



TCDSB Multi-Year Recovery Plan (MYRP)

2015-16 to 2017-18

July 2015

**Submission to Senior Administration and Management at the Toronto Catholic
District School Board**

Executive Summary

The Toronto Catholic District School Board (TCDSB) is projected to report an in-year deficit of approximately \$9.5M in 2014-15. With an accumulated deficit from previous years of \$7.4M, by the end of 2014-15, TCDSB will have an accumulated deficit of approximately \$16.9M. With a reduction in Ministry of Education (Ministry) funding for the next three years, TCDSB is now faced with a significant fiscal challenge. Deloitte was retained by the Ministry of Education to assist TCDSB in developing recommendations and measures to eliminate TCDSB's accumulated deficit position within the next three years.

The most significant and long-standing cost pressures are in areas such as Special Education, Student Transportation and Teacher Salary and Benefits. In these areas, TCDSB has historically overspent its allocation from the Ministry, while trying to off-set these expenditures with underspend from other areas such as ESL programs, School Board Administration, Textbooks and Supplies.

While it is recognized that conscious decisions have been made to invest in areas beyond Ministry funding allocations, this pattern of spending has resulted in annual in-year deficits of over \$9M each year over the last two years.

The financial position was further undermined by a benefits budget miscalculation in FY2012-13 by almost \$10M. Furthermore, in FY2015-16, the Ministry announced a reduction in the Grants for Student Needs (GSN) for TCDSB by 0.8% or approximately \$8M/year. This reduction will be carried forward for the next three years, creating potential cost pressures of over \$24M. Finally, any decline in enrolment will have a subsequent impact on GSN and corresponding expenditures. At this time, TCDSB does not project a further decline in enrolment in 2016-17 and 2017-18. More accurate projections will be available in the coming months and will need to be factored into the overall financial picture.

The recent 2015-16 Budget has started the process of reducing the accumulated deficit

In April 2015, the Board of Trustees approved expenditure reduction measures totalling \$29.4M in areas of special education, classroom and administrative spending. However, the impact of expenditure escalation in areas which cannot be avoided, such as movement in the negotiated teacher salary grid, and the reduction in the GSN, has led to only a modest in-year surplus.

At the time of this review in June 2015, the FY2015-16 in-year, projected surplus is \$3.7M which reduces the accumulated deficit to \$13.3M.

Significant cost reduction decisions remain for 2016-17 and 2017-18

Deloitte has worked with staff to produce a three year forecast of revenues and expenditures with the reductions required to return to fiscal balance by the end of 2017-18. In the years that follow, TCDSB will need to work to produce a reasonable accumulated surplus for contingency purposes that we believe should be approximately \$10M.

The expenditure reduction recommendations cover both classroom and non-classroom spending and also focuses on areas where TCDSB is overspending, including special education, transportation and classroom teachers.

In order to attain a balanced budget and eliminate the accumulated deficit by the end of 2017-18, the Board will need to find an additional \$27M in reduction opportunities.

Going forward, very difficult and sensitive decisions will need to be made in areas of program delivery and student support in order to realize the projected savings. It will be important to understand whether there are associated impacts on enrolment that could offset planned savings. In addition, staff and trustees will have to work with bargaining agents to examine and potentially modify collective agreements that may restrict the design and implementation of flexible new delivery models.

There are a number of risks that have been identified:

- **System Stability** – System-wide expenditure reduction measures may impact overall TCDSB operations. While school operations will continue, it is recommended that TCDSB take a phased approach, over the three year period, to implement the recommendations described throughout this report.
- **Employee morale** – Significant budgetary reductions may reduce employee morale. Every effort should be made to continue to provide professional development to staff. In addition, TCDSB should consider implementing a wellness program within its schools to increase staff productivity, decrease employee absenteeism and decrease overall employee health and benefits costs.
- **Public Perception** – TCDSB's financial position has been widely reported in the media. It is important to ensure that communications on behalf of TCDSB be delivered through one channel with one common voice and standard messaging. Multiple communications channels and messages may alter public perception.
- **Administration and Operations** - It will be important to minimize any further reductions in administration and operations, as these functions are already lean and need capacity to implement successfully many of the recommendations.

TCDSB staff will need to complete additional analysis to provide the Board of Trustees with detailed options and recommendations in order to submit a Multi-Year Financial Recovery Plan to the Ministry by September 30, 2015.

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Introduction

As a result of an accumulated deficit of approximately \$16.9M by the end of 2014-15, coupled with the reduction in Ministry funding over the next three years, the Ministry formally requested that TCDSB eliminate the in-year deficit and accumulated deficit by 2017-18. As a result, TCDSB is required to prepare a Multi-Year Recovery Plan (MYRP), which will outline a three year reduction strategy that will aim to eliminate the structural deficit and develop a surplus of 0.3-1% of total operating revenue (approximately \$3-10M) by 2017-18. In general, the Ministry encourages school boards to attain an unappropriated accumulated surplus balance of 1% of operating revenues, but not less than 0.3% for contingency purposes. The MYRP will also take account of other known funding pressures that will impact 2016-17 and 2017-18.

Deloitte has been retained by the Ministry of Education to work together with TCDSB in preparing this MYRP which will include recommendations and measures to eliminate TCDSB's accumulated deficit position within the next three years.

This report is divided into three parts:

- The first part provides a historical financial review and forecast to 2014/15. This section will provide an assessment of TCDSB's current financial situation, including an overview of the circumstances which led to the projected accumulated deficit of \$16.9M for 2014-15.
- The second part will analyze TCDSB's projected structural deficit over the next three years and will include analysis of approved expenditure reduction measures for 2015-16.
- The final section of this report will highlight additional reduction opportunities that will assist TCDSB in attaining a surplus and eliminating the accumulated deficit by the end of 2017-18. It will also include an implementation plan for all expenditure reduction opportunities across the three year timeline.

It is important to note that at the time of writing this report in June 2015, the 2014-15 expenditure figures have not yet been finalized. The financial year will end on August 31, 2015 with the submission deadline to the Ministry in November 2015. As a result, all numbers in this report are subject to change.

Finally, Deloitte would like to thank TCDSB staff for their collaboration throughout development of this report. They were able to provide Deloitte with data and analysis that contributed to the final Multi-Year Recovery Plan.

Historical Financial Review and Forecast to 2014/15

This section highlights TCDSB's financial position from FY 2012-13 to 2014-15 and outlines the resulting projected accumulated deficit position as of FY 2014-15.

Table 1: TCDSB Financial Position Summary 2012-13 to 2014-15¹

| | 2012-2013 Actuals (\$M) | 2013-2014 Actuals (\$M) | 2014-2015 Revised Estimates (\$M) ² |
|--|----------------------------|----------------------------|---|
| Opening Accumulated Surplus / (Deficit) | 6.1 | 2.3 | (7.4) |
| Revenue | 972.8 | 1,117.2 | 1,051.2 |
| Expenditure | 976.6 | 1,126.9 | 1,060.7 |
| In-Year Surplus (Deficit) | (3.8) | (9.7) | (9.5) |
| Accumulated Surplus / (Deficit) | 2.3 | (7.4) | (16.9) |

Over the last three years, TCDSB has experienced in year deficits that have collectively led to an accumulated deficit. The total accumulated deficit from 2013-14 was \$7.4M with an additional projected in-year deficit in 2014-15 totalling \$9.5M. As a result, by the end of the 2014-15 fiscal year, TCDSB will have an accumulated deficit of approximately \$16.9M.

Factors Contributing to Annual Operating Deficits

There are two main factors that have contributed to in-year operating deficits since 2012-13: areas of overspend relative to Ministry funding and a budget miscalculation of benefits.

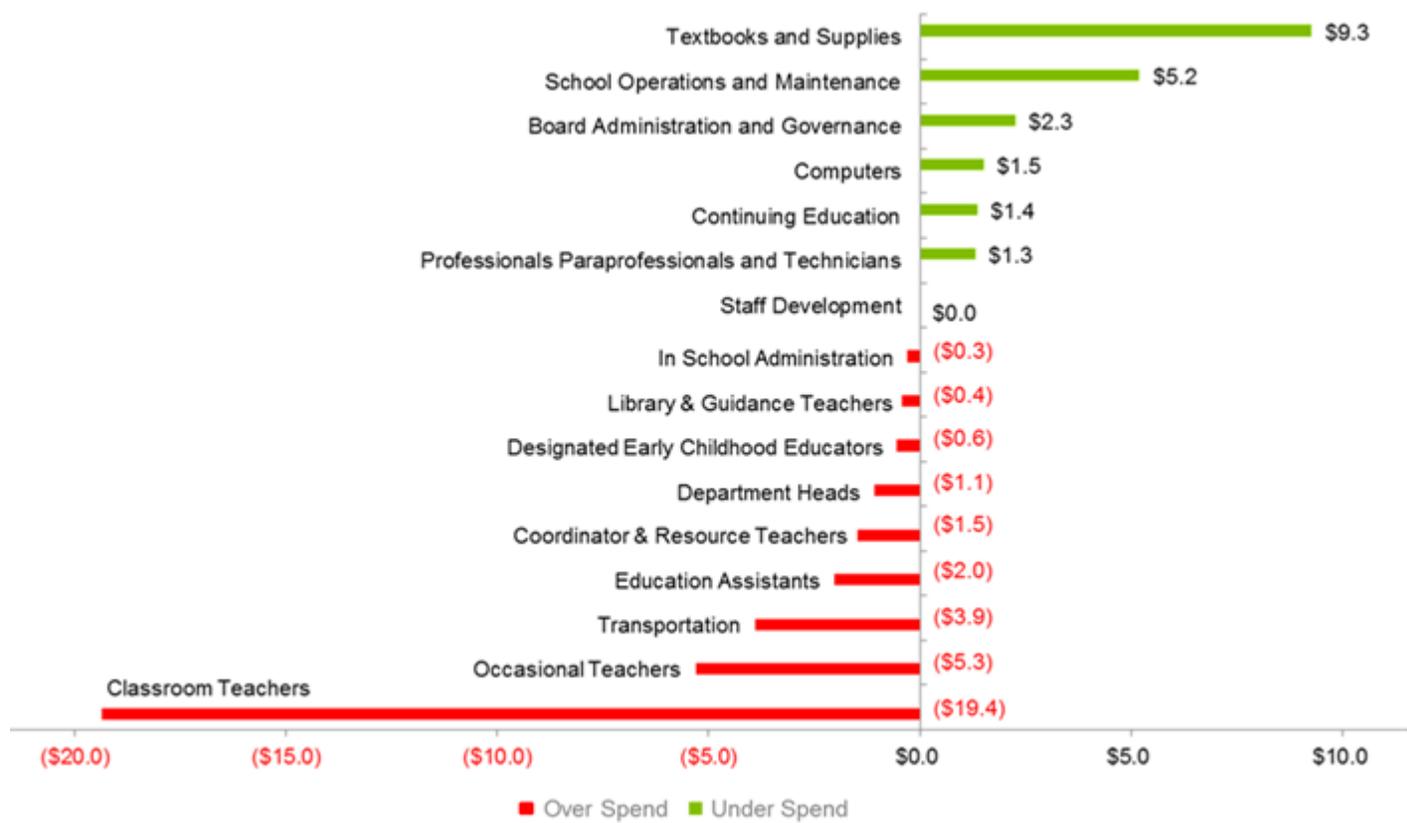
Areas of Overspend Relative to Ministry Funding

An analysis of 2014-15 revenue and proposed expenditures indicates that there are five main areas of overspend for TCDSB relative to Ministry funding: classroom teachers, teacher consultants, occasional teachers, transportation, and education assistants.

