$9.7M. It equates to 119 Full-Time Equivalent (FTE) positions that spans almost all employee groups. The provincially negotiated extension agreements expire August 31st 2019.
- 4. *Student Transportation funding increased by \$7.6M.*** The GSNs will provide stabilization funding to school boards that run efficient transportation operations wherein the costs of student transportation exceed the funding provided for that purpose. A 4% inflationary increase will also be added to the transportation funding. TCDSB will receive \$7.6M in additional funding to help with the transportation deficit.
- 5. *Funding for Facilities Maintenance and Operations will decrease overall.*** To align with the proposed changes to secondary class size, the Supplementary Area Factor for school facility operations will be adjusted. This change will be phased in over five years. The 2019-20 impact to TCDSB

is expected to be a reduction in funding of \$1.6M. An increase in funding will be provided to recognize inflation in utilities. For the TCDSB this equates to approximately \$0.75M. The net impact on Facilities Maintenance and Operations is estimated to be a decrease of \$0.85M.

6. ***Funding for Human Resource staffing has decreased.*** The Human Resource Transition Supplement, a fund within the Board Administration & Governance Grant to assist in managing the extension agreements, has been eliminated. This results in a funding decrease of \$0.5M for TCDSB.
7. ***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 of Education 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 non-instructional cost pressure of \$1.6M related to transportation service adjustments at IL program schools.

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. Comments around cost areas related to *facilities* that are most important, and should not be considered for reduction, included: air-cooling, flooring, lighting, painting, and access control and security. Some participants suggested grounds maintenance as an area that could be considered for reduction.
4. Participants were in favor of tightening up the *transportation* guidelines for non-qualifying and exceptional circumstance students. Feedback also suggested the need to increase the promotion of physical activity among their school communities.
5. When asked about *efficiencies*, participants suggested promoting community use of schools and increasing permit fees.
6. Public delegations identified playgrounds as an area for increased investment. The Ministry of Education does not provide funding for playground equipment, and consequently, school communities raise funds for equipment through fundraising efforts, grants, municipal funds and other sources of funding. The TCDSB normally funds the site preparation work for the implementation of any playground areas, which include asphalt remediation, pedestrian paving, fencing, gates and line painting. The 2018-19 approved School Renewal plan carries a budget for such initiatives totaling \$300,000. A staff member in the School Renewal Department is responsible for assisting CSPC's with playground implementation.

Non-Instructional Service Impacts

1. *Senior staff were able to identify a 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 labour and non-labour related reductions that could potentially fully offset the estimated funding shortfall. This would result in a reduction in expenditures of (\$2.4M) and a loss of (22.4) FTE. The Budget Book (Volume 5) provides a detailed analysis of the proposed service levels adjustments (Appendix 5).
2. *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 item below is another potential strategic offset within the non-instructional side.

Description	\$M
Eliminate “Non-Qualifying” Student Transportation	(3.00)

3. *Over the course of the year, the Board of Trustees passed previous motions for items to be considered in the 2019-20 Budget.* Appearing below is a budget item that requires consideration and a decision to be included in this year’s operating budget. In summary, the budget impact for the non-instructional operating budget amounts to \$0.1M for which additional service level changes are required to offset.

Establish an Integrity Commissioner	(\$0.10)
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E. STAFF RECOMMENDATION

1. That the Board of Trustees refer this report and any accompanying approved motions and/or changes, to the Special Board Meeting on June 11, 2019 for further deliberation and approval of a balanced budget with a base budget decrease in the Non-Instructional Category by (\$1.3M), inclusive of a reduction 22.5 FTEs, as further detailed in Volume V of the Budget Book.