



REPORT TO

REGULAR BOARD

## 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
June 12, 2019	June 13, 2019	<a href="#">Click here to enter a date.</a>
D. De Souza, Coordinator of Grants & Ministry Reporting G. Sequeira, Coordinator of Budget Services P. De Cock, Comptroller of Business Services & Finance		
<h3>RECOMMENDATION REPORT</h3>		

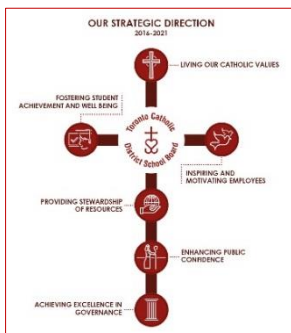
**Vision:**

*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 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 including approved motions to date 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 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 increase by approximately \$1.4M. 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	(0.003)
Other Revenues	0.09	0.09	0.004
<b>Total</b>	<b>1.15</b>	<b>1.15</b>	<b>(0.001)</b>

*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. 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. These reductions are detailed in the Budget Book appearing in Volume 3.

A Special Board meeting was held on June 11<sup>th</sup>, 2019 where various motions were passed. The Board passed various motions that propose additional revenues, reduce spending in additional areas and restore previously recommended reductions. These changes equate to a balanced budget and are highlighted in the table below. Details of these changes are found towards the end of this report.

<b>Description</b>	<b>\$M</b>	<b>FTE</b>
Additions to the base budget		
Central Resource Teachers	0.40	4.0
5 <sup>th</sup> Block Teachers	2.50	24.0
Education Assistants, Child and Youth Workers, Professional Student Service Personnel & Special Education Teachers	2.50	38.5
English as a Second Language Teachers	2.50	24.0
Guidance Teachers	0.20	2.0
Director Discretionary Budget	0.05	
Custodians, Trades and Maintenance staff	0.40	5.0
<b>Total</b>	<b>8.55</b>	<b>97.5</b>
Reductions to the base budget		
Eliminate Courtesy seats - Transportation	(0.70)	-
Implement Paid Parking	(6.40)	-
Increase International Visa Student Fees	(0.70)	-
Increase the Transportation boundary requirement from 1.5km to 1.6km	(0.20)	-
Professional Development	(0.40)	-
Board Agendas to be provided in Electronic format	(0.02)	
Opening Surplus/(Deficit)	(0.50)	
<b>Total</b>	<b>(8.92)</b>	<b>-</b>
<b>Net Reductions to Base Budget</b>	<b>(0.38)</b>	<b>97.5</b>

*The cumulative staff time required to prepare this report was 8 hours*

## **B. PURPOSE**

1. This report has been prepared for the Board of Trustees in order to receive the Introduction Volume I and approve the 2019-20 Budget Estimates for Revenues (Volume II) and Instructional Expenditure Categories (Volume III & IV), appearing in the attached 2019-20 Budget Book (Appendix A).

## **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 26<sup>th</sup> 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 31<sup>st</sup> 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 26<sup>th</sup> memo, the details specific to TCDSB have not been released. Staff have made assumptions about the continuation of various funds in order to produce the Budget Book. Staff do not expect material changes in funding based on the unavailable data. An update will be provided as necessary in the Revised 2019-20 Budget Estimates that will be brought to Trustees in December 2019.

## **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, 5<sup>th</sup> 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.

5. 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.
  
6. Appendix D provides feedback received from OAPCE on June 13<sup>th</sup>, 2019. Staff will continue to work with this organization to provide answers to the questions posed. Many of the recommendations provided have been captured in Board motions to date. Other recommendations can be considered when developing the 2020-2021 budget.

### **Overall Service Level Impacts**

1. *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). The Budget Book (Volume 3) provides a detailed analysis of the proposed service levels adjustments (Appendix B).

<b>Description</b>	<b>\$M</b>	<b>FTE</b>
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)	-
	<b>(32.80)</b>	<b>(214.2)</b>

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.

<b>Employee Group</b>	<b>FTE</b>
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	<u>(1.0)</u>
	<b>(214.2)</b>

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 appearing in Appendix C).

<b>Description</b>	<b>\$M</b>
Move IL Programs to Evenings/Weekend Format	7.30
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 \$5.1M 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.

<b>Description</b>	<b>\$M</b>
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)
<b>Total Impact</b>	<b>(5.10)</b>

**SUMMARY OF FISCAL DECISIONS AND IMPACTS FROM SPECIAL BOARD MEETING ON JUNE 11<sup>TH</sup>, 2019**

5. At the Special Board meeting on June 11<sup>th</sup> 2019 the Trustees identified reduction and restoration of various service levels to balance the budget for 2019-20 fiscal year. The following is a list of Instructional and Non-Instructional Service level impacts:

Resources Teacher Positions (\$0.4M Negative Impact to Budget):

The Board approved 2 FTE resource teachers be maintained to continue faith-based Nurturing our Catholic Community (NCC) programs and initiatives.



