



REPORT TO

REGULAR BOARD

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

Created, Draft	First Tabling	Review
June 12, 2019	June 13, 2019	Click here to enter a date

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RECOMMENDATION REPORT

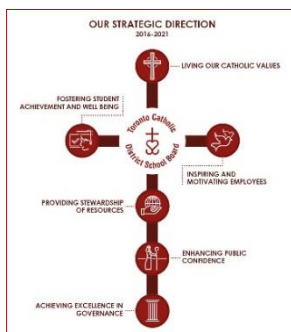
Vision:

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

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 and all approved Board motions; based on consensus enrolment and staffing projections, 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, Volume 5 focuses on non-instructional expenditures, and Volume 6 focus 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 detailed projections in the Non-Instructional expenditure are found in the Budget Book.

A Special Board meeting was held on June 11th, 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 the non-instructional related items are highlighted in the table below. Details of these changes are found towards the end of this report.

Description	\$M	FTE
Additions to the base budget		
Increase Directors Discretionary Budget	0.05	-
Increase Custodian, Trades and Maintenance staff	0.40	5.0
Total	0.45	5.0
Reductions to the base budget		
Eliminate Courtesy seats - Transportation	(0.70)	-
Increase the Transportation boundary requirement from 1.5km to 1.6km	(0.20)	-
Board Agendas to be provided in Electronic format	(0.02)	
Total	(0.92)	-
Net Reductions to Base Budget	(0.47)	5.0

The cumulative staff time required to prepare this report was 8 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), found in the 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. 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 will expire on August 31st 2019.

- 3. *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.
- 4. *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 funding impact to TCDSB is expected to be a reduction by \$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 reduction of \$0.85M.
- 5. *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.
- 6. *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 and 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 confirmation from the Ministry of Education on all or part of the funding for this program will be provided in 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 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 CSPCs' 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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SUMMARY OF NON-INSTRUCTIONAL FISCAL DECISIONS AND IMPACTS FROM SPECIAL BOARD MEETING ON JUNE 11TH, 2019

4. At the Special Board meeting on June 11th 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 Non-Instructional Service level impacts:

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 (\$0.02 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:

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Additions to the base budget		
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Total	(0.92)	-
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Other Proposed Changes Not Contained in the Budget Book

Transportation Impacts from Modified Day School Schedules:

This budget includes the change to bell times at the International Languages Schools resulting in an expense reduction of \$1.6M. Since this change would be made late in the year there would be difficulty in implementing it for September 2019. Staff recommend that a transition year be provided in 2019 and that the bell times change in September 2020 allowing parents and students a full year to adopt to the change. This will also allow the Student Transportation Group time to optimize the bussing schedules. The reductions for September 2019 would be funded on a one-time basis from the operating contingency reserve.

E. STAFF RECOMMENDATION

1. That the Board of Trustees approve a balanced 2019-20 budget inclusive of all Non-Instructional related budget material contained in the Budget Book and modified by Board motions and the content in this report.
2. That the Board of Trustees approve a strategic Ward Priorities School Playground Reserve fund be established from in-year surpluses, and that \$0.1M be allocated for each ward from the in-year surpluses for a total of \$1.2M, and this allocation will be reassessed on an annual basis as detailed in Volume VI of the Budget Book.