



REPORT TO

CORPORATE SERVICES, STRATEGIC PLANNING AND PROPERTY COMMITTEE

REASSESSMENT OF TCDSB'S MYRP 2016-17

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

Created, Draft	First Tabling	Review
October 4, 2016	October 13, 2016	Click here to enter a date
P. De Cock, Comptroller of Business Services & Finance G. Sequeira, Coordinator of Budget Services		
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 uniting home, parish and school and rooted in the love of Christ.

We educate students to grow in grace and knowledge to lead lives of faith, hope and charity.



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Associate Director of Academic Affairs

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Executive Superintendent of Business Services and Chief Financial Officer

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A. EXECUTIVE SUMMARY

This report responds to a memorandum issued by the Ministry of Education which requested further clarification on some of the Toronto Catholic District School Board's (TCDSB) proposed cost-saving measures identified in the Multi-Year Financial Recovery Plan (MYRP). This report recommends to the Board of Trustees the identification and approval of cost-savings and revenue generating opportunities totalling \$5.65M for the 2016-17 fiscal year (Year 2 of the 4 year MYRP).

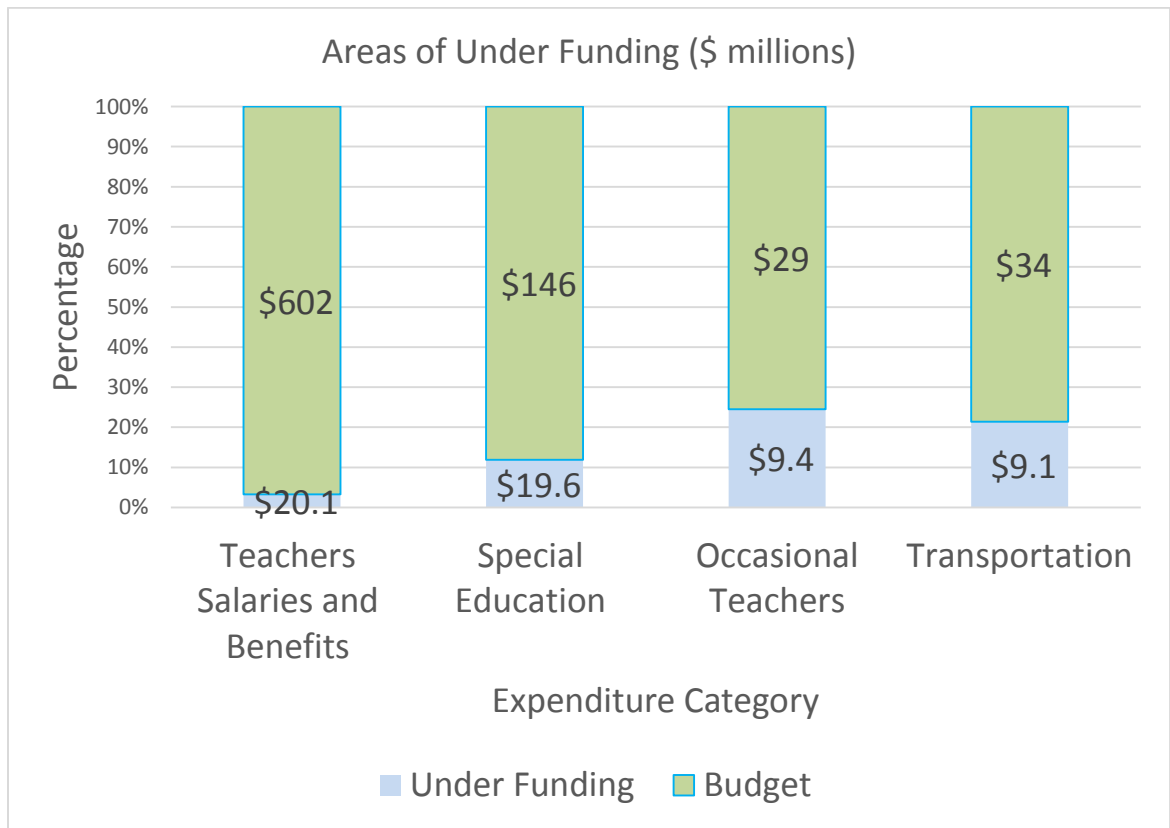
B. PURPOSE

This report provides a list of proposed cost-savings and revenue-generating strategies for the 2016-17 fiscal year, 2nd year of TCDSB's MYRP, in order to address the further efficiencies and opportunities to be identified in-year. In addition, this report provides a high level strategy to address future year deficits.