The Board also approved at least one Central Resource teacher be maintained from each curriculum area that includes the STEAM and the combined role of social studies, science and Eco-Schools this equates to about 2 FTE.

5<sup>th</sup> Block Teachers (\$2.5M Negative Impact to Budget):

This budget was reduced due to the Local Priority funding being eliminated. Based on board deliberations the board has decided that this program is to be reinstated. This will result in restoration of 24 FTE positions.

Educational Assistant, Child and Youth Workers, Professional Student Service Personnel and Special Education Teachers (\$2.5M Negative Impact):

This budget was reduced due to the Local Priority funding being eliminated. Based on board deliberations the board has decided that this program is to be reinstated. This will result in the restoration of 38.5 FTE positions.

English as a Second Language Elementary Teachers (\$2.5M Negative Impact to Budget):

This budget was reduced due to the Local Priority funding being eliminated. Based on board deliberations the board has decided that this program is to be reinstated. This will result in the restoration of 24.0 FTE positions.

Guidance Counsellors (\$0.2M Negative Impact to Budget):

To prepare students for success in high school and beyond the board has decided to invest in 2 additional FTE for Guidance Counsellors at the elementary level.

International Visa Students Fee Increase (\$0.7M Positive Impact to Budget):

The board had decided to increase the fee for an international student by \$2,000. This is a further response to having the Ministry of Education charge school boards a fee of \$1,300 per international student.

Professional Development (\$0.4M Positive Impact to Budget):

The Professional Development budget has been proposed to be reduced. This will result in decreased opportunities for instructional staff to receive

professional development in areas such as numeracy, literacy and catholic education.

### Paid Parking (\$6.4M Positive Impact to Budget)

TCDSB will implement paid parking at all school facilities and at the CEC during the school day. The Board of Trustees proposed that Teachers and administrators pay \$10 per day, while all other workers would pay \$5 per day.

Staff's original analysis consisted of applying a \$5 per day charge on the 7000 parking spaces for 195 days a year and further applying a 80% estimated utilization rate. This produced gross revenue of approximately \$5.5M, which was then reduced further by 40% to consider overhead costs such as staffing salaries required to operationalize the program, enforcement, software costs and infrastructure costs necessary to bring the program to fruition. The net effect was revenue of \$3.2M.

By doubling the charge for Teachers and Administrators this would result in considerable additional revenues while likely maintaining fixed overhead costs. While the exact mix of Teachers, Administrators and all other staff utilizing parking at the school facilities would need to be analysed further, at a preliminary view, \$6.4M per the Trustee's motion would seem reasonable as a conservative estimate for additional revenue.

An employee paid parking initiative will come with several challenges:

- Initial operationalization in a short timeline. A phased-in approach may be required where software, infrastructure and enforcement is not in play at the beginning at the program.
- A third party firm will likely be required to assist staff in bringing such a program to fruition.
- Infrastructure considerations will need to be analysed for each individual parking lot in the system.
- Development of Standard Operating Procedures for Local Administration will be required, inclusive of considerations towards

parking for non-employees (e.g. visitors, parents, volunteers, students, etc.).

- Collective Agreement considerations from an employee relations perspective. This is the subject of an “private” report containing separate legal advice to the Board.

Should the employee paid parking initiative be approved as a part of the budget, staff would endeavour to bring back a more fulsome report on implementation to the August 2019 Regular Board meeting.

Director’s Discretionary Budget (\$0.05M Negative Impact to Budget):

This budget had been reduced in previous years from \$0.1M to \$0.05M. This budget has now been proposed to increase and be restored to previous year’s level of \$0.1M. This budget can be used to help schools or students that need immediate assistance as determined by the Director.

Custodians, Trades and Maintenance Staff (\$0.4M Negative Impact to Budget):

This budget was reduced due to the elimination of Local Priority funding. The Board of Trustees passed a motion to restore service levels at schools, and hence, approximately 50% of the budget is reinstated. This will result in 5.0 FTE positions and \$0.4M added back to the budget.

Elimination of Courtesy Seats – Transportation (\$0.7M Positive Impact to Budget):

The Board of Trustees decided to discontinue year over year guaranteed courtesy seats for students who are accessing empty seats under one of three conditions:

1. Empty Seat (empty seat on a large capacity bus)
2. Extenuating Priority (these are mostly siblings of students with special needs so that they can ride on the same bus or students in fresh start programs)

3. Extenuating circumstances (when parents cannot get their child to an existing bus stop or school)

Increase Transportation Boundary (\$0.2M Positive Impact to Budget)

Increasing the transportation boundary from 1.5km to 1.6km (matching the TDSB) could reduce the number of students receiving bussing services who live within the 1.5km to 1.6km boundary change. Currently, the TCDSB provides bussing services to 1,235 students within this range for grades 1 to 8.

