



REPORT TO

**CORPORATE SERVICES, STRATEGIC  
PLANNING AND PROPERTY  
COMMITTEE**

**2019-20 REVISED BUDGET ESTIMATES OVERALL  
AND INSTRUCTIONAL**

*“For I know the plans I have for you,” declares the LORD,  
“plans to prosper you and not to harm you, plans to give you hope and a future.”  
Jeremiah 29:11*

Created, Draft	First Tabling	Review
November 12, 2019	November 25, 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

**INFORMATION REPORT**

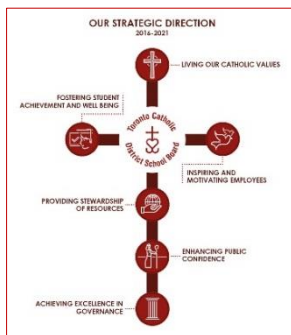
**Vision:**

*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.*



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 revised budget estimates are required to be balanced.* The 2019-20 Overall and Instructional budget expenditure revised estimates appearing in this report is prepared based on updated enrolment and staffing projections, and calculated Grants for Student Needs (GSN) and Other Priorities and Partnership Funds (PPF) funding projections.

*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.*

*The total change from Budget Estimates to Revised Budget Estimates is a net increase of \$3.2M.* Total Revenues in the Revised Budget Estimates is \$1,147.9M and the Expenditures is \$1,150.7M, which will result in a net (deficit) of (\$2.8M), which is \$3.2M favourable compared to the \$6.0M in-year deficit projected in September 2019.

The most recent calculation of the deficit is a result of the following:

Description	\$M
International Visa Students Fees delayed to Fiscal 2020-21	(1.7)
Optimize Bell times at International Language Schools delayed to Fiscal 2020-21	(1.6)
Planned In-year Surplus	0.5
August 2019 decision to delay implementation of Paid parking until February 2020	(3.2)
<b>Estimated In-Year deficit as of September 2019</b>	<b>(6.0)</b>
Combination of various increases in Revenue and decreases in Expenditure projections	3.2
<b>Estimated In-Year deficit as of December 2019</b>	<b>(2.8)</b>

*The cumulative staff time required to prepare this report was 20 hours.*

## **B. PURPOSE**

1. This report has been prepared for the Board of Trustees in order to approve the 2019-20 Revised Budget Estimates for Overall and Instructional Expenditure Categories.

## **C. BACKGROUND**

1. *Revision of Budget Estimates is primarily driven by enrolment changes.* The Budget Estimates were due to the Ministry by June 30, 2019 based on projected enrolment data for October 2019 and March 2020.

Revised Budget Estimates are due by December 15<sup>th</sup>, 2019 based on the actual enrolment data as of October 31, 2019 and projected enrolment data for March 31, 2020.

Subsequent changes in enrolment will be submitted throughout the year and any increases/decreases in enrolment will be used in the final Grant for Student Needs calculations at year-end with a corresponding increase/decrease in revenues.

