



REPORT TO

SPECIAL BOARD

## 2020-21 BUDGET ESTIMATES NON-INSTRUCTIONAL

*“For the love of money is the root of all evils; it is through this craving that some have wandered away from the faith and pierced their hearts with many pangs.”*

**1 Timothy 6:10**

Created, Draft	First Tabling	Review
July 7, 2020	July 16, 2020	July 23, 2020
D. De Souza, Coordinator of Grants & Ministry Reporting G. Sequeira, Coordinator of Budget Services P. De Cock, Comptroller of Business Services & Finance		
<b>RECOMMENDATION REPORT</b>		

### 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.*



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Chief Financial Officer

## A. EXECUTIVE SUMMARY

*As per the requirements set out in the Education Act, TCDSB's proposed budget estimates are balanced.* The 2020-21 budget expenditure and revenue estimates appearing in 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 and Partnership (PPFs) 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.* Volumes 1 to 4 focus on both the overall budget as well as instructional related expenditures, while Volume 5-6 focus on non-instructional expenditures and financial sustainability.

*The overall Grants for Student Needs are projected to increase.* TCDSB is projected to derive approximately 93% 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) and other government agencies. Total funding is expected to increase by approximately \$24.9M. 2020-21 Revenue projections are as follows:

<i>Panel</i>	<i>2019-20 (\$B)</i>	<i>2020-21 (\$B)</i>	<i>Change (\$B)</i>
GSNs	1.06	1.09	0.003
Other Revenues	0.09	0.08	(0.001)
<b>Total</b>	<b>1.15</b>	<b>1.17</b>	<b>0.002</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 service levels are maintained and increased in almost all areas of budget due to Support for Students and System Priority funding.

The proposed budget maintains all service levels across the system on the non-instructional side. Full-Time Equivalent (FTE) 5.0 Custodial positions were maintained through the new System Priority Funding, which may have otherwise had to be reduced. An additional 26.5 FTE are included to enhance

service levels in several areas including: 10.5 FTE for Custodial staffing to address COVID-19 cleaning protocols, 6 FTE in the Service Desk area to address distance learning challenges, 3 FTE in Student Information Systems/Sharepoint, 1 Secretary FTE in Student Success and 6 FTE to strengthen Human Resource services. An additional 2.9 CUPE 1328 FTE from the System Priority Funding will be allocated over the next several weeks.

*The cumulative staff time required to prepare this report was 36 hours*

## **B. PURPOSE**

1. This report has been prepared for the Board of Trustees in order to receive the Non-Instructional Expenditure Categories (Volume V & VI), appearing in the attached 2020-21 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 are maintained with some targeted increases while balancing the budget.* The Ministry of Education announcements on June 19<sup>th</sup> 2020 affected many program and service areas in order to fund recently ratified Provincial Bargaining Table Central Agreements. In addition, the 2020-21 Budget Estimates contain targeted service level increases arising from new Support for Students and System Priority funding.
2. *Provincial Bargaining Table Central Agreements resulted in new System Priorities Funding.* The ratification of Central Collective Agreements relevant to non-instructional expenditures will increase GSN funding by approximately \$1.1M. It equates to approximately 15.5 Full-Time Equivalent (FTE) custodial positions for the CUPE 1280 employee group.

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

### **Budget Consultation Feedback**

1. The 2020-21 budget consultation launched on April 8<sup>th</sup> 2020, 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, and Frequently Asked Questions (FAQs).

2. A public consultation and virtual town hall was held on April 28<sup>th</sup> 2020, 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 demanded 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 2020-21 fiscal year.
4. A report to Regular Board on May 21, 2020 provides a detailed version of the results of the public consultation. At a high level, public consultation showed a great deal of support for classroom resources and special education supports in both the elementary and secondary panels. In the event funding enables additional investments, the survey revealed a preference for classroom resources, guidance counsellors and special education teachers. Responses to identifying strategic investments include increased access to technology, special education and mental health supports in light of the Covid-19 Pandemic.
5. Staff attempted to use much of the public input provided as a guide towards maintaining and augmenting service levels, however, there are legislative restrictions, collective agreements and funding restrictions factored into making these difficult decisions.

## **Overall Service Level Changes**

1. ***The 2020-21 GSNs and PPF sources of funding maintain existing services levels with targeted increases while balancing the budget.*** The Ministry of Education consistently communicated the general flat nature of the 2020-21

funding for education. The primary funding changes are derived from the recently ratified Provincial Bargaining Table Central Agreements with most employee groups. The following analysis provides a high-level summary of incremental changes to the 2020-21 non-instructional operating expenditure and revenue estimates. The Budget Book (Volume 5) provides a detailed line-by-line breakdown of the expenditure estimates.

<b>Draft 2020-21 TCDSB Key Year Over Year Budget Impacts</b>			
<b><i>Non- Instructional</i></b>	<b><u>\$M</u></b>	<b><u>FTE</u></b>	
		<b><u>New</u></b>	<b><u>Saved</u></b>
<b><u>Revenue Increases</u></b>			
System Priority Funding (From CUPE Central Agreements)	1.10		
Temporary Accommodation Grant	0.50		
<b><u>Revenue Decreases</u></b>			
School Operations School Area Factor (SAF) moving to 23:1	(0.83)		
<b>Net Change to Revenues</b>	<b>0.77</b>		
<b><u>Expenditures Increases</u></b>			
2020-21 COVID-19 Contingency	1.00		
Custodial positions Added Back <sup>1</sup>	0.40		5.00
New Custodial positions added from System Priority Funding	0.70	10.50	
Net Utility Cost Increases	0.70		
Enhancements to Human Resources Services	0.50	6.00	
Transportation Boundary Requirements	0.20		
Integrity Commissioner Office	0.15		
Parliamentarian Services	0.05		
<b>Net Change to Expenditures</b>	<b>3.70</b>		
<b>Total Estimated Year Over Year Impacts (Funding Shortfall)</b>	<b>(2.93)</b>	<b>16.50</b>	<b>5.00</b>
Delayed Bell time Optimization at International Language Schools (Funded from Reserve)		(\$1.6M)	
<sup>1</sup> Related to previous loss of 2018-19 System Priority Funding			

