



REPORT TO

REGULAR BOARD

DRAFT 2021-22 BUDGET ESTIMATES OVERALL AND INSTRUCTIONAL

“For surely I know the plans I have for you, says the Lord, plans for your welfare and not for harm, to give you a future with hope.”

Jeremiah 29:11

Created, Draft	First Tabling	Review
May 31, 2021	June 10, 2021	Click here to enter a date.
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INFORMATION REPORT		

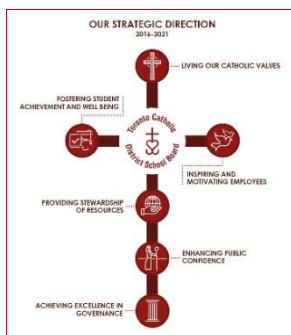
Vision:

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.



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A. EXECUTIVE SUMMARY

Based on the GSN announcement to date, staff expect reductions across all program and service areas, to match the projected lower enrollment level.

The Ministry of Education announcements on May 4th affects program and service areas and addresses the return to school following the COVID-19 pandemic. Furthermore, the TCDSB is expecting lower enrollment compared to the current school year. As result of both factors, the 2021-22 Budget Estimates will contain reductions in both revenue and expenditures. However, given the uncertain nature of the COVID-19 Pandemic and the expected demands on the system to close the gap on student learning the TCDSB will not be able to deliver a balanced budget. With Ministry of Education permission, the TCDSB is expected to submit an overall budget estimate with a deficit of \$19.7M.

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 decrease. 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 decrease by approximately \$26.7M from the December 2020 Revised Estimates. 2021-22 Revenue projections are as follows:

	<i>2020-21</i>	<i>2021-22</i>	<i>Change</i>
	<i>(\$M)</i>	<i>(\$M)</i>	<i>(\$M)</i>
GSNs	1087.3	1072.2	(15.1)
Other Revenues	91.3	79.7	(11.6)
Total	1178.6	1151.9	(26.7)

The total change in expenditures from December 2020 Revised Budget Estimates to 2021-22 Budget Estimates is less \$48.8M.

	<i>2020-21</i> (\$M)	<i>2021-22</i> (\$M)	<i>Change</i> (\$M)
Instructional	1,002.8	958.7	(44.1)
Non-instructional	182.2	172.6	(9.6)
Other & PPF	35.6	40.4	4.8
Total	1,220.5	1171.7	(48.8)

The 2021-22 Budget Estimates will have a projected in-year deficit of \$19.7M. Total Revenues in the Budget Estimates is \$1,151.9M and the Expenditures is \$1,171.6M which will result in a net deficit of \$19.7. The deficit will be funded from a number of unallocated reserves and an unused portion of current year school block budget.

(\$M)	2020-21	2021-22
Operating Revenues	\$1,178.6	\$1,151.9
Less: Operating Expenditures	<u>\$1,220.5</u>	<u>\$1,171.6</u>
Surplus/(Deficit)	\$(41.9)	\$(19.7)
Operating Contingency Reserve	\$41.9	\$7.8
IT Infrastructure Reserve	0	\$2.8
IT System Reserve	0	\$3.1
Unused Block budget	0	\$6.0
Balanced Budget	\$0.0	\$0.0

In addition, the Ministry of Education has created a COVID-19 Reserve “top-up” program for COVID-19 Expenditures. This program could generate up to \$23M for the TCDSB by the completion of the 2021-22 school year. If the TCDSB is able to qualify for these funds, they will be used to replenish the used Reserves accounts as well as school block budget.

The cumulative staff time required to prepare this report was 180 hours.

B. PURPOSE

This report has been prepared for the Board of Trustees in order to receive the draft Introduction (Volume I), draft 2021-22 Budget Estimates for Revenues (Volume II), and draft Instructional Expenditure Categories (Volume III & IV), appearing in the attached 2021-22 Budget Book (Appendix A).

C. BACKGROUND

1. *The Ministry of Education released B and SB Memorandums regarding the 2021-22 Grants for Student Needs on May 4th, 2021.* These Memorandums provide an update to the 2021-22 Budget Estimates' GSN calculations and address the ongoing financial challenges due to the Covid-19 Pandemic.
2. *Total projected overall GSN funding for the TCDSB is decreasing. Although government is providing additional funds for COVID-19 related expenses, a decline in TCDSB's projected enrollment is driving an overall significant reduction in funding.* In response to the negative enrolment impact brought on by the pandemic, District School Boards are required to adjust staffing levels in compliance with provincial legislation due to the elimination of funding stabilization amounts received as a one-time adjustment for the 2020-21 fiscal year.

