



REPORT TO

CORPORATE SERVICES, STRATEGIC
PLANNING AND PROPERTY
COMMITTEE

2022-2023 PRELIMINARY BUDGET PLAN

“The King will reply, ‘Truly I tell you, whatever you did for one of the least of these brothers and sisters of mine, you did for me.’ (Matthew 25:40)

Drafted

May 9, 2022

R. Putnam, Chief Financial Officer and Treasurer

Director’s Council

Education Council

Meeting Date

May 12, 2022

INFORMATION REPORT

Vision: *IN GOD’S IMAGE: Growing in Knowledge, with Justice and Hope.*

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



MULTI-YEAR STRATEGIC PLAN
2022 - 2025

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



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A. EXECUTIVE SUMMARY

Staff has provided a number of updates with respect to the Board's overall financial position beginning with the Annual CFO Overview in January 2022.

Subsequent reports and presentations have included the 2022-23 Budget Framework in February 2022 and the 2021-22 Second Quarter Budget Status Report and Year End Forecast in April 2022.

Staff is pleased to present a balanced budget plan that eliminates reliance on operating reserves, addresses declining enrolment, maintains critical supports and provides for investment in student well-being and achievement.

B. PURPOSE

This report outlines the numerous factors impacting the 2022-23 operating budget and highlights key strategic investments in a number of Program and Provincial priorities.

The plan will be incorporated into the final 2022-23 budget which will be presented to Trustees in June for consideration and approval.

C. BACKGROUND

1. The Board has been reliant on operating reserves during the past two years as a result of the pandemic and a pronounced decline in enrolment.
2. The primary objective of the 2022-23 budget is to balance the operating budget without reliance on reserves through system right-sizing while maintaining core program, supports and services.
3. Targeted investment in the areas of Learning Recovery, Equity and Technology have been incorporated into the budget in support of student wellbeing and achievement consistent with stakeholder input and in conjunction with specific Program and Provincial priorities.
4. The proposed budget plan continues to provide for specialized programs, resources and supports such as Special Education, Faith Formation, Literacy, Numeracy, Arts, Languages, Indigenous Education, Continuing Education, Alternative Education, International Education, Pathways Programs and Virtual Learning such that all students are given the opportunity for personal growth and success rooted in the foundation of our Catholic school system.

D. EVIDENCE/RESEARCH/ANALYSIS

1. **The 2021-2022 Revised Estimates projected an in-year deficit of \$34.2M.** Use of the operating contingency was required to supplement COVID related investments and mitigate the impact of declining enrolment in September 2022.
2. **The 21-22 Second Quarter Budget Status Report and Year End Forecast indicated a positive variance of \$10M.** This will result in a reduction in the in-year deficit and use of the operating contingency reserve from \$34.2M to \$24.2M for the current 21-22 school year.
3. **The Board is experiencing declining enrolment of approximately 1,300 students from 21-22 to 22-23.** This will result in a reduction in Ministry funding of approximately \$13M from this year to next.
4. **The Ministry continues to fund COVID related supports albeit at a reduced amount given the current state of the pandemic.** Overall, the Ministry is providing funding of \$11.9M for 22-23 compared to \$17.4M in 21-22 resulting in a reduction in revenue of \$5.5M.
5. **As a result of bullet points 1 to 4 the operating shortfall before expenditure adjustments and investment in system priorities is \$42.7M.** This includes the current year deficit of \$24.2M, reduction in revenue due to declining enrolment of \$13M and decreased COVID funding of \$5.5M.
6. **System right-sizing to actual enrolment is required to reset teacher staffing levels in order to maintain a balanced budget framework.** As reported in the March enrolment and staffing projections reports the decline in enrolment requires an adjustment to teacher staffing to funded levels, legislative class sizes and collective agreement parameters. The additional staffing is a contributing factor to the current year deficit. Trustees can be assured that the adjustments for September 2022 will not impact service levels and will ensure equitable allocation across the system. The anticipated adjustment is \$38.5M.
7. **System right-sizing to actual enrolment is required to match Early Childhood Educator staffing levels to the number of kindergarten classrooms in order to maintain a balanced budget framework.** The base allocation of Early Childhood Educators is dependent on the number of kindergarten classrooms. The anticipated adjustment is \$1.5M.
8. **System right-sizing to actual enrolment is required to reset enrolment based non-teaching staffing levels in order to maintain a balanced budget framework.** Staffing levels for School Secretaries, Clerks and Library Technicians have been recalibrated to reflect actual enrolment and to ensure equitable allocation across the system. The anticipated adjustment is \$1.5M.

