

2021-2022 School Year Second Quarter Budget Status Report and Fiscal Year End Forecast



MULTI-YEAR STRATEGIC PLAN

2022 - 2025

IN GOD'S IMAGE: Growing in Knowledge, with Justice and Hope



Our Mission

Nurturing the faith development and academic excellence of our Catholic learning community through the love of God, neighbour and self.

Our Vision

IN GOD'S IMAGE: Growing in Knowledge, with Justice and Hope.

Catholic Graduate Expectations

Each student in our Catholic learning community is guided by the Ontario Catholic School Graduate Expectations to be:

- a discerning believer;
- an effective communicator;
- a reflective, creative and holistic thinker;
- a self-directed, responsible lifelong learner;
- a collaborative contributor;
- a caring family member;
- a responsible citizen.



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2021-2022 Average Daily Student Enrolment

	Actual	Projected	Variance	% Change
Elementary	58,166	60,829	(2,663)	(4.4%)
Secondary	26,639	26,827	(188)	(0.7%)
Total	84,805	87,656	(2,851)	(3.3%)

- The Board has been experiencing enrolment decline as a result of migration out of the city during the pandemic. This phenomenon is being felt by all Toronto School Boards.
- Declining enrolment impacts Ministry funding and staffing levels in the operating budget.
- Enrolment is also a primary factor with respect to system accommodation needs, school boundaries and capital priority requests.
- The enrolment decline is expected to continue at an average 1,500 students in each of the next three years and will require continued right-sizing to maintain a balanced budget.

**Operating Revenue
as at February 28, 2022
(\$ Millions)**

	Budget	Received	Expected	Variance
Ministry Grants (GSN)	\$1,060.9	\$585.5	\$585.5	\$0
Other Ministry (PPF)	37.8	23.9	23.9	0
Government of Canada	3.6	2.1	2.1	0
International Students	7.6	8.3	7.6	0.7
Permits, Fees, Interest	12.2	6.9	7.3	(0.4)
Operating Contingency	34.2	13.0	23.3	(10.3)
TOTAL	<u>\$1,156.3</u>	<u>\$639.7</u>	<u>\$649.7</u>	<u>(\$10.0)</u>

- The majority of the Board's revenue sources are cash flowed based on a pre-determined schedule of remittances such as: the Ministry monthly grant payment; installments based on other Ministry funding transfer payment agreements; secondments billed at the end of the term; Government of Canada scheduled payments; monthly or ongoing other revenue sources such as partnership agreements and community use of schools; tax remittance and development charge payments from the municipalities; and transfers from reserve funds during the year end process.
- As a result, there should not be much, if any, variance between actual and anticipated as most payments are known in amount and are to be received on a fixed schedule.
- The variance of \$10M in the above table is a result of a positive expenditure variance (as outlined in Attachment 3). Consequently, there is an anticipated reduction in the use of the Operating Contingency Reserve Fund both at the mid-year and fiscal year end (as summarized in Attachment 6).

**Operating Expenditure
as at February 28, 2022
(\$ Millions)**

	Budget	Actual	%	Expected	%	Variance
Salaries & Benefits	\$1,007.7	\$561.1	55.7%	\$565.4	56.1%	\$4.3
Non-Staffing	63.2	35.5	56.2%	37.4	59.2%	1.9
Transportation	41.5	22.2	53.5%	24.9	60.0%	2.7
Facilities Services	43.9	20.9	47.6%	22.0	50.0%	1.1
Total	\$1,156.3	\$639.7	55.3%	\$649.7	56.2%	\$10.0

- The Board's year to date actual expenditure is compared with anticipated results.
- Anticipated expenditure is based on two core components: anticipated consumption rate of annual ongoing operating costs (i.e. - utilities); and anticipated stage of completion of various individual expenditure items, projects and initiatives.
- Salaries and benefits are analyzed in further detail in Attachment 4.
- Non-Staffing expenditure is analyzed in further detail in Attachment 5.
- Transportation savings are related to the later start of service in September 2021 and two weeks of system shutdown in January 2022.
- Facilities Services is planning to use the remainder of its budget by the end of the year.
- Overall, there is a positive expenditure variance of 0.9% at the mid-year mark resulting in a reduction in the use of the Operating Contingency Reserve Fund of approximately \$10M.