D. EVIDENCE/RESEARCH/ANALYSIS

Budget Consultation Feedback

1. *The 2021-22 budget consultation launched on March 30, 2021.* The consultation 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 and social media, virtual town halls, online surveys, and Frequently Asked Questions (FAQs).
2. *On March 30, 31 and April 20, 2021, Virtual Town Halls were held from 6:00-7:30 p.m. with attendees able to access via Zoom and YouTube.*

3. *During April and May staff held several virtual meetings with stakeholders.* These meetings including unions, associations, Catholic Parent Involvement Committee (CPIC), Ontario Association of Parents in Catholic Education (OAPCE), and Special Education Advisory Committee (SEAC)
4. *Staff used input from the consultation process as a guide towards maintaining service levels were possible.* However, there are legislative restrictions, collective agreements and funding restrictions factored into making these difficult decisions. A report to Corporate Services Committee on June 8, 2021 will provide a detailed version of the results of the public consultation

Summary of Overall Changes and use of Reserves

1. The Revenue and Expenditure Changes for 2021-22 from Estimates to Revised Estimates is summarized in greater detail below:

DESCRIPTION	Amount \$M
REVENUE CHANGES:	
COVID- 19 related funding for Federal and Provincial	(26.1)
Stabilization Funding for Operations	(22.7)
GSN Allocation Reduction due to Enrolment	(3.0)
Other Various Revenue loss	(2.2)
International VISA Student decline in Enrolment	(1.8)
Total Estimates Revenue Loss for 2021-22	(55.8)
Other Various Revenue Grant Increases	12.8
COVID- 19 related funding Provincial – 2021-22	8.9
Priority and Partnership Funds (PPF)	7.4
Total Estimates Revenue Change for 2021-22	(26.7)
EXPENDITURE CHANGES:	
Net Reductions in Instructional staff costs	38.4
Net Reductions in School Operations staff costs	11.4
Net Reduction Student Devices costs	2.3
One Time School Block Allocation	2.3
Temporary Accommodations Grants	1.3
Total Estimates Expenditure decreases for 2021-22	55.7

Transportation cost increases	(2.1)
Other Operating Expenditures Increases	(4.8)
Total Estimates Expenditures Change for 2021-22	48.8
Opening In-Year Surplus/(Deficit)	
Revenue Changes	(26.7)
Expenditure Changes	48.8
Closing In-Year Surplus/(Deficit)	(19.7)
FUNDING THE IN-YEAR DEFICIT	
Closing In-Year Surplus/(Deficit)	(19.7)
Withdrawals from Operating Contingency Reserve- Estimated at the end of Aug 31, 2022	7.8
Withdrawals from IT Infrastructure Reserve - Estimated at the end of Aug 31, 2022	2.8
Withdrawals from IT Systems Reserve - Estimated at the end of Aug 31, 2022	3.1
School Block Budget unused funds at Aug 31, 2021	6.0
Total Funds Used from Reserve	19.7

2. *The Ministry of Education is providing a reserve “top up” program for COVID-19 related costs up to 2% of 2021-22 Operating Allocation.* Should the TCDSB incur an in-year deficit over the current year and next year over 2%, the Ministry of Education will fund additional use of reserves up to 4%. This would mean that the TCDSB’s could receive additional ministry funding up to \$23M. However, only half of that or one percent will be available for the first 6 months. The final allocation will be based on boards submitted 2020-21 and 2021-22 Financial Statements.

3. **If the TCDSB receive this additional funding from the Ministry of Education, that are recommend that the following funds be replenished because they were used to fund the in-year deficit.** Funds would be replenished, based on the total amount provided the Ministry, in the following order:

Fund/Reserve	Amount \$M
Operating Contingency	7.8
IT System Reserve	3.1
IT Infrastructure Reserve	2.8
School Block budget carry-over	6.0

Any additional funds above these amounts would be flow to the Operating Contingency Reserve.

Summary of Instructional Expenditures

4. *The chart below provides a comparison between the 2020-21 revised budget and the 2021-22 budget estimates by category.* Following the table is a brief analysis of each Instructional line items explaining the differences between each year's budget. As noted, the overwhelming changes originate from classroom teachers to match lower enrolment.

