REPORT TO

SPECIAL BOARD

2020-21 BUDGET ESTIMATES OVERALL AND 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

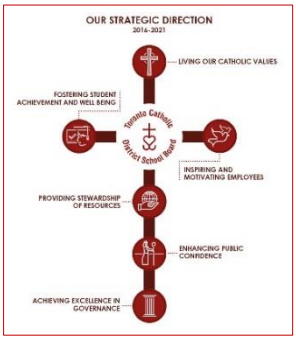
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D. De Souza, Coordinator of Grants & Ministry Reporting
G. Sequeira, Coordinator of Budget Services
P. De Cock, Comptroller of Business Services & Finance

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 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:

Panel	***2019-20 ($B)***	***2020-21 ($B)***	***Change ($B)***
GSNs	1.06	1.09	0.003
Other Revenues	0.09	0.08	(0.001)
Total	**1.15**	**1.17**	**0.002**

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.

Operating revenues are estimated to balance with operating expenditures.

($M)	**2019-20**	**2020-21**
Operating Revenues	$1,147.9	$1,172.8
Less: Operating Expenditures	$1,150.7	$1,174.4
Surplus/(Deficit)	**$(2.8)**	**$(1.6)**
Operating Contingency Reserve	$2.8	$1.6
Balanced Budget	**$0.0**	**$0.0**

The proposed budget maintains all service levels across the system. Full-time Equivalent (FTE) 67.5 positions ranging from Teachers to Education Assistants to Custodians were maintained through the new Support for Student Funding and System Priority Funding, which positions may have otherwise had to be reduced. An additional 29.17 FTE are included to enhance service levels in several areas including: Mental Health/STEM/Specialty Secondary Teachers, Custodial staffing to address COVID-19 cleaning protocols, Autism Team enhancements, Math Resource Teachers and strengthening of Human Resource services.

The Ministry of Education requires District School Boards to submit an in-year deficit elimination plan and a school board resolution wherein the projected in-year deficit is less than one per cent of the board's operating revenue. The in-year deficit plan must show the elimination of the projected in-year deficit within two years. The attached in-year deficit plan for the Toronto Catholic District School Board (TCDSB) provides revenue and expenditure strategies to balance the operating expenditure budget by September 2021.

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 Introduction (Volume I) and approve the 2020-21 Budget Estimates for Revenues (Volume II) and Instructional Expenditure Categories (Volume III & IV), appearing in the attached 2020-21 Budget Book (Appendix A).
2. This report also requires School Boards to submit an in-year deficit elimination plan and school board resolution to eliminate the projected in-year deficit within 2 years (Appendix 4B).

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 19th affected many program and service areas in order to fund recently ratified Provincial Bargaining Table Central Agreements. In addition, the 2020-21 Budget Estimates include targeted service level increases arising from new Support for Students and System Priority funding.

2. ***The Ministry of Education announced Secondary class size changes.*** The new class size requirements for grades 9-12 impacts the TCDSB budget by approximately $2.9M for the 2020-21 school year and reduces secondary teacher positions by approximately 26.3 Full-Time Equivalent (FTE) positions. The new class size ratio for grades 9-12 is 23 students to 1 teacher (23:1).

3. ***Provincial Bargaining Table Central Agreements resulted in new Support for Students Funding and System Priorities Funding.*** The ratification of Central Collective Agreements will increase GSN funding by approximately $9M. It equates to approximately 115.0 new and retained Full-Time Equivalent (FTE) positions that spans almost all employee groups. The overall net change to all staffing levels equates to 96.67 FTE when other factors are considered such as enrolment changes, transfer of program funding into the GSN, and other system investments.

D. EVIDENCE/RESEARCH/ANALYSIS

Budget Consultation Feedback

1. The 2020-21 budget consultation launched on April 8th, 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 28th, 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 provided 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 service 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. Several new investments are proposed that will help to maintain current service levels in all areas and increase service levels in certain areas. The following analysis provides a high-level summary of incremental changes to the 2020-21 operating expenditure estimates.