¹ Source: Summary of In-Year and Cumulative Operating Surplus / Deficit. Please note that there may be slight discrepancies in the figures relative to rounding

² The 2014-15 expenditure figures will not be finalized until November 2015. As a result, all 2014-15 numbers are estimates and subject to change

Figure 1: Estimated Spending Under / (Over) Allocation (\$M) in 2014-15³



Within classroom teachers, TCDSB has overspent for a variety of reasons⁴:

- As a result of travel times and scheduling of prep time periods, itinerant teachers are often not fully utilized leading to increased costs for itinerant and prep-time teachers;
- TCDSB has on average smaller classroom sizes compared to the Ministry benchmark for secondary school classes. TCDSB has a ratio of 20.84 students to 1 teacher, whereas the Ministry benchmark is 22 students to 1 teacher at the secondary level;
- A less integrated special education delivery model results in a lower student to teacher / Education Assistant ratio. This results in additional support which is not fully funded by the Ministry.
- There are additional unfunded costs for providing special education support to pupils classified as “Not Applicable” (i.e. those that do not fall into an exceptionality such Autism or Behaviour).

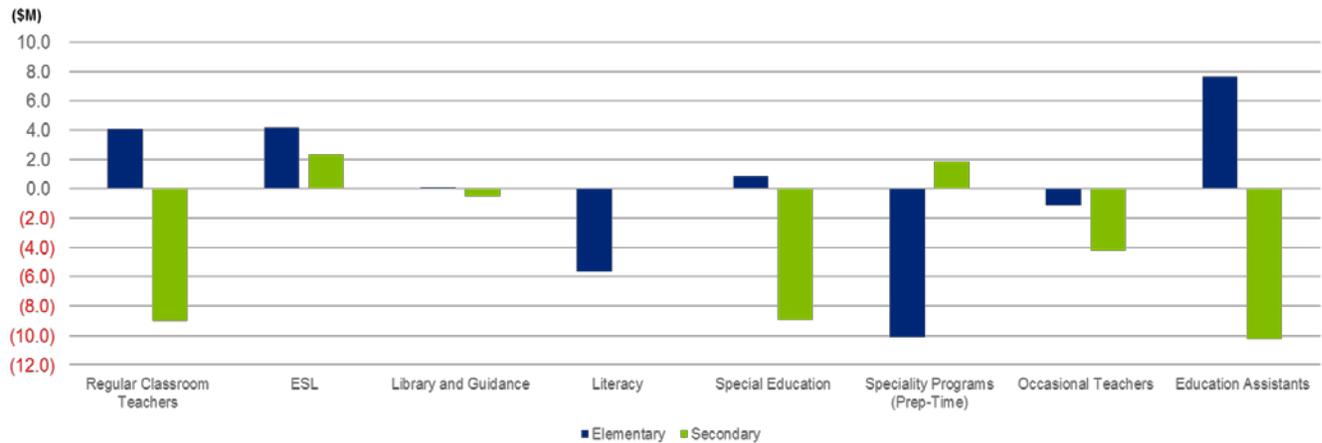
The figure above highlights the areas and amount of under / over spend by TCDSB relative to Ministry funding. Across the five main areas of overspend, TCDSB has overspent by approximately \$30M in 2014-15. A further analysis of overspending within classroom teachers shows that the majority of this overspend

³ Summary of 2014-15 Revised Grants & Other Revenues Compared to Revised Budget Before Proposed Reductions

⁴ Please note that the areas of overspend in 2014-15 do not take into consideration measures approved in the 2015-16 budget

comes from secondary school regular classroom teachers and secondary special education teachers and Educational Assistants.

Figure 2: Estimated Breakdown of Elementary and Secondary Under / (Over) Spend by Categories in 2014-15 (\$M)⁵



Adjustment in Retirement Gratuity Liability

For the fiscal year ending August 31, 2013, the period in which the Board was amortizing its retirement gratuity liability needed to be adjusted (from 20 years to 13 years), which resulted in the Board restating the 2012-2013 financials to reflect an increase in amortization expense of \$2.9M. The prior period adjustment for increased retirement gratuity amortization contributed to a \$3.8M deficit in the fiscal year ending August 31, 2013.

TCDSB will continue to receive funding over the next ten years to fund the retirement gratuity expenses; however, there will be no funding available in the last three years (starting in 2021-22). In addition, future funding will not be provided for the full cost of gratuity expenses, which creates an unfunded cost pressure.

As part of TCDSB's long term budget planning process, future in-year surplus funds should be internally restricted to cover these cost pressures.

⁵ Summary of 2014-15 Revised Grants & Other Revenues Compared to Revised Budget Before Proposed Reductions

Three Year Financial Forecast for 2015-18

As detailed in the previous section, by the end of 2014-15, TCDSB is projected to have an accumulated deficit of \$16.9M which is comprised of an accumulated deficit from previous years of \$7.4M and a projected in-year overspend of \$9.5M.

The Ministry has already announced provincial wide reductions to many school board's Grant for Student Needs (GSN) and TCDSB will experience a 0.8% reduction per year in operating revenue over the next three years, totaling approximately \$24.0M. In addition, there reductions to the Special Education Grant and the Board Administration Grant each year for the next three years. Any additional decline in enrolment in 2016-17 and 2017-18 will have a subsequent impact on revenue and expenditures.

In order to address the decline in revenue as well as the accumulated deficit, the Board of Trustees has approved \$29.4M worth of expenditure reductions for incorporation in the 2015-16 operating budget. These reductions will take place immediately in 2015-16 and be sustained through for the following two years.

The following table provides an overview of TCDSB's projected financial position over the next three years, taking into consideration the decline in revenue and expenditures as described above.

Table 2: Summary of TCDSB Financial Projections⁶

| | 2014-2015 Estimates (\$M) | 2015-2016 Projections (\$M) | 2016-2017 Projections (\$M) | 2017-2018 Projections (\$M) |
|---|---------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| Opening Accumulated Surplus / (Deficit) | (7.4) | (16.9) | (13.1) | (7.2) |
| Total Revenue | 1,051.2 | 1,050.9 | 1,039.6 | 1,028.3 |
| Expenditures | 1,060.7 | 1,076.6 | 1,047.2 | 1,033.7 |
| Board Approved Reductions | - | (29.4) | - | - |
| Further Reductions Required | - | - | (13.5) | (13.5) |
| Total Expenditures | 1,060.7 | 1,047.2 | 1,033.7 | 1,020.2 |
| In-Year Surplus (Deficit) | (9.5) | 3.7 | 5.9 | 8.1 |
| Accumulated Surplus / (Deficit) | (16.9) | (13.1) | (7.2) | 0.9 |

⁶ A number of assumptions have been made to calculate the three-year projected surplus / deficit, including the following:

- Expenditure projections in 2016-17 and 2017-18 assume the same level of expenditure as 2015-16.
- Numbers have been rounded to the nearest hundred thousand
- Revenue assumptions for 2016-17 and 2017-18 do not include potential decline in enrolment

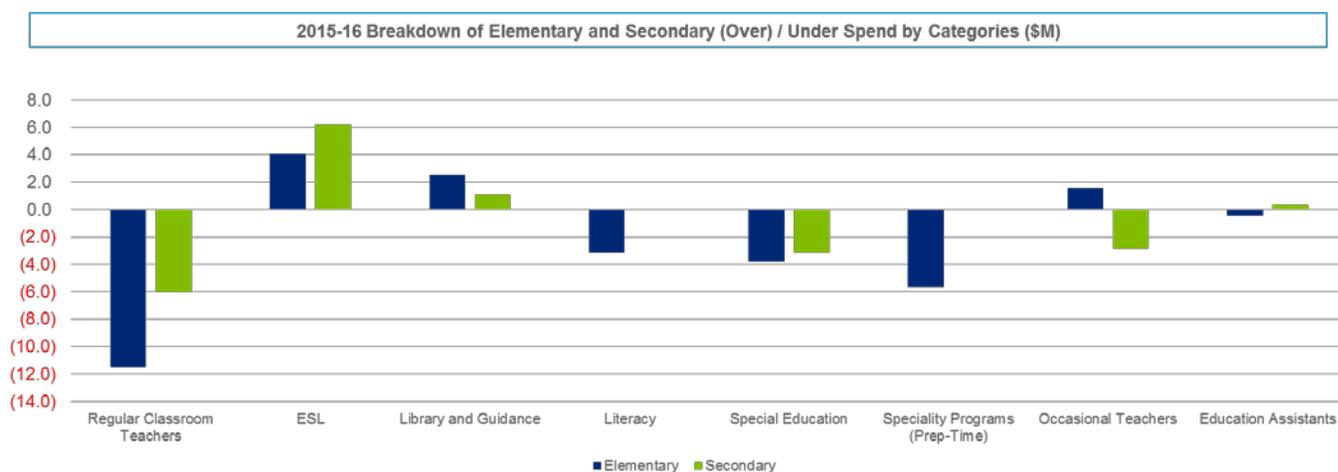
While TCDSB has made significant progress in identifying and approving \$29.4M of reductions for 2015-16, given the decline in Ministry funding of approximately 0.8% of operating revenue per year over the next three years, TCDSB is projected to be in a deficit situation by the end of 2017-18 without further savings. As a result, additional reduction opportunities need to be found to eliminate both the projected accumulated deficit of \$16.9M by 2017-18 and build accumulated surplus in accordance with Ministry guidelines. These additional reduction opportunities beyond 2015-16 must total at least \$27M which has been illustrated in the table above as \$13.5M of required savings in each of 2016-17 and 2017-18.

Approved 2015-16 Expenditure Reduction Measures

In February and March 2015, a number of cost saving opportunities were developed in order to address TCDSB's deficit. These opportunities were presented to the Board of Trustees in March and April 2015 and a number of reduction measures were approved by the Board for implementation in 2015-16. The majority of these measures had staff surplus implications but there are other measures which impact non-classroom expenditures. Additional non-classroom savings may be identified and approved by the Board of Trustees once revised estimates are available in November 2015.

The total FTE reduction of these measures is 260 with a total cost savings of approximately \$29.4M.⁷ In June 2015, the Board of Trustees approved the 2015-16 budget which included these expenditure reduction measures. Figure 3 below, illustrates the proposed over/under spend by in 2015-16 and it is important to note that the majority of overspend will come from classroom teachers, special education and prep-time, three categories which were also areas of overspend in 2014-15 (among others).

Figure 3: Projected TCDSB (Over)/Under Spend in 2015-16⁸



⁷ Due to a projected decline in enrolment, an additional 13 FTEs (approximately \$1.3M) have been surplus.

⁸ 2015-16 Grant Allocation by Category

In addition, the 2015-16 budget revealed that only \$13.5M of reductions were realized due to additional cost pressures in the budget that negate over 50% of the approved reduction opportunities. These cost pressures include:

1. **Salary Increases and Grid Movement** – For each year of service and qualifications, teachers move along the salary grid and can reach the top of the pay scale 10 years after starting their career. The Board’s teacher salary grid provides higher compensation than the provincial average at the top end of the grid. This has resulted in an annual cost pressure of \$4.4M (above ministry funding) and as more teachers move up the grid (as a result of years of experience and qualifications), this cost pressure will be sustained and possibly increased.
2. **Benefits** - The nature of the benefits plan (open formulary⁹, prohibited use of generic drugs, etc) and the experience level trends indicate an ongoing cost pressure of at least \$8.3M annually for classroom, library and guidance teachers.¹⁰ This number does not reflect additional benefits cost pressures from non-classroom teachers.
3. **Transportation** – Currently TCDSB provides transportation services to over 7,000 students who are outside the catchment areas or within walking distance of a TCDSB school. In addition, traffic congestion within the Greater Toronto Area (GTA) means that TCDSB is increasing the number of vehicles on the road in order to provide transportation services.