	Instructional Related Expenditure Categories	2020/21 Budget Revised Estimates	Variance Incr./ (Decr.)	2021/22 Budget Estimates
1	Classroom Teachers	681,341	(34,277)	647,064
2	Occasional Teachers	33,322	100	33,422
3	Education Assistants	57,567	(1,862)	55,705
4	Designated Early Childhood Educators	29,348	(3,828)	25,520
5	Professional & Para-professionals	60,345	2,642	62,987
6	Textbooks & Classroom Supplies	23,615	(2,423)	21,192
7	Computers	13,473	(2,481)	10,992
8	Staff Development	2,474	-	2,474
9	In School Administration	72,935	(2,221)	70,714
10	Teacher Consultants & Coordinators	6,311	333	6,644
11	Cont. Ed. (incl. International Language./Summer Schools.)	22,068	(79)	21,989
12	Other Operating Expenditures	35,550	4,822	40,371
	Sub-Total Classroom	1,038,349	(39,275)	999,075

The following is related commentary regarding key line-item change:

- **#1 - Classroom Teacher costs have reduced by \$34.3M.** This reduction was mostly due to the reduction in teachers to match enrollment and the withdrawal of some Long-term Occasional Teachers hired to augment the staffing at St Anne Catholic Academy. In addition, there is also a 1% overall increase in salaries as result of new collective agreements.

- **#2 - *The Occasional Teachers' costs remained general flat.*** However, given there will be less teachers in the system this essential means the overall occasional teacher budget is increasing on a per teacher basis.
- **#3 - *Educational Assistants cost were reduced by \$1.9M.*** This reduction was mostly due to the reduction in Educational Assistants to match enrollment. However, the overall reduction was somewhat dampened because 1% overall increase in salaries as result of new collective agreements. Separate COVID-19 funding will further help offset the decrease in staffing.
- **#4 - *Designated Early Childhood Educators costs have decreased by \$3.8M.*** This reduction was mostly due to the reduction in Early Childhood Educators to match enrollment. However, the overall reduction was somewhat dampened because 1% overall increase in salaries as result of new collective agreements.
- **#5 - *Professionals and Para-professionals have increased by \$2.6M mainly due to a shift in staffing categorization from other areas.*** The increase also included 1% overall increase in salaries as result of new collective agreements.
- **#6 - *Textbook and Classroom Supplies have decreased by \$2.4M.*** This is due to the removal of one-time funding for the School Block budget approved by the Board in December 2020 to be funded from the Equity Reserve and a decline in enrolment.
- **#7 - *Computer costs decreased by \$2.5M.*** This was due to reduction in one-time COVID-19 related costs.
- **#9 - *In School Administration, costs have decreased by \$2.2M.*** This was mostly due to a shift in staffing categorization from other areas such as Professional and Paraprofessionals.
- **#10 - *Teacher consultant's costs increased by \$0.3M.*** This cost increase is due to potential future investment in Equity and diversity portfolio.
- **#12 - *Other Operating Expenditures increased by \$4.8M.*** This is due to additional funds received for various projects in the Priorities and Partnership fund (PPF) such as the Broadband Modernization.

COVID-19 Funding Changes

5. ***One-time Provincial Funding of \$16.5M for COVID-19 and \$22.7M for Enrollment Stabilization will not continue into the 2021-22 school year.***

6. One-time Federal funding of \$17.5M, based on current knowledge, will also not continue into the 2021-22 school year.

7. The TCSDB is receiving approx. 8.9M in new fund for COVID-19 related expenses in 2021-22. The use of the funds is somewhat restricted by the Ministry for selected categories of expenses. The following table describe how these funds will be used within the overall 2021-21 Budget.

Fund and Amount	Planned Use in \$M
COVID-19 Staffing (5.9M)	Used to keep staffing level higher than determined by enrollment in the following areas: <ul style="list-style-type: none"> • Teachers (14) – \$1.51 • St Anne Admin support (8) - \$0.75 • Educational Assistants (29) - \$1.61 • Secretaries and Clerks (10) - \$0.68 • Custodians/Maintenance (22) – \$1.35
Operations Support (\$0.61M)	Used to cover increase HVAC cost as result of additional operating time and use of improved filters.
Transportation (\$1.03M)	Used to cover increase transportation cleaning and keeping more bus route to reduce bus crowding.
Special Education (\$0.23M)	Assessment & Program Teachers (2)
Mental Health (\$0.30M)	Social Workers (3)
Re-engaging Students (\$0.82M)	To be determined. Awaiting more information from Ministry

E. CONCLUDING STATEMENT

This report is for the information of the Board of Trustees. Staff will bring a finalized overall balanced budget to a Special Board Meeting later in June, for approval, that consolidates all input and direction received by trustees.