Draft 2020-21 TCDSB Key Year Over Year Budget Impacts		
	$M	**FTE**
Revenue Impacts		
Support for Student Funding (OECTA) and System Priority Funding (CUPE/APSSP)	9.40	
Impacts from moving Secondary Class size to 23:1	2.07	
Absenteeism Related Adjustments	2.05	
Temporary Accommodation Grant Increase	0.50	
Learning Opportunities Grant Increase	0.46	
Principal / Vice-Principal Allocation for Campuses	0.37	
Costs Adjustment for Online learning	(0.40)	
Enrollment Related Adjustments	(1.40)	(26.33)
Removal of (2nd half) Employee Paid Parking Revenue	(3.20)	
Net Change to Revenues	**9.85**	
Expenditures Impacts		
Elementary/Secondary Teacher Positions (New and Maintained)[1]	5.60	
Fifth Block Teachers (Elementary)		25.00
English as a Second Language Teachers (Elementary)		11.10
Special Education Teachers (Secondary)		6.00
Mental Health/STEM/Specialty Teachers (Secondary)		11.00
EAs, CYWs, Speech/Language and Custodial positions (New and Maintained)[1]	3.80	
Education Assistants (CUPE 1328)		28.50
Custodians (CUPE 1280)		15.50
Clerical/Technical Positions (CUPE 1328)		13.90
Child and Youth Workers (CUPE 1328)		2.00
Speech and Language Pathologists (APSSP)		2.00
ELHT Benefit Cost Increase	1.60	
Increased Education Assistant Supply costs	1.00	
2020-21 COVID-19 Contingency	1.00	
Net Utility Cost Increases	0.70	
Enhancements to Human Resources Services	0.50	5.00
Enhancements to Autism Team - (Psychologist and Speech/Language Pathologist)	0.20	2.30
Enhancements to Autism Team (Elementary and Secondary Teacher)	0.20	2.00
Transportation Boundary Requirements	0.20	
Culturally Responsive and Relevant Pedagogy	0.20	
New Math Resource Teachers (Supports to Grades 7 to 12)	0.20	2.00
Integrity Commissioner Office	0.15	
New Vice-Principal Allocation	0.12	1.00
Parliamentarian Services	0.05	
TTC Tickets for CSLIT Members to attend General Assembly Meetings	0.02	
Elementary Teacher Salary Cost and Allocation Adjustment	(5.69)	(4.30)
	-	
Net Change to Expenditures	**9.85**	
Total Estimated Year Over Year Impacts (Funding Shortfall)[2]	-	96.67
Delayed Bell time Optimization at International Language Schools (Funded from Reserve)	(1.60)	

[1] *Maintained positions are those related to previous loss of 2018-19 System Priority Funding*

[2] *67.5 FTE are considered to be "Maintained" and are therefore not new service levels, but represent maintained service levels that may have otherwise been reduced due to previous loss of funding (Net new FTE = 29.17)*

2. ***Over the course of the year, the Board of Trustees passed previous motions for items to be considered in the 2020-21 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.

Description	**$M**
Increased Investment in Special Education (SEAC Motion)	4.20
Permanent Reinstatement of Priority Schools Initiative	0.80
Total Impact	**5.00**

Reinstatement of the Priority Schools Initiative, which provides discounted permit rates to not-for-profit youth based programs in communities on an equity basis, is referred to in the Reserve section (Volume VI) of the Budget Book. Trustees approved a motion on July 16th, 2020 that addresses this reinstatement from the Equity Reserve.

Trustees also received a Special Education Advisory Committee motion to increase Special Education supports totalling $4.2M. Some components added to the operating expenditure budget as new investments partially address the motion from SEAC. Should any additional items be included then an offsetting reduction in another expense area would be required.

SEAC recommended to the Board of Trustees for budget consideration of the following:

a) That $2M be added to supplement the existing full-time equivalent allocation in the Special Services – Mental Health Division;
b) That the Special Education Budget for 2020-21 at least remain the same as previously;
c) That the Psychology Department of Special Services be augmented with additional funds of $1.0M

The proposed 2020-21 Budget Estimate partially addresses motions (a) and (c) and fully responds to motion (b) listed above. As noted earlier in this report, the Province has yet to define TCDSB's allocation of the new $10M provincial investment in Mental Health supports. This funding source will likely also work towards responding to the SEAC motion (a).

3. ***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 9th, 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.

4. ***The Board of Trustees recently approved a motion to invest in resources that are culturally responsive and enable greater student engagement.*** A Student Trustee introduced a multi-faceted motion during the Special Board meeting on June 18th, 2020 in which a couple of motions had 2020-21 budget implications. The 2020-21 budget estimates contain funding allocations of $200K for culturally responsive and relevant pedagogy resources and $20K for TTC tickets to engage students during General Assembly meetings. These budget items have been directly incorporated in to the balanced budget.