As stated above, while significant progress has been made to reduce TCDSB’s deficit, management still needs to find an additional \$27M over 2016-17 and 2017-18 in order to achieve a surplus and eliminate the accumulated deficit.

A discussion of opportunities and targets for 2016-17 and 2017-18 are presented later in this report.

Table 3: Approved Expenditure Reduction Measures for 2015-16

| Expenditure Reduction Measure | Approved FTE Savings | Approved Savings (\$M) |
|---|----------------------|------------------------|
| Reduce the number of 5 th Block teachers | 6 | 0.6 |
| Eliminate the Junior Literacy Intervention Program | 20 | 2.0 |
| Increase Secondary School Class Sizes to meet Provincial Benchmarks | 42 | 4.2 |
| Increased efficiencies in Music Preparation time | 10 | 1.0 |

⁹ A closed formulary plan will not pay for drugs not on a negotiated list (that would typically list less expensive generic drugs) unless your doctor wins a medical appeal to prescribe. An open formulary plan is not common in school board benefits plans as it may allow any drug (or drugs not on the list) to be prescribed which could potentially generate additional costs.

¹⁰ The drug and benefits plan varies from Board to Board and often within a Board, depending on the collective agreement of each group. Approximately 50% of all drug plans for school board employees in Ontario prohibit the use of generic drugs.

| Expenditure Reduction Measure | Approved FTE Savings | Approved Savings (\$M) |
|---|----------------------|------------------------|
| Replace Secondary School Gifted Program Teachers with Gifted Resource Teacher Support | 14.4 | 1.4 |
| Increase Monsignor Fraser class sizes | 4 | 0.4 |
| Replace Elementary School Teacher Librarians with Library Technicians | 42.5 | 2.1 |
| Reduce Secondary School Teacher Librarians | 5.57 | 0.6 |
| Reduce Reliance on Contracted Support Workers | -- | 2.3 |
| Further Align Child Youth Workers (CYWs) to meet School Board Benchmarks | 7 | 0.4 |
| Reduce Non Classroom Resource Teachers | 30 | 3.0 |
| Modify Extended Day International Languages Program to an After Hours Program | -- | 0.9 |
| Reduce Board Administration and Governance spending | -- | 0.6 |
| Reduce Non-Classroom Spending | -- | 0.4 |
| Replace Central Program Coordinators with Resource Teachers | 14 | 1.8 |
| Reduce Secondary School Vice Principals in Smaller Schools | 4 | 0.4 |
| Reduce Elementary School Vice-Principals in Smaller Schools | 4 | 0.4 |
| Reduce Professional Development budget | -- | 0.5 |
| Reduce Textbooks budget | -- | 1.7 |
| Eliminate Budget for Unfilled Ombudsman Position | 1 | 0.2 |
| Increased Efficiencies in Planning and evaluation time | 10 | 1.0 |
| Realign and Reallocate Educational Assistant staffing model | 30 | 1.5 |
| Realign Regional Elementary Guidance Teachers Model | 4 | 0.4 |
| Reduce Special Education Secondary School Teachers | 12 | 1.2 |
| Reduce Computer Technology budget | -- | 0.4 |

| Expenditure Reduction Measure | Approved FTE Savings | Approved Savings (\$M) |
|--------------------------------------|----------------------|------------------------|
| Reduce Director's Discretionary Fund | -- | 0.05 |
| <i>Total Savings</i> | 260 | \$29.4M |

Potential Expenditure Reduction Opportunities

While significant progress was made to approve \$29.4M worth of expenditure reductions in 2015-16, in order to eliminate the accumulated deficit by the end of 2017-18, TCDSB needs to find another \$27M of savings.

This section provides an overview of a number of additional expenditure reduction opportunities to assist TCDSB in eliminating their structural deficit over the next three years.

Table 4: Summary of Potential Expenditure Reduction Opportunities¹¹

| Opportunity | 2015-16 Potential Net Benefit (\$M) | 2016-17 Potential Net Benefit (\$M) | 2017-18 Potential Net Benefit (\$M) | Total Potential Net Benefit (\$M) |
|--|-------------------------------------|-------------------------------------|-------------------------------------|-----------------------------------|
| Schedule 5 – School Block Carryover* | 3.1 | -- | -- | 3.1 |
| Literacy – 5 th Block Program | -- | 3.1 | -- | 3.1 |
| Student Transportation | -- | 1.5 | -- | 1.5 |
| Elementary Guidance Teachers | -- | 0.4 | -- | 0.4 |
| Itinerant Teaching Model | (0.25) | 2.65 | (0.25) | 2.15 |
| International Languages | -- | 1.5 | -- | 1.5 |
| Energy Management | 0.2 | 0.3 | 0.3 | 0.8 |
| Attendance Support Program | (0.2) | 0.7 | 0.2 | 0.7 |
| Short Term Disability Adjudication | 0.3 | -- | -- | 0.3 |
| Benefits Audit | 1.2 | | | 1.2 |
| Strategic Sourcing | -- | 1.1 | 0.8 | 1.9 |
| E-Sourcing | 0.75 | 1.5 | 1.5 | 3.75 |
| Special Education | (0.6) | 5.7 | 6.8 | 11.9 |
| Estimated Potential Total Savings | 4.5 | 18.5 | 9.3 | 32.3 |

¹¹ Opportunities with an asterisk (*) represent one time savings vs. those opportunities which represent a structural savings for TCDSB

School Block Carryover:

Context: Each year, schools are allocated a budget for which to procure goods and services. Annual budgets allocated to schools are not completely used and the residual funds at fiscal yearend are carried over to the following year's budget.

Opportunity: Although the historical practice has been for TCDSB to restrict internally these carried over funds, the Ministry does not classify them as restricted. As such, there is an opportunity to apply the \$5M of unspent school funds towards the deficit. This is a one-time measure in 2015-16.

Although these funds are available and Deloitte recommends using these funds towards eliminating the structural deficit, the board has earmarked a portion of these funds towards other priorities:

- \$1.1M – Professional development
- \$0.5M – Sinking fund interest
- \$0.2M – Trustee playground

Deloitte recognizes that some commitments to use these funds have been made; as a result, only \$3.1M can be utilized towards the structural deficit. This \$3.1M has been carried over from unspent school funds.

| School Block Carryover | 2015-16 | 2016-17 | 2017-18 |
|------------------------|---------------|---------|---------|
| Potential Savings | \$3.1 | -- | -- |
| Implementation Costs | | -- | -- |
| Net Benefit | \$3.1M | -- | -- |

Risks and Key Considerations: This approach of limiting school expenditure to historical spend will have more of an immediate impact on expenditures. However, a detailed spend analysis should be conducted by the board's Material Management division to understand which commodities constitute the majority of spend and whether supplier and transportation costs are expected to increase independently of school buying patterns. Utilizing the school block carryover is a one time reduction in 2015-16 and applying this reserve to the accumulated deficit will not be required in future years. However, there is an opportunity for schools to modify their budgets to ensure that they do not continue to maintain a carryover each year which will in turn generate overall savings for TCDSB.

A key dependency for implementation will be clear communication to schools as well as fiscal policy alignment, systems configuration and spending controls that will stop any transaction that has the potential to exceed the maximum budget. Principals will need to work with Materials Management to plan as much of their buying as possible and to use system reports to diligently track budgets.

Literacy 5th Block Program:

Context: The 5th Block program is an elementary literacy program for students who require additional literacy assistance. This program is not funded by the Ministry of Education and continues to put a cost pressure of \$3.1M on TCDSB's annual budget. In April 2015, the Board of Trustees approved a motion to decrease the scope of the program and remove 6 out of the 37 teachers.

Opportunity: Since the 5th Block program is not funded by the Ministry, we recommend completely removing the program and alleviating this cost pressure on the budget. This will involve surplusing the remaining 31 teachers in the 5th Block program.

| Literacy – 5 th Block Program | 2015-16 | 2016-17 | 2017-18 |
|--|---------|---------------|---------|
| Potential Savings | -- | \$3.1M | -- |
| Implementation Costs | -- | -- | -- |
| Net Benefit | -- | \$3.1M | -- |

Risks and Key Considerations: All elementary school teachers are trained in early literacy intervention and as a result, TCDSB will continue to provide literacy support to elementary school children.

Student Transportation:

Context: TCDSB's current transportation model puts a cost pressure of over \$4.0M on the budget in 2014-15 and will put a \$5.4M cost pressure in 2015-16.

Opportunity: The largest group of students who place pressure on the budget are non-qualifying riders or students who do not live within the catchment area but are nevertheless provided with transportation services. There are over 7,000 non-qualifying riders with an expenditure level of \$810,000 per year. However, unless 90% of the affected students are retained, this measure would result in a negative financial impact. With the sole purpose of financial recovery, restricting non-qualifying ridership without further analysis on retention rates is not recommended.

There are however, a number of other transportation savings measures that should not impact enrolment. The following programs listed below contribute to the transportation cost pressure and elimination of transportation services for students in these programs should not impact student enrolment.

- Practical Applied Living Skills
- High School EXC
- Section 23 Transportation
- Summer School Transportation
- Outdoor Education

- Co-op Placement
- Eastern Rite Realignment
- Eastern Rite Transportation
- Extended French

| Student Transportation | 2015-16 | 2016-17 | 2017-18 |
|------------------------|---------|---------------|---------|
| Potential Savings | -- | \$1.5M | -- |
| Implementation Costs | -- | 0 | -- |
| Net Benefit | -- | \$1.5M | -- |

Risks and Key Considerations: The biggest consideration that TCDSB must account for when making reductions in student transportation services is the impact on student enrolment. In order to do so, TCDSB must consider that student retention rates after implementation maintain a net positive financial impact.

Regional Elementary Guidance Teachers:

Context: In 2014-15, there were 16 regional elementary guidance teachers across eight catchment areas, each of whom were responsible specific schools. In April 2015, TCDSB management proposed a reduction of eight of these regional guidance teachers; the Board of Trustees only approved the removal of four of these positions.

Opportunity: Given that two regional elementary guidance teachers provide support to each catchment area, there is an opportunity to remove another four positions, leaving eight regional guidance teachers, one for each region.

| Regional Elementary Guidance Teachers | 2015-16 | 2016-17 | 2017-18 |
|---------------------------------------|---------|---------------|---------|
| Potential Savings | -- | \$0.4M | -- |
| Implementation Costs | -- | 0 | -- |
| Net Benefit | -- | \$0.4M | -- |

Risks and Key Considerations: There will need to be a reallocation of responsibilities amongst the remaining elementary regional guidance teachers. However, Deloitte research has found that other large school boards in and around the GTA do not have regional elementary guidance teachers; such positions were only found at the secondary level.