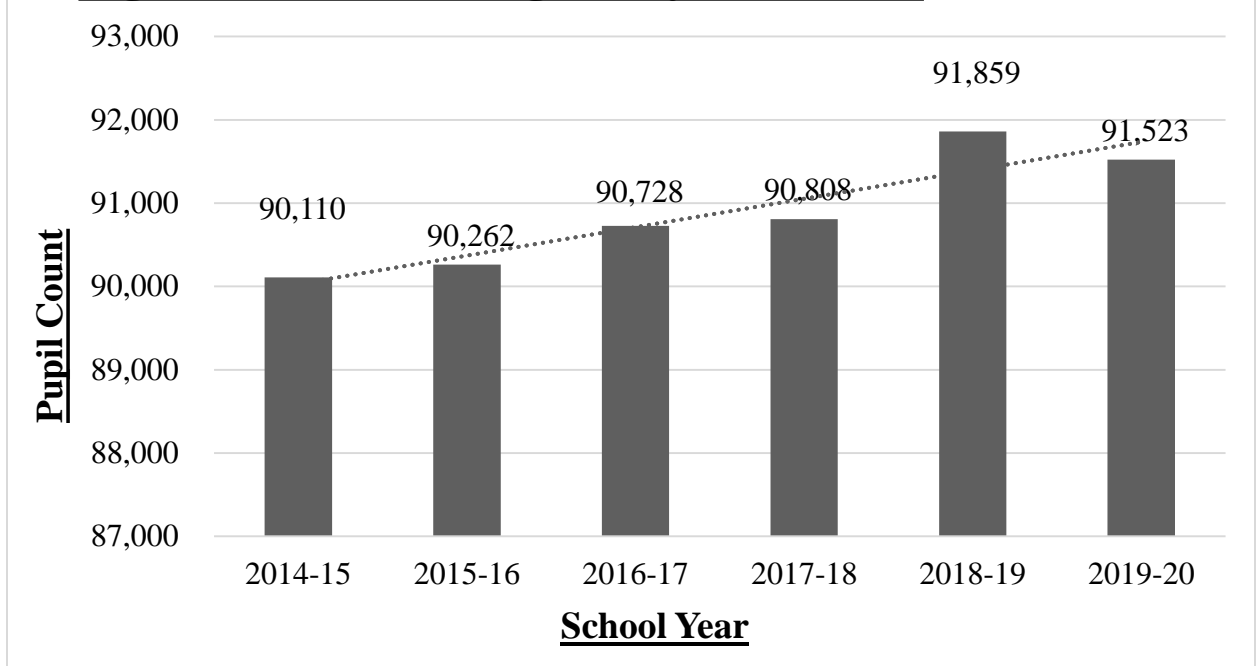
2. *The 2019-20 operating budget was approved with a projected in-year deficit.* In order to accommodate a transition for bussing times at International Language Schools and a phase-in of increased International Student Fees, the Board passed a budget that contained an in-year deficit of \$2.8M. On June 19<sup>th</sup>, 2019 the Board approved a report to Special Board that contained an “in-year deficit elimination plan”. This plan responded to a new Ministry of Education requirement to submit an in-year deficit elimination plan and school board resolution wherein the projected in-year deficit is less than one percent of the board’s operating revenues.
3. *Staff advised that the Employee Paid Parking will be delayed to February 2020.* At the Regular Board meeting of August 22<sup>nd</sup>, 2019 Trustees were advised that based on numerous implementation issues Employee Paid Parking would be delayed until February 2020. Staff further recommended to the Board, that the approximate \$3.2M shortfall in revenue be funded by the Operating Contingency Reserve at year-end. This amount has since been funded by the 2018-19 in-year surplus. A board report will be coming in January 2020 on the parking strategy.

4. ***The \$6.0M projected in-year deficit as of September 2019 was to be funded by the 2018-19 surplus.*** The Audit Committee reviewed and recommended to the Board of Trustees the approval of the 2018-19 year-end audited financial statements on November 13, 2019. The financial statements reported an in-year surplus of \$25.8M, which was then allocated to funding an estimated in-year deficit for 2019-20 of (\$6.0M) with the remaining allocated to one-time investments and Reserves based on the Reserve Strategy approved by the Board in June 2018.

## **D. EVIDENCE/RESEARCH/ANALYSIS**

1. ***The key component to the development of the Revised Budget Estimates is updated enrolment forecasts for 2019-20.*** In order to recalculate the Average Daily Enrolment (ADE), updated enrolment projections use the actual October 31, 2019 enrolment counts. The March 31, 2020 enrolment projections use a 100% retention rate for the elementary panel and a 97.76% retention rate for the secondary panel based on historical trends.
2. ***Overall, enrolment has decreased.*** In comparison to the original 2019-20 estimated ADE, the 2019-20 revised estimated elementary ADE has decreased by 249, while the secondary ADE has decreased by 190 for an overall decrease in enrolment of 439 ADE.