5. ***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. The Non-Instructional related report, also on this agenda, contains a separate recommendation to approve all investments out of the reserve funds.

6. ***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 28th 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. This report contains a recommendation 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.

7. The chart below provides a comparison between the 2019-2020 revised budget and the 2020-2021 budget estimates by category. Following the table

is a brief analysis of each line item (referenced by line #) explaining the differences between each year's budget. As noted, the overwhelming changes originate from classroom teachers and service level changes.

	Instructional Related Expenditure Categories	**2019/20 Budget Revised Estimates**	**Net Change Increase / (Decrease)**	**2020/21 Budget Estimates**
1	Classroom Teachers	644,441	8,332	652,773
2	Occasional Teachers	32,730	592	33,322
3	Education Assistants	54,295	1,736	56,031
4	Designated Early Childhood Educators	27,296	845	28,142
5	Professional & Para-professionals	56,312	1,905	58,217
6	Textbooks & Classroom Supplies	24,022	(219)	23,803
7	Computers	10,233	549	10,782
8	Staff Development	2,493	(19)	2,474
9	In School Administration	69,016	1,840	70,856
10	Teacher Consultants & Coordinators	4,654	1,657	6,311
11	Cont. Ed. (incl. International Language./Summer Schools.)	22,237	360	22,597
12	Other Operating Expenditures	37,239	(990)	36,249
	Sub-total Classroom	**984,969**	**16,588**	**1,001,557**

Instructional Related Expenditures Variance Analysis – Additional Details can be referenced in Appendix 3A, 3B, 3C of the Budget Book-Volume III

1. Classroom Teacher costs have increased by $8. 3M due to the increase in salary and benefits of $11.6M and a decline in enrolment has resulted in a reduction of ($3. 3M)

2. The Occasional Teachers' costs have increased by $0.6M due to an increase in salary and benefits.

3. Education Assistants costs have increased by $1.7M mainly due to the increases in salary and benefits of $0.7M and an increase of $1.0M to the EA supply costs.

4. Designated Early Childhood Educators costs have increased by $0.8M mainly due to increases in salary and benefit costs.

5. Professionals and Para-professionals have increased by $1.9M mainly due to increase in salary and benefit costs of $0.9M and transfer of funds from Priorities and Partnerships funding of $0.6M to the GSN funding for Mental Health workers and Experiential Learning $0.4M was moved to GSN funding.

6. Textbook and Classroom Supplies have decreased ($0.2M) due to increased funding for Cultural responsive and relevant Pedagogy of $0.2M and increase in visa student costs of $0.1M, offset by a transfer of funds for computers to the computer line of ($0.5M)

7. Increase in computer costs of $0.5M due to transfer of funds from Textbook and Supplies budgeted line.

8. Staff Development budget decreased by ($0.02M).

9. In School Administration, costs have increased by $1.8M due to the addition of 1 Vice-Principal of $0.15M and increases in salary and benefits of $0.8M. Increase of 13.9 School secretaries due to the increase funding from the Systems Priority funding totalling $0.9M. Please note that the 13.9 School secretaries is a placeholder until further consultation with CUPE 1328 is completed. The positions may be allocated to another employment category requiring CUPE 1328 Technical/Clerical staff.

10. Teacher Consultants and Coordinators Increases by $1.7M due to increases in salary and benefits of $0.2M, 2 Autism teachers, 0.8 Psychologist, 1.5 Speech

and Language staff and 2 Math resource teachers for a total of $0.8M. Transfer of 6.5 FTE due to change in funding from Board Administration at a cost of $0.7M.

11. Continuing Education increased by $0.4M due to an increase in salary and benefits cost for International Languages and an increase in Summer School costs due to expected increase in enrolment.

12. Other Operating costs have decreased due to a reduction in funding for Priorities and Partnerships Fund (PPF) of ($1.0M) as well some amounts have been transferred to GSN funding.

At the Special Board meeting on July 16th 2020, the Board of Trustees passed the following motions:

1. That staff bring a finalized overall 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, allocate an additional $100,000 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; and 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 Schools (Priority School Initiative) funding for the 2019-20 year be carried forward to the 2020-2021 year.

E. STAFF RECOMMENDATION

1. That the Board of Trustees approve a balanced budget, inclusive of Revenues as detailed in Volume II of the Budget Book and with a base budget increase in the Instructional Category by $16.6M, as further detailed in Volume III of the Budget Book.

2. That the Board of Trustees approve the TCDSB In-Year Deficit Elimination Plan (Appendix 4B).