9. **The complement of Educational Assistants, Child and Youth Workers and Social Workers will be maintained at current year staffing levels.** Staffing levels for these areas are proposed to remain at current year levels to maintain current system service levels. This is consistent with input received from system stakeholders and the Special Education Advisory Committee reinforcing student mental health and wellbeing as a priority.
10. **System right-sizing to actual enrolment will effectively offset the operating shortfall and allow the Board to maintain a balanced budget framework.** The anticipated total adjustments for bullet points 6 to 9 of \$41.5M will offset the operating shortfall of \$42.7M (refer to bullet point 5) and effectively resets the budget framework to a balanced position.
11. **Contractual and operating expenditure increases of \$4.5M need to be incorporated into the budget.** The budget includes contractual and operating expenditure increases in the areas of Transportation (\$1.4M), Utilities (\$0.6M), Facilities Services (\$2.0M) and Long-Term Disability (\$0.5M).
12. **One-time expenditure adjustments of \$17.7M will offset the contractual expenditure increases and enable investment in key system priorities.** The Board invested \$9.7M in September 2022 to support situational needs in response to the pandemic in such areas as additional lunch time supervision, Secondary student supervision and supplemental custodial hours. These investments were responsive to specific needs at the time and are no longer required. There is also an adjustment of \$8M relating to the Board's former retirement gratuity plan wherein the amortization of the accounting liability was strategically accelerated during the 20-21 fiscal year end such that it will be fully eliminated by the end of 21-22 so as to free up the annual expense to fund future priorities without having to make cuts to programs and services.
13. **Investments in key system priorities in the amount of \$12M will be incorporated into the budget.** As noted in previous reports and presentations investment in the areas of Learning Recovery, Equity and Technology have been identified as key priorities for the upcoming year. These priorities were validated by stakeholders in the survey responses and through consultation with the various Board level Committees such as SEAC, CPIC and CSLIT. Allocation of the \$12M is as follows: Learning Recovery \$4M, Equity \$2M and Technology \$6M. See bullet points 14 to 16 below for further explanation.

14. **A total of \$4M has been allocated to support investments in Provincial and Program priorities in the areas of Learning Recovery, Early Intervention, Right to Read and Kindergarten Readiness.** These funds have been allocated to meet specific system and individual student needs and will be invested in such areas as additional Special Education Teachers, Early Childhood Educators, English as a Second Language Teachers and Secondary Program with respect to De-streaming of Grade 9 Math and Science.
15. **A total of \$2M has been allocated to support investments in Equity, Diversity and Inclusion resources, supports and initiatives.** These funds have been allocated to support additional staffing, resources, professional development and training as well as top-up funding for EPAN schools.
16. **A total of \$6M has been allocated to support Technology and specifically the Multi-Year Device Strategy.** Further to Trustee approval of the device strategy in principle sufficient funds have been allocated to implement the program over four years while providing devices for students in need.

E. METRICS AND ACCOUNTABILITY

1. The preliminary budget plan will form the basis of the final budget report.
2. The proposed plan is a balanced budget without reliance on operating reserves.
3. The proposed plan maintains current programs, supports and services.
4. The proposed plan provides for investment in key strategic priorities.
5. The proposed plan is compliant with Ministry requirements and legislation.
6. The proposed plan is compliant with the various collective agreements.
7. The proposed plan is consistent with input received from system stakeholders.
8. The proposed plan is aligned with and supports the Board's strategic plan.
9. Staff intends to present the budget for Trustee approval on June 1, 2022 (subject to completion of the Ministry of Education financial package).

F. CONCLUDING STATEMENT

This report is for the information of the Corporate Services, Strategic Planning and Property Committee.