



REPORT TO

REGULAR BOARD

2016-17 BUDGET ESTIMATES FOR CONSULTATION PURPOSES

"A generous man will himself be blessed, for he shares his food with the poor."
Proverbs 22:9

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March 9, 2016	March 31, 2016	Click here to enter a date
G. Sequeira, Coordinator of Budget Services P. De Cock, Comptroller of Business Services & Finance		

RECOMMENDATION REPORT

Vision:

At Toronto Catholic we transform the world through witness, faith, innovation and action.

Mission:

The Toronto Catholic District School Board is an inclusive learning community rooted in the love of Christ. We educate students to grow in grace and knowledge and to lead lives of faith, hope and charity.



G. Poole
Associate Director of Academic Affairs

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Associate Director of Planning and Facilities

C. Jackson
Executive Superintendent of Business Services & Chief Financial Officer

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Director of Education

A. EXECUTIVE SUMMARY

This report for consideration by the Board of Trustees presents proposed expenditure reductions of \$13.6M and revenue generating options of \$5.5M for a total of \$19.1 million (Appendix A) in the fiscal year 2016-17.

The required reduction for 2016-17, year 2 of the Multi-Year Recovery Plan (MYRP), is \$11.7 M which is part of a four year strategy to reduce the deficit and fulfils the Board's obligation to eliminate the deficit by 2018-19.

On March 24th 2016, the Ministry of Education released the 2016-17 Grants for Student Needs (GSN) announcement. The impact of the Grants for Student Needs (GSN) will be analysed, quantified and reported to the Board of Trustees at a later date.

B. PURPOSE

1. This report represents several budget reduction and revenue generating opportunities for consideration as part of year two of the four year MYRP.
2. The 2015-16 Revised Operating Expenditure Budget (Appendix B) has been provided in order to increase transparency and facilitate a greater understanding of the budget from an operational perspective.
3. The attachment for the 2015-16 Budget Expenditure Revised Estimates by Functional Classification (Appendix C) provides an opportunity to identify which functional classifications will be impacted by the proposed reductions in dollars and staff for 2016-17 budget process.
4. The Board of Trustees' approval will be sought at the Board Meeting scheduled for May 19th 2016.
5. The budget reduction and revenue generating opportunities outlined in this report are presented to the Board of Trustees for approval to support the community engagement and consultation process as the Board prepares its 2016-2017 budget estimates for submission to the Ministry of Education by the June 28th 2016 deadline.

C. BACKGROUND

1. The Board of Trustees during the Special Board meeting held on February 18, 2016 passed the following motion:
 - i. *That the Board of Trustees approve Scenario 3 that “proposes budget reductions totaling \$28.4M spread out over the next three years with the objective of not increasing the Accumulated Deficit in each year and eliminating the Accumulated Deficit in the 3rd and final year of the MYRP*
 - ii. *That the Director of Education quantify the additional cost pressures described in the report, and address the additional bussing transportation costs in the annual budget planning and consultation process.*
 - iii. *Table 3-1 will be submitted to the Ministry of Education by the end of February 2016.*
 - iv. *That staff submit a breakdown of all staff levels by categories and the dollar value.*
2. The proposed reductions contained within this report does make provision for a potential 0.8% overall reduction to the Grants for Student Needs. In addition to the required expenditure budget reductions of \$7.3M, there is an additional \$4.4M of reduction required to offset the transportation cost pressures as they are currently known.
3. The total required expenditure reduction for 2016-17 amounts to \$11.7M as of this point in time. It is to be noted that our analyses indicate there is an upward trend in the Occasional Teacher category which cannot be quantified at this time.

D. EVIDENCE/RESEARCH/ANALYSIS

1. The table appearing below depicts the 2016-17 projected revenues (*not reflective of the Grants for Student Needs (GSN) impact announced March 24th 2016*), expenditures and required budget reductions in order to balance the budget in-year and not increase the accumulated deficit as per the MYRP (Appendix D) approved by the Board of Trustees.

2016-17 Budget Estimates	
Grant Revenues before Reductions	\$1070.4 B
Less: GSN reductions of 0.8%	\$ (8.6) M
Projected Grant Revenues	<u>\$1061.8 B</u>
Expenditure Budget Estimates before Reductions	\$1073.5 B
Less: Structural Deficit Reductions	\$ (7.3) M
Less: Increased Cost of Transportation	\$ (4.4) M
Projected Expenditure Budget Estimates	<u>\$1061.8 B</u>
In-Year Surplus/Deficit	\$ 0.0

2. Several structural budget reduction opportunities have been identified in Appendix A for consideration as part of the second year reductions in a four year deficit recovery plan.
3. In addition to the cost pressures identified and quantified to date, there are additional risks to the operating budget which may materialize over the remaining years of the MYRP. Risks exist in the budget categories of Occasional Teachers and the ongoing cost pressure of maintaining small schools.
4. In addition to budget risks there are opportunities to generate additional revenues. There are approximately 7,000 parking spaces throughout the Toronto Catholic District School Board system. If the Board were to charge \$5 per day for each of these parking spaces, this could generate \$35,000 daily. Using this estimate, charging for parking for 195 days a year would result in a maximum gross revenue of \$6,825,000 per annum, prior to deducting costs to support the implementation of such an initiative. These costs include but are not limited to hiring additional staffing to implement and oversee the implementation of the initiative, as well as required upgrades to both software and infrastructure associated with setting up a system to charge for parking.