Ward Priorities School Playground Reserve Fund (No Impact to Current Budget)

The proposed new reserve will be funded by in-year surpluses at each fiscal year-end. \$0.1M be allocated to each ward from the in-year surplus for a total of \$1.2M per year. This reserve will be reassessed on an annual basis, and if no in-year surplus exists, then no funds will be allocated to the playground reserve fund in that given fiscal year. This Board of Trustees' approved motion does not contain any impact to the operational expenditure budget estimates for 2019-20.

Board Agendas to be provided in Electronic Format (\$0.02M Positive Impact to Budget):

Staff will work to develop a new process in the Fall to distribute the board agenda to staff and trustees in an electronic format only. The process will favor electronic agendas while still having a provision for printed copies in urgent situations or where an accessibility issue warrants the need for a printed copy. The reduced cost of printing and paper usage will result in minor savings.

TCDSB achieves paperless status by reducing paper and copying by 20% annually (No Immediate Impact to Budget – Long Term Impact to be Determined)

Staff believe an initiative to reduce paper usage across the TCDSB is important and that the TCDSB should play a role in promoting an environmentally sustainable future. However, staff also believe that a

completely paperless environment within 5 years, as implied by the motion, is not feasible. In order to help trustees understand the effort it will take to make this motion actionable, staff wish to provide trustees with the following information for consideration:

- The TCDSB employees approximately 14,000 employees; however only approximately 2,000, have board issued devices. The vast majority of teachers do not have Board issued devices for use in an effort to reduce the need for printing.

Having a paperless environment assumes that all students have access to a device to work and consume information digitally. The TCDSB has over 40,000+ classroom devices, but has over 92,000 students. This means not all students can have access to a device at the same time.

- Having a paperless environment assumes that all classrooms have access to one device per student or minimally a method to display information to students in a digital manner using a projector or similar audio/visual technology. The vast majority of classrooms with the TCDSB do not have permanently installed audio/video technology.
- Until such time as the Board is able to provide one-to-one devices with a stylus that would enable students to replicate printing, going paperless would be detrimental to development of skills. For primary (JK-3) classes, it is developmentally best that concrete manipulatives be used to practice. As a result of having no digital tool to replicate printing practice, a significant amount of printing/copying that is done for schools is for student materials such as workbooks and assignments.
- The draft I&T (Information and Technology) Strategy that is being prepared for Board approval in the fall calls for an increase in digital communications in the form of electronically distributed newsletters from trustees and schools to parents. Staff believe this strategy will help reduce the demand for printing across this system.
- Having a paperless environment also assumes that IT systems are in place to process work in an electronic format. Not all processes with the TCDSB have been digitized with an IT system. For example, the TCDSB does not have

electronic HR recruitment and hiring system to process the hundreds of applications it receives every year. As such, a paper-based process may still be needed until the process is fully digitized. The draft I&T strategy calls for the digitization of the HR recruitment process.

Given the above context, staff believe the best approach to help fulfill the essence of this motion would be for staff to develop a printing/copy reduction plan that considers the unique situation faced by the TCDSB. The plan would be aligned with the overall I&T strategy and curriculum best practices. The plan will lay out how staff intend to reduce paper usage over the long-term across schools and central areas. The will also set reasonable reduction targets for the TCDSB as a whole while limiting any negative impacts on student achievement. This plan would be developed over the next few months for presentation to the Board of Trustees later in the fall.

**Summary of budget changes:**

<b>Description</b>	<b>\$M</b>	<b>FTE</b>
Additions to the base budget		
Central Resource Teachers	0.40	4.0
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Reductions to the base budget		
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Implement Paid Parking	(6.40)	-
Increase International Visa Student Fees	(0.70)	-
Increase the Transportation boundary requirement from 1.5km to 1.6km	(0.20)	-
Professional Development	(0.40)	-
Board Agendas to be provided in Electronic format	(0.02)	
Opening Surplus/(Deficit)	(0.50)	
<b>Total</b>	<b>(8.92)</b>	<b>-</b>
<b>Net Reductions to Base Budget</b>	<b>(0.38)</b>	<b>97.5</b>

## **Other Proposed Changes Not Contained in the Budget Book**

### International Student Fee Increase

Staff have provided a “Private” report providing legal advice on the contractual obligations for International Student Fees paid for the 2019-20 academic year. Based on this advice, staff are recommending that a phase-in of the fees be followed whereby the fee increase will not take effect until September 2020. Subsequent fee increases can be made that will recover the cost of providing the phase-in. The phase-in would cost \$1.8M and is recommended to be funded on a one-time basis from the Operating Contingency.

## **E. STAFF RECOMMENDATION**

1. That the Board of Trustees approve a balanced 2019-20 budget inclusive of all Instructional related budget material contained in the Budget Book and modified by Board motions and the content in this report.