- The TCDSB retained Parliamentarian and Integrity Commissioner Services in the 2019-20 fiscal year.*** The 2020-21 Budget Estimates includes a funding allocation to address the motions approved by the Board of Trustees during the Special Board meeting on December 9<sup>th</sup>, 2019 relating to retaining both an Integrity Commissioner's Office and Parliamentarian services. In the March Corporate Services budget report, these were shown as presumed cost pressures and have therefore been incorporated directly in to the balanced budget.
- This is the first year in which Reserve fund investments have been identified.*** Volume VI of the Budget Book provides details on a number of reserve funds that have been set-up pursuant to the Board's new Strategic Reserve Policy.

The section also provides recommended investments to be made out of these reserves for the 2020-21 fiscal year and commitments in years beyond. Highlights of these investments include items such as a new Student Information System (as previously approved by Board), investments in iPads for distance learning on an equity basis (as approved by Board), needed renovations to the Catholic Education Centre / East and West Facilities and enhancements to school block budgets on an equity basis, among others. This report contains a separate recommendation to approve all investments out of the reserve funds.

4. ***The delayed Bell-time optimization to September 2021 will require additional funding from the Operating Contingency Reserve.*** The Board of Trustees approved a delayed implementation of the bell-time optimization during the Regular Board meeting on May 28<sup>th</sup> 2020. This decision responded to feedback received during the budget consultation process requesting additional time for communication with affected school communities and employee groups. The bell-time optimization deferral creates a one-time cost pressure of \$1.6M funded by the Operating Contingency Reserve. It also technically creates an in-year deficit. The Board will need to approve an in-year deficit recovery plan to be submitted to the Ministry that outlines how the Board will eliminate this deficit by the 2021-22 fiscal year.
5. The chart below provides a comparison between the 2019-20 Revised Budget and the 2020-21 Budget Estimates by category. Following the chart is a brief analysis of each line item (referenced by line #) explaining the change.

## NON-INSTRUCTIONAL EXPENDITURES

**Increases / (Decreases) (\$000)**

		<b>2019/20 Budget Revised Estimates</b>	<b>Variance Incr./ (Decr.)</b>	<b>2020/21 Budget Estimates</b>
	<b>Non Instructional</b>			
<b>1</b>	Administration and Governance	25,671	2,287	27,958
<b>2</b>	School Operations & Maintenance	98,172	3,589	101,761
<b>3</b>	Transportation	38,696	966	39,662
	<b>Sub-total Non- Instructional</b>	<b>162,539</b>	<b>6,842</b>	<b>169,381</b>
	<b>Other</b>			
<b>4</b>	Temporary Accommodation	3,222	213	3,436
	<b>Total Expenditures</b>			
	<b>Non-Classroom</b>	<b>165,762</b>	<b>7,055</b>	<b>172,817</b>

### Non-Instructional Expenditures Variance Analysis

- 1** Board Administration and Governance category increased in salary and benefit costs of \$1.4M, proposed increase in 6 FTE positions in HR at a cost of \$0.5M (1 CUPE FTE to be covered by System Priority Funding), increased costs for the services of an Integrity Commissioner and Parliamentarian of \$0.2M. The remaining balance represents a conversion of PPF funding to GSN funding and is fiscally neutral to the board on an overall basis.
- 2** School Operations and Maintenance have increased \$3.6M due to increases in salary and benefits of \$1.0M, utility costs of \$0.7M, addition of 10.5 CUPE Custodial FTE from the Systems Priority Funding of \$0.7M. Insurance costs have increased by \$0.2M and a contingency has been set up to cover undetermined COVID – 19 related expenses of \$1.0M.
- 3** Transportation costs have a net increase of \$1.0M mainly due to the increase in the projected contract rates and a small increase for TTC tickets for CSLT members to attend general assembly meetings.
- 4** Temporary Accommodation costs have increased by \$0.2M due to increased expenditures related to work on portables.



**At the Special Board meeting on July 16<sup>th</sup> 2020, the Board of Trustees passed the following motions:**

1. That staff bring a finalized Non-Instructional balanced budget to the Special Board meeting on July 23, 2020, for approval, that consolidates all input and direction received by Trustees.
2. On an annual basis an additional \$100,000 be allocated from the Student Equity Reserve to the Angel Foundation, so long as the reserve stays in a positive balance in each given year.
3. The Board of Trustees increase the base funding for the Playground reserve to 200,000 per Ward and retain all existing rules and subsidies for the applications for that funding; The Strategic Reserves policy be directed to the Governance and Policy Committee to consider a revision to this policy to allow for increased funding of the Playground Reserve.
4. That the already approved and unused Community Use of School (Priority School Initiative) funding for the 2020 year be carried forward to the 2020-2021 year.

## **E. STAFF RECOMMENDATION**

1. That the Board of Trustees approve a balanced budget with a base budget increase in the Non-Instructional Category by \$7.1M, as further detailed in Volume V of the Budget Book.
2. That the Board of Trustees approve all investments from Reserves as detailed in Volume VI of the Budget Book.