**Salaries and Benefits
as at February 28, 2022
(\$ Millions)**

	Budget	Actual	%	Expected	%	Variance
Instructional	771.0	446.4	57.9%	448.7	58.2%	2.3
Non-Instructional	74.8	36.2	48.4%	37.4	50.0%	1.2
Benefits/Deductions	<u>161.9</u>	<u>78.5</u>	48.5%	<u>79.3</u>	49.0%	<u>0.8</u>
	<u>\$1,007.7</u>	<u>\$561.1</u>	55.7%	<u>\$565.4</u>	56.1%	<u>\$4.3</u>

- Anticipated wages are based on the following: 114 teaching days out of the 194 days in the school year; EA's, ECE's and other instructional staffing at 60% of total pays (school year based therefore 6 months out of 10); other support staff and other non-instructional wages at 50% of total pays (calendar year based therefore 6 months out of 12).
- The positive variance in staffing is due to unfilled positions across all categories for varying periods of duration due to vacancies and ongoing recruitment efforts.
- The positive variance in benefits and deductions relates to a number of staff reaching their maximum EI and CPP contribution requirement before the end of the calendar year.
- Staff absenteeism rates have increased overall in the second quarter compared to the first quarter as well as for the same period from the prior year. The average days absent per staff member is 12.6 as of the end of Q2 as compared to 11.1 at the same time last year.
- Overall, there is a positive variance of 0.4% in salaries and benefits at the mid-year point.

**Non-Staffing Expenditure
as at February 28, 2022
(\$ Millions)**

	Budget	Actual	%	Expected	%	Variance
Programs and Initiatives	\$12.6	\$7.8	61.9%	\$7.5	60.0%	(\$0.3)
Technology Infrastructure	4.4	2.8	63.6%	2.6	60.0%	(0.2)
School Based Consumables	19.2	10.1	52.6%	11.6	60.0%	1.5
Board Administration	4.9	1.9	38.8%	2.4	50.0%	0.5
COVID Investments	22.1	12.9	58.3%	13.3	60.0%	0.4
Total Non-Staffing	\$63.2	\$35.5	56.2%	\$37.4	59.2%	\$1.9

- The majority of non-staffing expenditure is based on the 10 month school year.
- School based consumables are experiencing a positive variance due in part to the carry over of unspent funds from the prior year following year end in November 2021.
- The positive variance in Board Administration relates to the timing of certain budget items and fiscal prudence during times of financial constraint.
- COVID investments have been fully implemented and maintained to support the system.
- Overall, there is a 3% positive variance in non-staffing expenditure at the mid-year point.

Operating Contingency Reserve Fund (\$ Millions)

Balance as per 20-21 Financial Statements	\$34.5
21-22 In-Year Deficit per Revised Estimates	(34.2)
Year End Forecast - Positive Variance to Budget	10.0
Anticipated Balance at August 31, 2022	\$10.3

- The Operating Contingency Reserve Fund is available to balance the budget as needed.
- The Ministry of Education directed Boards to utilize operating reserves in 2020-2021 and 2021-2022 to offset unfunded pandemic related costs.
- The Board is anticipating recovery of up to 2% (or approximately \$22M) from the Ministry following the 2021-2022 school year for pandemic investments beyond a certain threshold.
- Declining enrolment presents an ongoing challenge and will have an impact on future funding. It is therefore imperative that the Operating Contingency be maintained and available as needed to lessen the immediate impact of declining enrolment each year as the Board continues to right-size the system in order to maintain a balanced budget.
- Maintaining a balanced budget framework serves as the foundation for financial stability and sustainability and will enable the Board to resource and advance the key priorities and initiatives outlined in the Multi-Year Strategic Plan and Annual Board Improvement Plan.