The table below incorporates estimates of both the overhead costs to implement this initiative and the number of parking spots for which the Board will be able to generate revenues. This analysis results in a preliminary estimated net revenue of \$5 million per annum.

Estimated Gross Revenues	\$ 6,825,000
Estimated Utilization of Parking Spaces (80%)	\$ 5,460,000
Overhead (staff/hardware/software)	\$ 460,000
Estimated of Potential Net Revenues	\$ 5,000,000

In order to implement this initiative for the 2016-17 budget, a decision would need to be made at the May meeting of the Board of Trustees in order to provide staff with sufficient lead time to implement effective September 2016.

5. There is also a further option to create a new permit category to charge for community parking on TCDSB lots after hours. This opportunity may exist in residential areas of the City which are deficient in parking, and local residents have sought to park on TCDSB sites after school hours. The implementation of this initiative would require amending the current permit policy, and additional staffing resources to enforce the permitted times and ensure that the vehicles are removed prior to school hours.

The community parking option could be undertaken by expanding the existing agreement with the Toronto Parking Authority (TPA). The TCDSB has had a parking arrangement in place with the TPA at St. Francis of Assisi Catholic School since 2005. The arrangement has operated successfully and has not resulted in any jurisdictional and operational issues for this operating elementary school. The carpark is used by Board staff during school hours (currently at no cost), and as a TPA lot on evenings, weekends, and all day during the summer holidays (July 1 to August 31). Under this arrangement, the Board receives an annual rental fee, as well as 75% of the net profit. For the 2015-16 school year, the TCDSB revenue from this partnership is estimated to be \$35,850.

Staff have had preliminary discussions with the TPA, who have indicated a potential interest in expanding this arrangement to additional TCDSB sites.

6. It is important to note that there are significant logistical issues associated with implementing paid parking at all Board facilities including:
 - That charging for parking could affect the tax-exempt status of the Board's real property assets
 - That paid parking may not be a permitted use on school sites as outlined in City Zoning By-laws

Staff are seeking both legal and planning opinions on these issues, which will be available prior to the Board of Trustees considering final approval of the 2016-17 Budget Estimates.

7. A detailed breakdown of staffing including Salaries, Benefits and Full Time Equivalents (FTE) by program have been provided (Appendix F) as requested by the Board of Trustees.

E. STAFF RECOMMENDATION

1. That the Board of Trustees approve for inclusion in the budget engagement and consultation process, the following list of potential expenditure reductions and revenue generating opportunities as per the attached Appendix A (listed below for the Classroom and Administration/Non-Classroom areas).

Classroom		FTE	\$
1	5th Block Program Teachers	21	2,100,000
2	Msgr. Fraser College – Alternative Education	2	200,000
3	Secondary Schools Student Supervisors	10	219,000
4	Child Youth Workers	5	300,000
5	Special Education – Support Workers (E.A.s)	52	2,600,000
6	Increased Efficiencies in Special Education	13	1,300,000
7	Increased Efficiencies in Planning and Evaluation time in Elementary Schools	2	200,000
8	Elementary Vice Principals	4	400,000
9	Budget for Contracted Support Workers		200,000
10	Speech Services	2	200,000
11	Consolidation (SSC and St. Luke)	5.5	520,000
	Sub-Total	116.5	\$ 8,239,000
Administration / Non-Classroom			
1	Increased Board Administration efficiencies		200,000
2	School Block Budget		400,000
3	Central Office efficiencies		650,000
4	Energy Management efficiencies		300,000
5	School Cleaning efficiencies		450,000
6	Transportation efficiencies – Appendix E		2,850,000
7	School Maintenance efficiencies		550,000
	Sub-Total		\$ 5,400,000
Revenue Generating Opportunities			
1	Parking Revenues (\$5/day)		5,000,000
2	Permit Revenues		500,000
	Sub-Total		\$ 5,500,000
	TOTAL	116.5	\$19,139,000

2. That staff present the 2016-17 Budget which will be reflective of the community budget consultations to the Board of Trustees at the Board meeting scheduled for May 19th 2016.