Itinerant Teaching Model

Context: TCDSB is projected to overspend approximately \$5.7M on elementary school itinerant teachers in 2014-15. Within TCDSB, these teachers provide prep-time for regular elementary classroom teachers in areas such French, physical education, vocal

music, instrumental and health. However, unlike other large school boards in and around the GTA, TCDSB itinerant teachers do not teach multiple disciplines.

Opportunity: Compared to another large GTA school board, TCDSB has a higher itinerant teacher to student ratio.¹² Combined with TCDSB's overspend of Ministry allocation for prep-time teachers, there is a significant opportunity to reduce the number of itinerant teachers in the system by allowing teachers to teach multiple disciplines. While some degree of analysis is required to determine what disciplines teachers are currently trained in, there is an opportunity to reduce the overspend by 50% or \$2.9M. This will bring TCDSB closer to Ministry allocation and school board benchmarks. While there is still opportunity, we acknowledge that TCDSB is located in the GTA and teachers will require additional travel time due to traffic and distance between schools.

| Itinerant Teachers | 2015-16 | 2016-17 | 2017-18 |
|----------------------|------------------|----------------|------------------|
| Potential Savings | | \$2.9M | |
| Implementation Costs | (\$0.25M) | (\$0.25M) | (\$0.25M) |
| Net Benefit | (\$0.25M) | \$2.65M | (\$0.25M) |

Key Risks and Considerations:

- There may be collective bargaining issues or contract stipulations which specifically prevent itinerant teachers from teaching more than one discipline. TCDSB will need to ensure that adequate training is provided for teachers and additional funds are built into this opportunity for additional professional development and training.
- There is a risk of creating itinerancy within the school in order to avoid itinerancy outside of it.
- Additional training and professional development may be required to ensure that itinerant teachers are able to teach multiple disciplines. These costs have been estimated at \$0.25M per year over three years.

International Languages:

Context: The International Languages Program is an elementary school program where children have an opportunity to learn another language. At TCDSB schools, this program is either provided through an Extended Day program or an After Hours program. The extended day program is administered by lengthening the school day by 30 minutes, whereas the After Hours program is held either after school hours or on the weekend. The program is funded by the Ministry as well as external grants; however, in 2014-15, TCDSB was overspending by \$1.6M.

¹² TCDSB has a 1:103 itinerant elementary school teacher: student ratio whereas another large GTA school board has a 1:119 ratio.

Opportunity: In April 2015, the Board of Trustees approved a \$0.9M reduction to the International Languages program. Despite this reduction, the program is still unfunded by approximately \$0.7M. According to 2012-13 financial data, the Extended Day program was overspent by approximately \$1.2M while the After Hours program was only overspent by \$0.058M. As a result, in order to obtain an additional savings, we recommend transferring the Extended Day program and students to an After Hours program.

Total expenditures for the International Languages program in 2012-13 were approximately \$6.8M.¹³ Transferring all students from an Extended Day program (\$295/pupil) to an After Hours program (\$241/pupil) provides an opportunity to save \$54/pupil which can translate up to \$1.0M in savings.¹⁴

| International Languages | 2015-16 | 2016-17 | 2017-18 |
|-------------------------|---------|---------------|---------|
| Potential Savings | -- | \$1.0M | -- |
| Additional Revenue | -- | \$0.5M | -- |
| Net Benefit | -- | \$1.5M | -- |

Risks and Key Considerations: Transitioning to an After Hours program for International Languages at a cost of \$5.8M, would require support from parents and may incur additional costs for transportation, which have not been factored into this analysis.¹⁵ It is important to note that other school boards in the GTA are also implementing International Language programs outside regular school hours. In addition, these school boards either charge a small fee for students to attend or request that students purchase the requisite textbooks prior to starting the course. It is recommended that TCDSB charge a similar fee (\$20/student) in order to offset the expenditures for this program and ensure that TCDSB is not incurring a deficit for operation of the International Languages program.

Energy Management:

Context: While the school board has taken steps to reduce energy-related costs, their Intensity level (216.91 ekWh/m²) is currently above the provincial level (212.96 ekWh/m²) and the top quartile (150.26 ekWh/m²).¹⁶

Opportunity: TCDSB has developed an energy management plan that includes planned system retrofits and the roll out of Building Automation Systems (BAS). The plan includes low-cost initiatives aimed at changing energy consumption behaviours of students and staff as well as other green initiatives unrelated to expensive and lengthy system upgrades. The plan sets achievable consumption reduction targets from 2013-2018 and includes a 6% reduction for 2015-2018. It is recommended that TCDSB adhere to their Energy Management Plan for the

¹³ Of the \$6.8M in total expenditures, \$5.2M was funded by the Ministry and \$0.3M funded through other grants.

¹⁴ All costs to run and operate the After Hours program have been built into the additional costs line. The difference between running the program under the Extended Day program and an After Hours program represents a savings of approximately \$1.0M. This is based off of 2012-13 financial data.

¹⁶ Current Energy Intensity (EI) level has been referenced from the energy consumption database

next three years which will allow them to meet the provincial average by the end of 2015-16.

Based on the board's estimated total annual heating and cooling spend of \$16,421,977, reducing the board's energy intensity by 1.82% in the first year, 2.0% in the second year and 2.5% in the third year (for a total of 6.3%) will deliver a net savings of nearly \$0.8M by FY 2017-18.

| Energy Management | 2015-16 | 2016-17 | 2017-18 |
|----------------------|---------------|---------------|---------------|
| Potential Savings | \$0.3M | \$0.4M | \$0.4M |
| Implementation Costs | (\$0.1M) | (\$0.1M) | (\$0.1M) |
| Net Benefit | \$0.2M | \$0.3M | \$0.3M |

Risks and Key Considerations:

- The assumption is that rolling system retrofits including BAS implementations have been included in the forecasted annual expenditures for facilities.
- Historically the board has also struggled with developing school designs within the Ministry benchmark. This trend could pose a risk to budgets set aside for energy management where funds may be required to compensate for unfunded portions of development.
- Achieving EI reductions will require a dedicated staff member who is an expert from the field of energy management (estimated at \$80K recurring annual cost for salary and benefits).
- Limited net benefits are expected in year 1 because it may take one year to implement programs and/or infrastructure. However, if the target of 6.3% reduction can be achieved by 2017-18 then there is a potential for an accumulated gross savings of \$1.0M.

The fluctuation in gas and electricity rates, as well as weather patterns, will add a measure of risk and uncertainty in achieving the estimated savings.

Attendance Support Strategy and Program Implementation

Context: TCDSB currently spends approximately \$18.2M in primary and secondary occasional teachers, of which they overspend by \$5.3M annually. These cost pressures stem from the accumulation of short term sick days which is an average of 12.1 days/year. When compared with the average of other boards across the sector, this represents a gap of two days as the provincial average is 10.1 days/year.

Opportunity: In order to reduce absenteeism and support employees who experience high rates of absenteeism, implementation of an Attendance Support program is recommended.

Many other school boards have moved forward with an Attendance Support program during and since the introduction of the Ministry's MOU. In some instances, the

increase in attendance has been as much as 10%, which in TCDSB's case could represent a saving of \$1.8M. However, 3% of these savings will be realized through the Short Term Disability (STD) Adjudication opportunity (see next expenditure reduction opportunity) in the elementary panel under the current contractual agreement. As a result, only 7% of savings will be realized through an attendance support program.

| Attendance Support | 2015-16 | 2016-17 | 2017-18 |
|----------------------|-----------------|---------------|---------------|
| Potential Savings | -- | \$0.9M | \$0.4M |
| Implementation Costs | (\$0.2M) | (\$0.2M) | (\$0.2M) |
| Net Benefit | (\$0.2M) | \$0.7M | \$0.2M |

Risks and Key Considerations: Implementation of an Attendance Support program would require investment in the following key areas in 2016-17 with cost savings realized in 2017-18:

- Detailed assessment and policy development support from a 3rd party (i.e. SBCI)
- Recruit an experienced and dedicated Attendance Support Coordinator
- Labour relations capacity to support union discussions and policy development
- Systems modifications to provide enhanced reporting for the Attendance Support Coordinator
- Training for Superintendents, Principals, Vice-Principals to be conducted by HR staff and potentially 3rd party support

Short Term Disability (STD) Adjudication

Context: While the board could benefit from the eventual implementation of an Attendance Support Program, management currently has an obligation to provide sufficient adjudication of STD (short term disability claims). Relative to industry benchmarks of adjudicators to staff (1:1900), the school board is under capacity (under-staffed)¹⁷. The current TCDSB ratio of dedicated STD adjudicator to employees is roughly 1:7,470¹⁸.

While the Board has already recruited one adjudication specialist, based on industry benchmarks, it is recommended that a second adjudicator and an administrative assistant be recruited in the first year to support the board's internal adjudication process for Elementary Teachers, Custodial, Maintenance, and Elementary School Support Staff as well as Board Administration staff, as well as

¹⁷ STD adjudicator caseload = 32-35 open cases, Major Canadian Insurer Study; Average length of STD claim (unionized workforce): 34.2 days; Average number of consecutive days of absence required prior to STD claim (unionized workforce): 8.1 days; Percentage of employees on STD (unionized workforce): 15.0%, Conference Board of Canada's June 2010 report (Beyond Benefits II - Disability Plans and Absence Management in Canadian Workplaces). Based on the statistics above, the average length of a disability, from first day, would be approximately 42.3 days (8.1 days + 34.2 days) or 6.1 weeks. With an optimal open case load of 33.5 cases, this would have one individual handling a case load of approximately 285 open cases per year. If 15% of the population is on STD, this represent an insured population size of approximately 1,900 employees per STD adjudicator

¹⁸ Based on 1 adjudicator for 7,472 staff

provide full-time administrative support. Depending on need, a third adjudicator should be hired in the second year. In addition, the board should consider additional legal fees to support the management of potential grievances.

Opportunity: The first year would require an investment of \$0.21M for three additional resources; however, savings in year one (based on a 5% reduction in elementary supply teachers) would provide \$0.32M.

| Short Term Disability | 2015-16 | 2016-17 | 2017-18 |
|-----------------------|---------------|---------|---------|
| Potential Savings | \$0.5M | -- | -- |
| Implementation Costs | (\$0.2M) | -- | -- |
| Net Benefit | \$0.3M | -- | -- |

Risks and Key Considerations

- Change management and communications to employees will be critical in order to avoid misunderstanding that this is a net new attendance support program (rather than increasing an existing function's capacity and expertise).
- The board may require additional legal capacity in order to address potential grievances

Benefits Audit

Context: The purpose of a third party benefits audit is to review the work of the Plan Administrator (in this case Great West Life) and its subcontractors with regard to its claims adjudication and administrative performance. The objective is to evaluate the completeness, accuracy and quality of claims adjudication and cost management relative to plan policy.

Opportunity: There are several opportunities which fall under this category:

- Benefit Claims System Mapping Audit - ensure that the insurer's system configuration is aligned with the master policy
- Targeted History Services Audit - identify potential plan abusers and the extent to which the administrator has taken measures to address and/or whether TCDSB should be compensated
- Claims Adjudication Audit of 300 – 400 claims - identify monetary and procedural errors against the master benefits policies and plans
- Conduct a PDD (Pay Direct Drug Claims) Audit - identify errors and abuse in the provision of drug benefits as well as the supporting processes relative to the master policy and industry benchmarks.

