



REPORT TO

REGULAR BOARD

2016-17 BUDGET ESTIMATES

“A generous man will himself be blessed, for he shares his food with the poor.”

Proverbs 22:9

Created, Draft	First Tabling	Review
March 9, 2016	May 19, 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

A. Sangiorgio

Associate Director of Planning and Facilities

C. Jackson

Executive Superintendent of Business Services & Chief Financial Officer

Angela Gauthier

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 revised required reduction for 2016-17, year 2 of the Multi-Year Recovery Plan (MYRP), is \$16.1 M. This revised required reduction which incorporates the additional Transportation cost pressure of \$4.7M, Occasional Teacher costs of \$8.6M and the impact of the final GSN grant calculations is required in order to balance in-year for 2016-17. In addition, the 2015-16 budget has also been impacted by the increasing Occasional Teacher costs and this cost will carry forward to 2016-17 as part of the opening Accumulated Deficit. The strategy to balance in-year for 2016-17 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) have been analysed and incorporated in this report to the Board of Trustees.

B. PURPOSE

1. This report presents several budget reduction and revenue generating opportunities for consideration as part of year two of the four year MYRP.
2. The attachment for the 2015-16 Budget Expenditure Revised Estimates by Functional Classification (Appendix B) provides an opportunity to identify which functional classifications will be impacted by the proposed reductions in dollars and staff by the 2016-17 budget process.
3. The Board of Trustees' approval will be sought at the Board Meeting scheduled for May 19th 2016.
4. The budget reduction and revenue generating opportunities outlined in this report are presented to the Board of Trustees for approval and inclusion in the 2016-17 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 Board of Trustees during the Regular Board meeting held on March 31, 2016 passed the following motion:
 - i. *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). That an additional column be added showing the total FTE for each classroom category and the percentage of each cut being proposed. That the consultation make clear to the public being consulted and that:*
 - a. *Trustees approved a total of \$7.3 million in cuts for 2016-2017 as per the multi-year recovery plan.*
 - b. *There is a required increase in cuts to Transportation specifically that was presented in the multi-year recovery plan given the increase in contract costs to the Board of \$4.4 million.*
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- c. We are seeking guidance from the public on where cuts should be made or revenues generated, where risks to the system are perceived based on potential cuts identified by staff and how those risks could be mitigated.*
 - d. That, all non-funded items be identified as part of the budget consultation.*
 - ii. 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 19, 2016.*
 - iii. That School Block Budget cuts be moved to "classroom" cuts as per the table breakdown provided with the approved multi-year strategic plan.*
 - iv. That information on a list of schools that have the 5th Block program and how they are prioritized in terms of criteria used be submitted to the April 7, 2016 Student Achievement meeting.*
3. The total required expenditure reduction for 2016-17 amounts to \$16.1M as of this point in time (Appendix D.3). This revised required reduction accounts for the most current GSN calculations and includes the identified costs pressures associated with the Occasional Teacher and Bussing Transportation categories. This revised reduction is required to balance the in-year 2016-17 budget.

D. EVIDENCE/RESEARCH/ANALYSIS

1. The table appearing below depicts the 2016-17 projected revenues (*inclusive 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 approved by the Board of Trustees.



2016-17 Budget Estimates	
Grant Revenues before Reductions	\$1,087.0 B
Less: GSN reductions of 0.8%	\$ (8.1) M
Projected Grant Revenues	<u>\$1,078.9 B</u>
Expenditure Budget Estimates before Reductions	\$1,095.0 B
Less: Required Reductions to balance in-year	\$ (16.1) M
Projected Expenditure Budget Estimates	<u>\$1,078.9 B</u>
In-Year Surplus/Deficit	\$ 0.0

2. Several structural expenditure budget reduction and revenue generating 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. The Ministry has projected savings from the new Earned Leave plans, which apply to teachers represented by the Ontario English Catholic Teachers' Association. This projection is based on the assumption that the absenteeism will be reduced by one day for each teacher, with half of the savings accruing to the boards. The projected residual savings of one-half day will be deducted from each board's GSN allocation. The reduction to the TCDSB is \$650K. If at the end of the 2015-16 school year, a school board's savings are less than the table amount, the Ministry will reimburse the board for the difference. Consequently, the 2016-17 Revenue Estimates have been adjusted to add back the aforementioned reduction. 
8. The comparative summary of School Block Budget rates per Average Daily Enrolment (ADE) and Ministry funding rates per ADE have been provided (Appendix J) as requested by the Board of Trustees. 
9. The impact of the proposed reductions to Transportation Services has been provided in Appendix K. 
10. The Occasional Teachers costs and forecasted costs has increased when compared to previous years (Appendix L). This additional cost will increase the pressure on the current year budget as well as future years.
11. A comparative Revenue and Expenditure Analysis of the Special Education Programs and Services appears in Appendix G. 
12. The Summary of 2016-17 Revenue and Expenditure estimates based on the Grants for Student Needs (GSNs) calculations compared to the 2015-16 Revised Estimates appears in Appendices D.1, D.2 and D.3. The Expenditure estimates do not include any proposed reductions and/or 

revenues generating opportunities listed in Appendix A, as they have not yet been approved by the Board of Trustees.

13. A high level analysis of the changes to revenues and expenditures when compared to the 2015-16 Revised Estimates appears in Appendix C. A more detailed analysis of the changes to each category within Revenues and Expenditures appears in Appendix E. The 2016-17 Budget Expenditure Estimates by functional classification appears in Appendix F. 
14. Appendix I provides an updated MYRP outlook given the Occasional Teachers cost pressure identified in 2015-16 and updated revenue and expenditure estimates for 2016-17 per the GSN calculations. 
15. Board staff have met with many stakeholders over the course of the budget consultation and engagement process. Recently, Business Services staff met with the President of the Toronto Secondary Unit (TSU) to review the deputation heard at the Student Achievement Committee meeting held on May 5th 2016. The summary of questions and answers appear in Appendix H. 
16. TCDSB staff are recommending that the Board of Trustees approve at the Board meeting scheduled for May 19th 2016, the list of expenditure reductions and revenue generating opportunities totalling \$19.1M as per the attached Appendix A (listed below for the Classroom and Administration/Non-Classroom areas) in order to create a positive variance of \$3.0M to match the required expenditure reduction of \$16.1M and the resulting difference available to mitigate any risks which may arise in the 2016-17 fiscal year. 

E. STAFF RECOMMENDATION

1. That the Board of Trustees approve at the Board meeting scheduled for May 19th 2016, the following list of expenditure reductions and revenue generating opportunities totalling \$19.139M.



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
12	School Block Budget		400,000
	Sub-Total	116.5	\$ 8,639,000
Administration / Non-Classroom			
1	Increased Board Administration efficiencies		200,000
2	Central Office efficiencies		650,000
3	Energy Management efficiencies		300,000
4	School Cleaning efficiencies		450,000
5	Transportation efficiencies		2,850,000
6	School Maintenance efficiencies		550,000
	Sub-Total		\$ 5,000,000
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