**Figure 4: Total Average Daily Enrolment**



A comparative enrolment analysis is included in the following table:

Panel	Type	2019-20 ADE Budget Estimates	2019-20 ADE Revised Estimates	Change + / (-)
<b>Elementary</b>	Regular	63,104	62,836	(268)
	VISA Students	95	114	19
	<b>Sub Total</b>	<b>63,199</b>	<b>62,950</b>	<b>(249)</b>
<b>Secondary</b>	Regular	27,495	27,493	(2)
	VISA Students	1,267	1,079	(188)
	<b>Sub Total</b>	<b>28,763</b>	<b>28,573</b>	<b>(190)</b>
<b>Total ADE</b>		<b>91,962</b>	<b>91,523</b>	<b>(439)</b>

*The overall Grants for Student Needs are projected to decrease.* TCDSB is projected to derive 92.8% of its operational revenues from the Provincial Grants for Student Needs (GSNs). The remaining funds are Other Priorities and Partnership Funds (PPF) funds and other government agencies. Total funding is expected to increase by approximately \$2.0M. 2019-20 Revised Budget Estimates for Revenue projections are as follows:

<i>Funding Source</i>	<i>2019-20 Budget Estimates (\$M)</i>	<i>2019-20 Revised Budget Estimates (\$M)</i>	<i>Change (\$M)</i>
GSNs	1,058	1,058	0
Other Grants and Revenues	88	90	2
<b>Total</b>	<b>1,146</b>	<b>1,148</b>	<b>2</b>

**3. Budgeted Revenues increased by \$1.9M due to the following:**

- Pupil Accommodation grants decreased by (\$1.6M) due to lower enrolment.
- Special Education grant decreased by (\$0.7M) due to a ministry clawback for Differentiated Special Education Needs Amount (DSENA) for fiscal 2017-18.
- School Operations funding decreased by (\$0.3M).
- First Nation, Metis and Inuit Education grant decreased by (\$0.3M) due to lower enrolment.
- Administration and Governance grant was reduced by (\$0.2M)
- Increase to the Teacher Qualification and Experience grant of \$3.2M
- Other Grants and Revenues had a net increase of \$1.8M due to the expected recovery in Attrition protection funding.

**4. Budgeted Expenditures decreased by \$2.6M due to the following:**

<i>Instructional Expenditure Categories</i>	<i>2019-20 Budget Estimates (\$M)</i>	<i>2019-20 Revised Budget Estimates (\$M)</i>	<i>Change (\$M)</i>
Classroom Teachers	644.7	644.4	(0.3)
Professionals & Paraprofessionals	56.3	56.2	(0.1)
In School Administration	69.2	69.1	(0.1)
Textbooks & School Computers	34.3	34.3	0.0
Education Assistants	54.6	54.3	(0.3)
Continuing Education	22.3	22.2	(0.1)
Resource Teachers	4.6	4.6	0.0
Occasional Teachers	32.5	32.8	0.3
Early Childhood Educators	27.9	27.3	(0.6)
Staff Development	2.5	2.5	(0.0)
<b>Sub Total</b>	<b>948.9</b>	<b>947.7</b>	<b>(1.2)</b>
Other Non-Operating	38.7	37.3	(1.4)
<b>Total</b>	<b>987.6</b>	<b>985.0</b>	<b>(2.6)</b>

Here are some of the highlights of the changes:

- Classroom Teacher costs have a net decrease of (\$0.3M) mainly due to declining enrolment.
- Occasional Teacher costs of \$0.3M continue to rise as the annual average sick days for short-term disability has increased for 2019-20 fiscal year.
- Education Assistants (EA) and Designated Early Childhood Educators (DECE) costs have decreased by (\$0.9M) due to the average salaries being lower as more new staff join the ranks and are placed lower on the grid.
- Other Operating Expenditures grants have decreased by (\$1.4M) due to decreased funding for various projects.
- Appendix A provides more detail by functional area.

5. *Funding in-year deficits from previous year's surpluses is not a sustainable practice.* During the 2019-20 budget process, last minute changes to the 2019-20 budget created challenges to maintain a balanced budget. Reserve amounts have been set aside for 2019-20 to fund parking revenue shortfalls (\$3.2M), increased transportation costs (\$1.6M) and international students revenue shortfall (\$1.7M). One-time funds have also been set aside for religious materials and playgrounds.

## **E. CONCLUDING STATEMENT**

1. That the Board of Trustees approve a Revised Overall Instructional Budget Estimate including a deficit of (\$2.8M), with such deficit to be funded by the previously approved reservation of funds from the 2018-19 in-year surplus.