Benefit carrier audits, based on sector experience¹⁹, can deliver anywhere between 1-5% of savings on total spend examined. In some cases, portions of

¹⁹ P26. The Road Ahead. A report on continuous improvement in school board operations. [Operational Reviews for Ontario District School Boards 2007-2013](#), Ontario Ministry of Education

those benefits paid by the carrier were returned to the school board. Considering that the board has not conducted an audit of this nature in its history with the carrier, the savings have been estimated in the middle of the benchmark range (3%). This metric applied against the school board's total spend with GWL \$46.5M²⁰. The total opportunity has been estimated as \$1.2M net of the investment in the audit (estimated at \$0.2M).

| Benefits Audit | 2015-16 | 2016-17 | 2017-18 |
|----------------------|---------------|---------|---------|
| Potential Savings | \$1.4M | -- | -- |
| Implementation Costs | (\$0.2M) | -- | -- |
| Net Benefit | \$1.2M | -- | -- |

Risks and Key Considerations:

- The audit should be conducted by a third party i.e. not the school board or the benefits carrier (Great West Life). The cost based on Deloitte experience and quotes for similar audits received by TCDSB is estimated at \$0.2M and would include the examination of between 300 – 400 claims.
- The carrier will need to be fully cooperative with the auditors and allow access to systems and claims.
- The audit may require unplanned support time from school board staff.
- The final audit report in itself will not deliver the savings. Staff will need to implement the recommendations and react to the findings of the report by e.g. formally requesting adjustments from the carrier, make the necessary system and process changes, etc.
- Depending on staff capacity to react to the report, savings may not be fully realized in the year the audit is undertaken.

Strategic Sourcing:

Context:

a) Spend Under Contract

In FY14 the school board spent just over \$93.5M through system generated purchase orders (POs). Approximately 22 of the vendors from the vendor master list are currently not under contract with the board. This represents roughly \$6M of spend not under contract. However, a large portion of this spend (approximately \$4-5M) is sole sourced (only one vendor can provide the service/goods). This leaves approximately \$1-2M of spend with a portion of vendors with which there may be an opportunity to negotiate a contract.

b) Spend Under Management

Within the group of vendors currently under contract and engaged through POs there is an opportunity to implement vendor management or "spend under

²⁰ Sum of Health and Dental benefits provided by Great-West Life attained from "Comparative Analysis of Benefits 2015-16"

management” in order to ensure that contract pricing and vendor performance is being maintained. Key TCDSB categories of spend to consider include Suppliers, Leases, and Services totaling just over \$18.3M

c) *Cheque Requisitions*

In 2014, TCDSB also processed approximately \$121M of spend through payment requisitions (i.e. spend for recurring items such as utilities, data, student transportation, insurance, etc. for which there are vendor contracts in place) with a small portion being processed through cheque requisitions (i.e. not through POs, p-cards, portals, etc.). Schools alone generate over \$1.7M in cheque requisitions. While this may be due in some cases to legitimate sole source transactions (purchases where only one vendor is qualified) and only an invoice or receipt can be produced after the transaction has been authorized. There is an opportunity to migrate and consolidate some of this spend under existing contracts with pre-existing board-approved vendors.

Opportunity: The board should implement strategic sourcing that focuses on the following key areas and would deliver as a conservative estimate of more than \$1.9M over three years:

a) *Implement a demand management review: Validate essential demand and reduce unnecessary demand*

b) Areas for review include, subscriptions, hospitality related to professional development and student outdoor education programs where retreats are included (e.g. the Mansfield Outdoor Centre and Teen Ranch total more than \$0.53M annually).

- A review of hospitality and travel-related spend relative to the priorities of the board (total spend of \$1.2M of cheque requisition transactions and \$0.085M of POs) could deliver a saving of more than \$0.1M just on a modest 8% reduction²¹
- Other uncategorized types of spend at the central board level represent an opportunity for a cost avoidance review. The total questionable spend occurs most frequently through cheque requisitions and not through vendors of record or standing contracts. Similarly school spend is inconsistent in terms of the nature of items and the method (cheque requisition) of payment.

c) *Consolidating spend: Pooling and rationalizing spend to leverage volume discounts from vendors.*

This can be achieved in a number of ways. The following are only examples based on a high level analysis of specific categories of spend:

- **Migrating PO spend with vendors not under contract.** This type of spend represents \$1-2M in transactions. There may be an opportunity to

²¹ Deloitte strategic sourcing for entire provincial governments, including ministries of education and their intuitions, has delivered between 3-8% savings in hospitality expenditures alone.

negotiate a contract with approximately 40-50% of those vendors²² and achieve 5-10% savings²³ estimated at \$0.1M

- **Reducing School-based Cheque Requisitions** by enforcing purchasing policy, conducting a spend analysis to identify new or emerging vendors and or moving spend under contract could produce savings 5 -10%²⁴ savings on \$1.7M of total spend could result in \$170K in cost avoidance
- **Consolidate spend from similar vendors to increase volume.** General school supplies, as an example, has a total spend of more than \$0.7M and is spread across 5 vendors. There may be opportunities to consolidate volume and increase savings by 2-5% (expected benefit \$35K)

d) Moving to a “spend under management model”²⁵.

It should be noted that putting vendors under contract with TCDSB does not necessarily move them “under management” and so further savings across existing contracts could potentially be achieved through dedicated vendor management and contract renegotiation. Where TCDSB has limited capacity within Materials Management, industry analysis has shown utilization of online eSourcing tools²⁶ can improve spend under management by reducing goods and services pricing by as much as 6-12%²⁷. With a selected spend under contract of \$18.3M²⁸ a moderate saving of 9% presents a \$1.6M opportunity.

| Strategic Sourcing | 2015-16 | 2016-17 | 2017-18 |
|--------------------|----------|---------------|---------------|
| Potential Savings | 0.1M | \$1.1M | \$0.8M |
| Additional Costs | (0.1M) | -- | -- |
| Net Benefit | 0 | \$1.1M | \$0.8M |

Risks and Key Considerations:

- Changing behaviour (primarily at the school-level) through education, and change management, but also the insistence on better demand planning and forecasting from requesters and approvers will be a challenge. This initiative must be supported by a strictly enforced spending policy that also supports flexibility and timeliness of purchasing, balanced with the effort to control spend.
- Examining spend “demand” to assess the priority of expenditures related to programs and spending traditions will present challenges to materials management and finance staff. In this regard administrative staff should work closely with program leads to develop an expenditure evaluation framework that can be applied consistently across selected programs and

²² Based on nature and percentage of TCDSB transactions occurring across industry types

²³ Based on % of current spend on school supplies and Deloitte strategic sourcing benchmarks from Public sector

²⁴ Based on assumption that more than 50% of spend is related to office supplies and similar contracts currently in place.

²⁵ Note that increasing supplier competition and contract renegotiation is covered in the next section of this report called: Electronic Sourcing

²⁶ See eSourcing section of this report for costing and implementation considerations of supporting tools.

²⁷ Ardent Partners Online

²⁸ Selected TCDSB categories of spend by PO to consider include Suppliers, Leases, and Services

functions to examine on a consistent basis elements such as: value for money, sustainability, centrality to mission, etc.

- In order to effectively understand the patterns of spend and develop more accurate expenditure forecasts as part of a strategic sourcing initiative, the board should consider investing in a data analytics tool and training that is compatible with SAP (e.g. Tableau or Qlikview). Desktop licence and training is estimated at \$0.05M.
- E-Sourcing tools can provide automation to compensate for limited capacity within the Materials Management Department (for more information see the next section on Electronic Sourcing).

Electronic Sourcing:

Context: Currently, TCDSB posts open tenders (RFx) on an online portal that connects suppliers providing goods and services to buying organizations. The process to develop an RFx, post it on this portal, receive, evaluate and award submissions is a lengthy and time consuming process.

Opportunity: In November 2013, the Ministry of Government and Consumer Services (MGCS) awarded BravoSolutions a contract to implement an electronic sourcing solution for the Province of Ontario. Under a Vendor of Record agreement, this solution, Ontario Tenders Portal is available to all Broader Public Sector (BPS) entities in Ontario, free of charge. There are a number of cost savings associated with transitioning onto Ontario Tenders Portal, which other BPS entities have already realized, including increased competition and lower cost per bid, improved spend under management, process efficiency, cycle time improvement and increased capacity.

| E-Sourcing | 2015-16 | 2016-17 | 2017-18 |
|----------------------|----------------|---------------|---------------|
| Potential Savings | \$1.0M | \$1.5M | \$1.5M |
| Implementation Costs | (\$0.25M) | -- | -- |
| Net Benefit | \$0.75M | \$1.5M | \$1.5M |

Key Risks and Considerations: Implementation of a new e-Sourcing solution will require some training and change management. While training is provided free of charge by BravoSolutions, there will be an adjustment period while the Materials Management Division acclimates to this new technology. In addition, TCDSB may need to integrate their SAP system to Ontario Tenders Portal, which will cost approximately \$0.25M.

Special Education:

Context: An analysis of 2014-15 revenue and revised expenditures indicates that TCDSB is overspending in Special Education Programs by approximately \$20M,

particularly at the secondary level. Specifically in 2014-15, TCDSB is projected to overspend in secondary school Education Assistants (EAs) by approximately \$10M.

While TCDSB utilizes a scheduling formula called *Support Staff for Student Needs*, EAs inevitably end up scheduled and assigned to schools and students on an informal and ad-hoc basis; the formula is not consistently applied across the system for allocating EAs to students and schools.

Opportunity: In order to reconcile the funding gap and to eliminate the structural deficit situation at the Board, the primary recommendation being proposed is to formalize a staffing allocation system for EAs and allocate EAs to students based on the needs of the system. This would result in a change in the service delivery model and reduce the number of EAs by 260 at the end of 2017-18.

| Special Education | 2015-16 | 2016-17 | 2017-18 |
|----------------------|------------------|---------------|---------------|
| Potential Savings | -- | \$6.0M | \$7.0M |
| Implementation Costs | (\$0.63M) | (\$0.23M) | (\$0.23M) |
| Net Benefit | (\$0.63M) | \$5.7M | \$6.8M |

Risks and Key Considerations: In conducting this analysis, Deloitte applied staffing ratios and benchmarks from other comparable school boards, including Catholic school boards, who are also in the process of determining similar expenditure reduction measures. Proposed measures in this section aspire to current benchmarks. It is important to note that these school boards aspire to the same values and have also demonstrated a commitment to achieve student success.²⁹

Despite the similar mix of students in exceptionality groups across comparable school boards, using benchmarks with two comparable school boards – a large Catholic school board and a large GTA school board - TCDSB has a relatively high staff-to-student ratio for EAs within the Special Education program. Based on a high-level analysis of each Board's spend, comparable school boards are also overspending on EAs in Special Education; however, TCDSB's spend is significantly higher. As a result, reduction in EAs through a staffing allocation system represents a significant opportunity for TCDSB to continue to reduce the accumulated deficit and allow the Board to maintain a sustainable financial situation going forward.

In order to implement a formal staffing allocation system, there are a number of implementation costs that need to be considered. These are outlined in Table 5.

Table 5: Special Education Potential Net Benefit

| Implementation Costs | 2015-16 | | 2016-17 | | 2017-18 | |
|----------------------------|---------|---------------|---------|---------------|---------|---------------|
| | FTE | Savings (\$M) | FTE | Savings (\$M) | FTE | Savings (\$M) |
| System Costs | - | (\$0.5M) | - | (\$0.1M) | - | (\$0.1M) |
| Coordinator Training Costs | - | (\$0.08M) | - | (\$0.08M) | - | (\$0.08M) |

²⁹ In reducing special education staffing to meet the benchmarks of comparator schools, it is our recommendation that service delivery and quality standards not fall below these schools.

| | | | | | | |
|--------------------------------|---|------------------|------------|------------------|------------|------------------|
| EA Training Costs | - | (\$0.05M) | - | (\$0.05M) | - | (\$0.05M) |
| Total Costs | - | (\$0.63M) | - | (\$0.23M) | - | (\$0.23M) |
| Potential Savings | | | | | | |
| School-based EAs | - | - | 100 | \$5.0M | 100 | \$5.0M |
| Unassigned EAs | - | - | 20 | \$1.0M | 30 | \$2.0M |
| Total Potential Savings | - | - | 120 | | 140 | \$7.0M |
| | - | - | | | | |
| Net Benefit | - | (\$0.63M) | 120 | \$5.77M | 140 | \$6.77M |

- a) System costs – In 2015-16, there will be an upfront cost of approximately \$0.5M to procure a technology solution; each year there will be \$0.1M in system upgrade costs to consider
- b) Coordinator Training costs – A Coordinator is required to manage the staffing allocation system and ensure that EAs are allocated in an appropriate and consistent manner.
- c) EA Training costs – Additional training and professional development for EAs is required each year so that EAs can improve the level of support they are able to provide to special education students.

In 2015-16, the EA allocation for the 1,000 EAs will be as follows: 100 EAs assigned to 100 high-needs students (1:1 ratio), 700 EAs allocated across the various schools and 200 EAs assigned as floater EAs, one EA per school. These EAs are not assigned to a student but could be used for various needs. With a new service delivery model, there would be no need for floating EAs assigned to each school; based on the competency of an EA, they would be assigned to student needs, rather than school-based needs.

It is also recommended that TCDSB establish a comprehensive criteria for assigning EAs to a student based on a thorough assessment of EA skills and competencies. This will ensure that EAs have the skills and ability to meet the needs of students depending on the severity of an individual student's needs will avoid assigning multiple EAs to one student.

TCDSB also needs to develop a framework for identifying needs of a student, whether they are physical, behavioural, emotional, clinical, etc. The combination of development of a competency criteria applied to staff in a prescribed manner, together with a student needs framework, will guarantee described outcomes.

Additional Recommendations and Key Considerations

In addition to the expenditure reduction opportunities listed above, Deloitte has a number of recommendations for TCDSB:

Special Education

In April 2015, the Board of Trustees approved the reduction of 14 Central Program Coordinators (CPCs), including all five coordinators for special education. These individuals were responsible for coordinating the special education operations and program activities, conducting the IPRC process and acting as a liaison between teachers and management.

Recommendations:

- a) **Dedicated Support Role:** Given that the Board also approved \$6.8M worth of special education expenditure reduction measures, it is recommended that TCDSB assign dedicated coordinator special education in order to be able to manage the new special education system and report to the Superintendent of Special Education.³⁰ There is significant risk in implementing a new special education service delivery model without a central coordinator. While discreet tasks can be transferred to other roles in the Special Education program, there remains a need for program oversight and chain of accountability.³¹ It is important to note that TCDSB has additional support personnel within special education, including the Chief of Autism Spectrum Disorders, a Chief Psychologist and a Chief Social Worker who provide specialized support but do not provide overarching coordination support to the entire program. Some of the key concerns for the Board without a Central Programming Coordinator role is in the gap left behind in overseeing IPRCs, managing staffing levels and dealing with conflicts and disputes as they arise.
- b) **Utilize Educational Interveners:** The second recommendation is to utilize Educational Interveners (EI) rather than EAs to provide support for students

³⁰ Deloitte recommends that this position be analogous to an Assistant Superintendent. Other boards have similar positions (e.g. TDSB has two coordinating superintendents who report to the Executive Superintendent of Special Education and YCDSB has three program coordinators)

³¹ Core responsibilities for this position would include but are not limited to the following:

- Coordinate the operations and program activities across special education areas
- Work collaboratively with resource teacher, principals and teachers
- Oversee IPRC process and assist in conducting reviews
- Assign and supervise support staff (e.g. EAs, CYWs, etc.) based on student need
- Represent the Board's interests at various student assessments and discussions
- Directly reports to the Superintendent of Special Education

with significant learning or medical needs. This is a role that is also used within other large school boards. EIs possess specialized training and expertise and are able to provide support to students who previously would have required more than one EA. While EIs are compensated above EAs, providing differentiated support to students will ultimately result in lower costs and increased support to students.

Capital Expenditures

While the focus of this report is on operating expenditures, the management of capital projects at TCDSB has possible implications for operating expenditures going forward, TCDSB cannot use their Proceeds of Disposition (POD) funds for capital over expenditures. The Board is reminded to make every effort to design and build school capital projects that are within the Ministry's benchmarks and funding.

Recommendations:

- a) **Adherence to Ministry Capital Construction Approval Process:** TCDSB has been working together with the Ministry to improve the design of future capital projects; we encourage TCDSB to continue to work within the Ministry's Capital Construction Approval Process to ensure that projects can be built to within Ministry funding benchmarks. The design process for school construction is a critical starting point in ensuring that the total cost for a capital project remains within the approved funding allocation provided by the Ministry. TCDSB should complete the Facility Space Template (for new schools and major additions and retrofits that cost more than 50% of the value of the existing school) and have it approved by the Ministry prior to the board retaining the services of an architect. The approved Facility Space Template is to be provided to the architect to serve as the project's space requirement document. The Ministry encourages the TCDSB to complete the Facility Space Template to allow for potential future cost escalation during a project's construction. This may require the TCDSB to design its space requirements for a project to 90% - 95% of the available space benchmark ratios in the Facility Space Template.

It is important to note that the Ministry's Capital Construction Approval Process provides the TCDSB with flexibility to design spaces and features within its schools to serve its needs, as long as the overall project cost remains within the total project approval amount. For example, some school boards have been able to include air conditioning in schools, but have foregone other features to ensure that the total project costs remain within budget. TCDSB is encouraged to consult with other school boards that have successfully designed and constructed schools to within the Ministry's funding benchmarks.

TCDSB is also reminded of the Ministry's new policy on the use of Proceeds of Disposition, with the focus on the use of these funds to address school renewal needs. As a result, TCDSB should adjust its capital budgeting process accordingly.

- a) **Establish Contingency in Capital Budgets:** Budgets for new capital projects should contain a contingency fund of at least 10%.
- b) **Utilize Ministry Capital Consulting Resources:** TCDSB should continue to utilize the Ministry's capital consulting resources in the planning and design development stages in order to ensure that plans are efficient and aligned to the Ministry's guidelines.

Small School Consolidation

A number of School Accommodation Reviews (SAR) are currently underway in order to balance enrolments, right-size schools and increase efficiencies of existing school spaces. There are three definitions for a small school³²:

1. Schools less than and equal to 200 pupil places – there are currently 9/168 elementary schools which fit this definition
2. Schools with an enrolment less than or equal to 200 students – there are currently 30/168 elementary schools which fit this definition
3. Schools with a utilization rate of less than 50% of the Ministry rated capacity – there are 19/168 elementary schools which fit this definition.

TCDSB has identified three cycles for School Accommodation Reviews; the first phase is currently underway. There are operational efficiencies that are associated with school consolidations; however, there are also a number of cost implications which are unknown at this time, specifically within transportation, which may place additional cost pressures on TCDSB's operating budget and need to be considered. Further analysis as well as stakeholder consultation is required prior to identifying and recommending certain schools for consolidation.

Transportation

In December 2011, an Effectiveness and Efficiency (E&E) Review of the Toronto Transportation Group (TTG) was conducted by a review team selected by the Ministry of Transportation. The E&E Review evaluated four areas of performance to determine if current transportation practices are reasonable and appropriate; to identify if any best practices have been implemented; and to provide recommendations on areas of improvement. Based on the overall rating by the review team, the Ministry determined whether any additional in-year funding would be provided to TCDSB for student transportation services.

As noted above, TCDSB provides student transportation services to over 7,000 non-qualifying riders who are either outside of the catchment areas of within walking distance of a TCDSB school. It is not recommended that TCDSB restrict non-qualifying ridership without further analysis on retention rates.

Recommendation:

³² TCDSB School Accommodation Review Priority Ranking, January 2015

- a) **Harmonize TCDSB policies:** Deloitte recommends that TCDSB revisit the board's policies and procedures and harmonize their policies with the public board in TTG where possible.

Cashless School System

Although the implementation of cashless schools provides an opportunity to increase administrative capacity (both centrally and at the school level), and has been proven to increase participation in school based programs (e.g. school food programs), the purpose of the Multi-Year Recovery Plan is to identify material cost savings as quickly as possible.

Recommendation:

- a) **Conduct in depth analysis of cashless school system:** In this regard, the review team found that cashless schools was a lower priority as the time to value will begin to exceed the three year time constraint. Additionally, since the business case for cashless schools will rely on transaction fees and system implementation cost recovery margins; a detailed stakeholder price sensitivity and risk analysis would need to be conducted before moving forward to implement this solution.

Benefits Surplus

The Board and its unions have shared ownership of a benefits surplus, a portion of which can be released back to TCDSB, if all parties are in agreement (including the Ministry, unions and TCDSB). An actuary will ultimately determine how much will be released and how much will remain in reserve. It is recommended that the amount that is released should be applied to the structural deficit with the acknowledgement that this is a one-time revenue source.

Revenue Generation Opportunities

In addition to determining a number of cost reduction opportunities, the Board has brought forward additional revenue sources for consideration which can offset the cost of operating expenditures.

The table below highlights specific opportunities and projected revenue per year for TCDSB.

Table 6: Revenue Generation Opportunities

| Opportunity | Description | Potential Revenue (\$M) | Implementation Costs (\$M) | Potential Net Benefit (\$M) |
|-----------------------------|---|-------------------------|----------------------------|-----------------------------|
| Parking | Charge staff, students and visitors for parking across TCDSB's 7000 parking spots through the use of a Parking Access and Revenue Control System (PARCS) | \$1.1M | (\$0.5M) | \$0.6M |
| Visa Students | Expand TCDSB's International Education Program which provides international students an opportunity to study at one of TCDSB's schools. | \$0.9M | -- | \$0.9M |
| Facility Rental Fees | Increase fees that TCDSB charges organizations for the use of their facilities. Begin to charge religious institutions and school-oriented events to lease its space or attain a permit. Currently TCDSB does not charge these organizations for their events. | \$0.3 - \$0.6M | -- | \$0.3 - 0.6M |
| Total | | \$2.3 – 2.6M | (\$0.5M) | \$1.8-2.1M |

Implementation Roadmap

The following three-year roadmap provides a high level overview of the design and analysis required for each recommendation together with a timeline for implementation.

Appendix A



| | | FY 2015-16 | | | | FY 2016-17 | | | | FY 2017-18 | | | |
|-------------------------------------|--|---------------|----|----|----|----------------|----|----|----|---------------|----|----|----|
| Opportunities | | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 |
| Expenditure Reduction Opportunities | Schedule 5 – School Block Carryover | | | | | | | | | | | | |
| | Literacy – 5 th Block Program | ■ | ■ | ■ | | | | | | | | | |
| | Student Transportation | ■ | ■ | ■ | | | | | | | | | |
| | Elementary Guidance Teachers | | ■ | ■ | ■ | | | | | | | | |
| | Itinerant Teaching Model | | | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ |
| | International Languages | | ■ | ■ | ■ | | | | | | | | |
| | Energy Management | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ |
| | Attendance Support Program | | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ |
| | Short Term Disability Adjudication | ■ | ■ | ■ | ■ | | | | | | | | |
| | Benefits Audit | ■ | ■ | ■ | ■ | | | | | | | | |
| | Strategic Sourcing | ■ | ■ | ■ | ■ | | ■ | ■ | ■ | ■ | ■ | ■ | ■ |
| | E-Sourcing | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ |
| | Special Education | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ |
| | | FY 2015-16 | | | | FY 2016-17 | | | | FY 2017-18 | | | |
| Summary | Potential Savings | \$6.3M | | | | \$19.3M | | | | \$10.1M | | | |
| | Implementation Cost | (\$1.8M) | | | | (\$0.8M) | | | | (\$0.8M) | | | |
| | Potential Net Benefit | \$4.5M | | | | \$18.5M | | | | \$9.3M | | | |

Appendix

Appendix 1: Description of Approved 2015-16 Savings Measures

| Savings Measure | Description of Measure | Risk and Impact of Measure | Sustainability of Continuing to Implement this Measure for 3 Years | FTE Impact | Financial Impact (\$M) |
|--|--|--|---|------------|------------------------|
| <ul style="list-style-type: none"> 5th Block teachers | <ul style="list-style-type: none"> The 5th Block program is an intensive, short-term literacy intervention program for grade one and two students who require additional support to develop effective reading skills Students who experience some difficulty with reading are recommended by the classroom teacher for participation in the 5th Block program This measure will remove 6 elementary classroom teachers from the program | <ul style="list-style-type: none"> This measure reduces the the program by approximately 16% as it removes 6/37 5th Block teachers There will be reduced services for students in Grade 1-4 during the regular instructional day who will need extra literacy support | <ul style="list-style-type: none"> The 5th Block program is not funded by the Ministry and is currently placing a \$3.7M cost pressure on the TCDSB budget each year With these reductions, there will still be a \$3.1M cost pressure on TCDSB's budget each year | 6 | \$0.6M |
| <ul style="list-style-type: none"> Junior Literacy Intervention Program | <ul style="list-style-type: none"> The JLI program is an after school literacy program for elementary students requiring additional assistance The JLI program is unfunded by the Ministry and this measure eliminates the program and all 20 FTEs | <ul style="list-style-type: none"> This measure eliminates the entire JLI program (100%), which is currently unfunded by the Ministry There are currently 873 students in JLI; this program can be absorbed into existing Junior After School tutoring programs | <ul style="list-style-type: none"> The JLI program is not funded by the Ministry and is placing a \$2M cost pressure on the TCDSB budget each year There are currently 34 schools with staff trained in JLI and many schools have existing Junior After School programs based on their school's needs. As a result of these initiatives, the measure is sustainable in the long run | 20 | \$2.0M |

| Savings Measure | Description of Measure | Risk and Impact of Measure | Sustainability of Continuing to Implement this Measure for 3 Years | FTE Impact | Financial Impact (\$M) |
|--|---|--|--|------------|------------------------|
| <ul style="list-style-type: none"> Secondary School Teachers | <ul style="list-style-type: none"> Current secondary school class size is 20.8 students to 1 teacher; however, Ministry benchmarks allow for up to 22:1 This measure will result in a reduction of 42 secondary school teachers in order to bring TCDSB class size ratios up to Ministry benchmarks | <ul style="list-style-type: none"> This would result in an increase in class size from 20.8:1 to 22.1 which is the Ministry benchmark To be in compliance with the Education Act, the Secondary Class Size cannot exceed the ratio of 22:1 and recommended reduction in the average class size will not exceed this prescribed limit. This measure eliminates 1.9% of secondary school classroom teachers | <ul style="list-style-type: none"> Given that this reduction will bring TCDSB closer to Ministry benchmarks for secondary school classroom sizes, this measure is sustainable in the long term | 42 | \$4.2M |
| <ul style="list-style-type: none"> Music Preparation Teachers | <ul style="list-style-type: none"> Under-utilized music teachers can assume responsibility for preparation time duties from full time prep teachers, which will result in a reduction of 10 FTE | <ul style="list-style-type: none"> There will be no impact on the current delivery of the Music program as unassigned time will be used towards providing Preparation Time There will a 1.6% reduction to preparation time teachers who will be replaced by Music Teachers | <ul style="list-style-type: none"> This new prep-time model will increase efficiencies of Music Preparation Teachers while decreasing cost pressures for TCDSB | 10 | \$1.0M |
| <ul style="list-style-type: none"> Secondary School Gifted Program Teachers | <ul style="list-style-type: none"> This measure eliminates all 14 gifted program teachers from secondary school | <ul style="list-style-type: none"> While there are no gifted classes for students at TCDSB, gifted teachers who provide resource support to students will no longer be available However, all regular classroom teachers are trained in the gifted curriculum | <ul style="list-style-type: none"> This measure is sustainable in the long term but parents may ultimately end up sending their children to a school board which provides gifted program services and support | 14.4 | \$1.44M |

| Savings Measure | Description of Measure | Risk and Impact of Measure | Sustainability of Continuing to Implement this Measure for 3 Years | FTE Impact | Financial Impact (\$M) |
|--|---|---|---|------------|------------------------|
| | | <p>and are able to provide support to these students</p> <ul style="list-style-type: none"> This measure eliminates 100% of the gifted program teachers from secondary school | | | |
| <ul style="list-style-type: none"> Monsignor Fraser Teachers | <ul style="list-style-type: none"> Monsignor Fraser College provides an alternative program to the traditional school setting for high school students and new adults to Canada. It provides a small and personalized environment as well an individualized program to meet students' unique learning styles The measure was passed to reduce the number of teachers from Monsignor Fraser by 4 FTE | <ul style="list-style-type: none"> There are only 87.5 FTE classroom teachers at Monsignor Fraser; this measure eliminates 4.6% of these teachers Due to the small size of the program, this may impact Monsignor Fraser's ability to provide flexible and alternate programs to students in need | <ul style="list-style-type: none"> Monsignor Fraser operates on quad cycle, rather than a semestered cycle, like the rest of TCDSB. As a result, the Ministry enrolment counts on October 31 and March 31 are not an accurate representation of the number of students enrolled in Monsignor Fraser and funding provided by the Ministry as a result of these enrolment counts provides lower funding than often required. A further reduction to the program may reduce their ability to take students that are in need of an alternate program | 4 | \$0.4M |
| <ul style="list-style-type: none"> Elementary School Teacher Librarians | <ul style="list-style-type: none"> This measure will eliminate all elementary school librarians and replace them with library technicians | <ul style="list-style-type: none"> TCDSB will have to recruit and train 42 library technicians to replace librarians During library time with elementary librarians, classroom teachers were able | <ul style="list-style-type: none"> While there will be additional costs to recruit and train new library technicians, this measure is sustainable in the long term | 42.5 | \$2.1M |

| Savings Measure | Description of Measure | Risk and Impact of Measure | Sustainability of Continuing to Implement this Measure for 3 Years | FTE Impact | Financial Impact (\$M) |
|---|--|--|---|------------|------------------------|
| | <ul style="list-style-type: none"> This model is used across other school boards, including TDSB | <ul style="list-style-type: none"> to use that period for unofficial prep time, however, going forward, they will lose that prep time This measure will reduce elementary school teacher librarians by 100% | | | |
| <ul style="list-style-type: none"> Secondary School Teacher Librarians | <ul style="list-style-type: none"> Eliminate all secondary school librarians and replace them with library technicians This model is used across other school boards, including TDSB | <ul style="list-style-type: none"> TCDSB will have to recruit and train approximately 6 library technicians to replace librarians This measure will reduce secondary school teacher librarians by 16.5% | <ul style="list-style-type: none"> While there will be additional costs to recruit and train new library technicians, this measure is sustainable in the long term | 5.57 | \$0.557M |
| <ul style="list-style-type: none"> Contracted Support Workers | <ul style="list-style-type: none"> At the moment, TCDSB has a reserve fund of \$2,650,000 for external contracted support workers, including Education Assistants and Child Youth Workers This measure would reduce expenditures by \$2.25M, while maintaining a safety reserve of \$0.65M to assist with most needy requests through the year | <ul style="list-style-type: none"> Any absences will need to be covered by existing special education staff TCDSB programs and services need to be reviewed for equitable, effective and efficient methods in delivering services to all students. The increased burden on special education staff in the long term can have an impact on employee morale/performance This measure will reduce the amount that TCDSB spends on contracted support workers by 85% | <ul style="list-style-type: none"> Over a three year period, remaining EAs and CYWs may need to be trained to handle more urgent needs in special education that were once addressed by contracted support workers | -- | \$2.25M |

| Savings Measure | Description of Measure | Risk and Impact of Measure | Sustainability of Continuing to Implement this Measure for 3 Years | FTE Impact | Financial Impact (\$M) |
|---|--|--|--|------------|------------------------|
| <ul style="list-style-type: none"> Child Youth Workers (CYWs) | <ul style="list-style-type: none"> CYW's work with special education classroom teachers to provide continuity in the care and/or treatment of students through the development of personal life management skills This measure would reduce CYWs by 7 FTE | <ul style="list-style-type: none"> This measure would reduce CYWs by 3.8% TCDSB currently has the highest CYW to student ratio in the province with a ratio of 2.2 : 1000 (there are 184 CYW FTEs) With this reduction, TCDSB would end up with a ratio of 2.1 : 1000 | <ul style="list-style-type: none"> While this reduction in CYWs further aligns TCDSB to the provincial average of 0.66:1000, additional reductions can be made to further align TCDSB to the provincial average | 7 | \$0.42M |
| <ul style="list-style-type: none"> Non Classroom Resource Teachers | <ul style="list-style-type: none"> A Resource Teacher works directly with special education classroom teachers to support children with physical or education learning difficulties This measure will reduce Non-Classroom Support Resource Teachers by 30 FTE | <ul style="list-style-type: none"> This measure would decrease the number of resource teachers by 25.6% The increased burden on special education staff in the long term can have an impact on employee morale/performance | <ul style="list-style-type: none"> This measure, particularly for special education and coupled together with the reduction of Central Program Coordinators, will lead to a gap in management and guidance services at a central level Tasks and activities which were performed by Central Program Coordinators may need to be transitioned to Non Classroom Resource Teachers where possible. With the reduction of Non Classroom Resource Teachers, this may place additional burden on remaining staff | 30 | \$3.0M |
| <ul style="list-style-type: none"> International Languages Program | <ul style="list-style-type: none"> The International Languages Program (Elementary) gives children an opportunity to | <ul style="list-style-type: none"> Depending on where the reduction is coming from, this program may become | <ul style="list-style-type: none"> Although TCDSB has been overspending on the International Languages | -- | \$0.9M |

| Savings Measure | Description of Measure | Risk and Impact of Measure | Sustainability of Continuing to Implement this Measure for 3 Years | FTE Impact | Financial Impact (\$M) |
|---|--|---|---|------------|------------------------|
| | <p>learn another language and culture</p> <ul style="list-style-type: none"> International Languages Program at the elementary level is provided outside school hours unless the parents of at least 67% of the children in a school request that a program be established during an extended school day The school day is then lengthened to accommodate the International Languages classes This measure would reduce spending on the International Languages program by \$0.9M | <p>understaffed if the number of schools requesting an in-school program increases</p> <ul style="list-style-type: none"> This measure will reduce TCDSB's spend on the International Languages Program by 29% | <p>program in previous years (prior to 2014-15), they have attained a \$2.0M surplus in 2014-15. If revenues and expenditures grow at the same rate moving forward, then TCDSB will not need to make any additional expenditure reductions within the International Languages Program as it is not putting any additional cost pressure on TCDSB's bottom line.</p> | | |
| <ul style="list-style-type: none"> Board Administration and Governance | <ul style="list-style-type: none"> Current Board Administration and Governance expenditures are approximately \$20M This measure will reduce spending that falls under Board Administration and Governance by \$0.588M | <ul style="list-style-type: none"> Board Administration and Governance is an area where TCDSB is underspending by over \$4M; TCDSB runs the risk that the Ministry will envelope certain line items and not allow Management to allocate funds from underspent to overspent areas. This measure will reduce the Board Administration and Governance budget by 2.9% | <ul style="list-style-type: none"> By continuing to reduce from areas of underspend, cost pressures from areas which contribute to the deficit will continue to rise Making further cuts to areas already underspent is not sustainable in the long run | -- | \$0.588M |
| <ul style="list-style-type: none"> Non-Classroom Spending | <ul style="list-style-type: none"> Out of the approximately \$55M of non-classroom | <ul style="list-style-type: none"> The measures being proposed impact a number of | <ul style="list-style-type: none"> By continuing to reduce from areas of underspend, | -- | \$0.436M |

| Savings Measure | Description of Measure | Risk and Impact of Measure | Sustainability of Continuing to Implement this Measure for 3 Years | FTE Impact | Financial Impact (\$M) |
|--|---|---|--|------------|------------------------|
| | <p>expenses, this measure targets certain line items that can be reduced in the amount of approximately \$0.435</p> <ul style="list-style-type: none"> In particular, this measure approves additional reductions in computer technology by \$0.284M, curriculum and accountability by \$0.05M, human resources by \$0.032M and Legal Fees by \$0.027M | <p>line items where TCDSB is currently underspending</p> <ul style="list-style-type: none"> For example, through a separate measure, computer technology expenditures are already being reduced by \$0.350M and this measure would further reduce it by \$0.284M | <p>cost pressures from areas which contribute to the deficit will continue to rise</p> <ul style="list-style-type: none"> Making further cuts to areas already underspent is not sustainable in the long run In addition, | | |
| <ul style="list-style-type: none"> Central Program Coordinators | <ul style="list-style-type: none"> This measure will completely remove Central Program Coordinators and re-distribute their responsibilities to Resource Teachers and Superintendents | <ul style="list-style-type: none"> CPCs, especially in Special Education, have a critical role in providing management and guidance at a central level Their tasks and activities are often ones which require specialized knowledge and training and cannot always be performed by others staff members This measure will remove 100% of the Central Program Coordinators | <ul style="list-style-type: none"> This measure, particularly for special education and coupled together with the reduction of Non-Classroom Resource Teachers, will lead to a gap in management and guidance services at a central level | 14 | \$1.8M |
| <ul style="list-style-type: none"> Secondary School Vice Principals | <ul style="list-style-type: none"> This measure will reduce Secondary School Vice Principals by 4 FTE | <ul style="list-style-type: none"> This measure reduces overall Secondary School Vice Principals by 6.6% TCDSB is currently on budget with expenditures matching funding for Principals and Vice Principals | <ul style="list-style-type: none"> Depending on the schools where these Vice Principals are located, removing these individuals will place added pressure and burden on other in school administration including principals and | 4 | \$0.464M |

| Savings Measure | Description of Measure | Risk and Impact of Measure | Sustainability of Continuing to Implement this Measure for 3 Years | FTE Impact | Financial Impact (\$M) |
|---|--|--|---|------------|------------------------|
| <ul style="list-style-type: none"> Elementary School Vice-Principals | <ul style="list-style-type: none"> This measure will reduce the number of Elementary School Vice Principals 4 FTE | <ul style="list-style-type: none"> This measure reduces overall Elementary School Vice Principals by 9.4% TCDSB is currently on budget with expenditures matching funding for Principals and Vice Principals | <p>resource support. Given that principals are already being tasked with new responsibilities from special education, TCDSB needs to ensure that they are balancing the workload equally amongst school administrators in the wake of these reduction measures</p> <ul style="list-style-type: none"> Depending on the schools where these Vice Principals are located, removing these individuals will place added pressure and burden on other in school administration including principals and resource support. Given that principals are already being tasked with new responsibilities from special education, TCDSB needs to ensure that they are balancing the workload equally amongst school administrators in the wake of these reduction measures | 4 | \$0.44M |
| <ul style="list-style-type: none"> Professional Development | <ul style="list-style-type: none"> This measure will reduce the Professional Development budget by \$0.5M | <ul style="list-style-type: none"> Currently TCDSB is overspending in professional development by \$0.75M; this measure will decrease the | <ul style="list-style-type: none"> While this measure is sustainable going forward, given the magnitude of change for TCDSB over the next several years, | -- | \$0.5M |

| Savings Measure | Description of Measure | Risk and Impact of Measure | Sustainability of Continuing to Implement this Measure for 3 Years | FTE Impact | Financial Impact (\$M) |
|---|---|---|---|------------|------------------------|
| | | <p>amount of overspend in this line item</p> <ul style="list-style-type: none"> This measure will reduce the Professional Development budget by approximately 20% | <p>teachers and support staff may require additional training and development opportunities</p> <ul style="list-style-type: none"> TCDSB should ensure that this line item does not continue to decrease over time | | |
| <ul style="list-style-type: none"> Textbooks | <ul style="list-style-type: none"> This measure will reduce the overall textbook budget by \$1.7M | <ul style="list-style-type: none"> Similar to Board Administration and Governance, textbooks is an area where TCDSB is currently underspending relative to ministry funding TCDSB runs the risk that the Ministry will envelope certain line items and not allow Management to allocate funds from underspent to overspent areas. | <ul style="list-style-type: none"> By continuing to reduce from areas of underspend, cost pressures from areas which contribute to the deficit will continue to rise Making further cuts to areas already underspent is not sustainable in the long run, particularly as the curriculum and learning materials are updated and modernized by the Ministry | -- | \$1.7M |
| <ul style="list-style-type: none"> Ombudsman | <ul style="list-style-type: none"> There is currently one allocated position in the TCDSB budget for an ombudsman, however, that position currently remains vacant. This measure would see an elimination in the Ombudsman position at TCDSB as this position is currently being filled at the provincial level | <ul style="list-style-type: none"> This position is filled at the Ministry level; the role of the Provincial Ombudsman is expanding to include school boards and thus TCDSB will not require its own ombudsman | <ul style="list-style-type: none"> This measure is sustainable as long as the Ministry does not require that each schoolboard hire an ombudsman | 1 | \$0.15M |

| Savings Measure | Description of Measure | Risk and Impact of Measure | Sustainability of Continuing to Implement this Measure for 3 Years | FTE Impact | Financial Impact (\$M) |
|--|--|---|---|------------|------------------------|
| <ul style="list-style-type: none"> Increased efficiencies in planning and evaluation time | <ul style="list-style-type: none"> Due to a reduction in classroom teachers, there will be increased efficiencies in planning and preparation time resulting in a reduction of an additional 10 FTE of prep-time teachers | <ul style="list-style-type: none"> This measure is a by-product of the reduction in classroom teachers A decrease in the number of classroom teachers results in a decrease in the number of prep-time teachers required | <ul style="list-style-type: none"> This measure is sustainable in the long run, provided the number of classroom teachers stays constant | 10 | \$1.0M |
| <ul style="list-style-type: none"> Educational Assistants | <ul style="list-style-type: none"> There are currently 1,029 Educational Assistants working in Special Education Classrooms This measure would see a reduction of 30 EAs | <ul style="list-style-type: none"> This measure reduces EAs by 2.9% | <ul style="list-style-type: none"> While this measure begins to address the current overspend in EAs, there is still a cost pressure on the TCDSB budget from EAs. | 30 | \$1.521M |
| <ul style="list-style-type: none"> Elementary Guidance Teachers | <ul style="list-style-type: none"> There are currently 8 Elementary Guidance Teachers who provide regional support to schools This measure will eliminate 4 of the guidance teachers | <ul style="list-style-type: none"> This measure will eliminate 50% of the Elementary Guidance Teachers These guidance teachers are regionally based and travel to different school to provide support to teachers There are specific guidance teachers at elementary school to provide more constant support to students | <ul style="list-style-type: none"> School specific guidance teachers are provided for elementary students so they will continue to receive the support they required However, the four remaining guidance teachers at the central level will need to adjust their work load appropriately due to the reduction in FTE | 4 | \$0.4M |
| <ul style="list-style-type: none"> Special Education Secondary School Teachers | <ul style="list-style-type: none"> This measure will reduce Secondary Special Education Classroom Teachers for ISP (Intensive Support Program) by 12 FTE | <ul style="list-style-type: none"> Staff capacity and timeliness of Intensive Supports for Students with special needs will be reduced This measure will reduce secondary special education | <ul style="list-style-type: none"> TCDSB is currently overspending in special education secondary school teachers While this measure begins to address the current overspend, there is still a | 12 | \$1.2M |

| Savings Measure | Description of Measure | Risk and Impact of Measure | Sustainability of Continuing to Implement this Measure for 3 Years | FTE Impact | Financial Impact (\$M) |
|---|--|---|---|------------|------------------------|
| | | classroom teachers for ISP by 5.1% | <ul style="list-style-type: none"> cost pressure on the TCDSB budget from these teachers. A new special education delivery model may further address this cost pressure | | |
| <ul style="list-style-type: none"> Computer Technology | <ul style="list-style-type: none"> This measure will reduce the computer technology budget by \$0.35M | <ul style="list-style-type: none"> TCDSB is currently slightly underspending on computer technology. TCDSB runs the risk that the Ministry will envelope certain line items and not allow Management to allocate funds from underspent to overspent areas. This measure will reduce the Computer Technology budget by approximately 7% | <ul style="list-style-type: none"> By continuing to reduce from areas of underspend, cost pressures from areas which contribute to the deficit will continue to rise. If TCDSB continues to make cost reductions from computer technology, they run the risk of not being able to provide future technology resources in the classroom, particularly as the curriculum and learning materials are updated and modernized by the Ministry and technology becomes more prevalent in the classroom | -- | \$0.35M |
| <ul style="list-style-type: none"> Director's Discretionary Fund | <ul style="list-style-type: none"> Currently, the Director's Discretionary Fund is \$100,000. The fund is used for certain school initiatives not funded through Ministry grants and has been used in the past to fund theater and musical expenses | <ul style="list-style-type: none"> As a result of this measure, the Director of Education will have less discretionary funds available to support initiatives that may arise in schools which are not funded by Ministry grants This is a 50% reduction to the Director's Fund | <ul style="list-style-type: none"> Depending on the utilization of the discretionary fund, this could result in a reduction to various school initiatives | -- | \$0.05M |

| Savings Measure | Description of Measure | Risk and Impact of Measure | Sustainability of Continuing to Implement this Measure for 3 Years | FTE Impact | Financial Impact (\$M) |
|-----------------|---|----------------------------|--|------------|------------------------|
| | <ul style="list-style-type: none">This measure would see a reduction in this fund by \$50,000 | | | | |
| TOTAL | | | | 260 | \$29.47M |