C. BACKGROUND

1. The Toronto Catholic District School Board has been experiencing significant financial pressures over the past several years. \$29.4M of reductions were made in 2015-16 and the projected deficit for 2016-17 was \$16.4M.
2. To date, the Board approved expenditure budget reductions totalling \$14.8M in 2016-17 as part of the MYRP, inclusive of an additional \$2.0M be achieved through in-year efficiencies.
3. An Accumulated Deficit of \$13.9M is forecasted as per the June 2016 forecast, which will be carried forward to the 4th and final year of the updated MYRP (Appendix A).
4. The funding provided by the Province is insufficient to cover the Board's needs and expenses in high priority areas. Given the Board's focus on student well-being and achievement, the Board has had to reallocate

resources to address these priorities, however, this is not a sustainable model.



5. Following the Board of Trustees approval of the 2016-17 Budget Estimates on June 2nd 2016, the Board rescinded the motion passed on June 2nd 2016 regarding the reduction of \$2.45M in transportation costs at the Special Board meeting held on June 27th 2016. The resulting motion appears as follows:
 - A. That staff find the funds with in-year efficiencies and savings for the 2016-17 school year by exploring all budget areas and categories and report back in September 2016, and
 - B. That staff identify specifics in terms of which budget areas could be explored but not limited to general efficiencies, any surpluses in the school block budget and any changes in parking regulations

In addition, after consultation with the Toronto Parking Authority (TPA), TCDSB staff have concluded that all of the projected TPA parking revenues of \$1.1M will not be achievable in 2016-17, therefore, an additional \$1.0M in savings/revenues will need to be found in 2016-17.

The table appearing below summarizes the resulting cost-savings and efficiencies to be found in the current and future years:

DESCRIPTION	2016-17	2017-18	2018-19
Total Savings to be found \$27.75M	Amt. (\$M)	Amt. (\$M)	Amt. (\$M)
Administrative Efficiencies	\$2.2M		
Additional Efficiencies in lieu of reductions to Transportation Services.	\$2.45M		
Further efficiencies required due to lower than estimated TPA parking revenues	\$1.0M		
Further GSN reductions		\$8.2M	
Reductions required to eliminate Accumulated Deficit			\$13.9M
Total	\$5.65M	\$8.2M	\$13.9M

D. EVIDENCE/RESEARCH/ANALYSIS

MYRP (Year 2 – 2016-17) Analysis of Proposed Savings & Revenues

SAVINGS & REVENUES OPPORTUNITY	DESCRIPTION	\$ AMT	KEY RISKS
Attendance Support Initiatives	Implementation of an Attendance Support Program has is an opportunity to reduce staff absenteeism by up to 15% (approximately \$4.5M) per year	2,000,000	Staff absenteeism is a variable expense and may fluctuate as a function of labour/working conditions. A conservative target of \$2.0M has been chosen given the unpredictability of this budget line.
School Block Budget Carryover	Consistent evidence of unspent funds over the past several years in the range of \$1.5M to \$3.5M	1,500,000	Risk(s) pending further analysis to be shared at earliest opportunity
Benefits Budget Provision	Historical evidence over the past two years have shown an unused contingency amount of \$2-3M	1,000,000	Benefits expenditures may be impacted by the uncertainty surrounding the creation of Employee Benefit Trusts
International Languages	The estimated Ministry funding clawback for class sizes less than the Ministry minimum threshold of 23 is anticipated to be eliminated for 2016-17	130,000	The International Languages programme generates a cost pressure in both program delivery model formats, i.e. Extended Day and After Hours/Weekends; the estimated shortfall in 2016-17 is approximately \$1M
Additional Administrative Efficiencies	Ongoing efforts by TCDSB staff to generate efficiencies in collaborative procurement activities and risk management endeavours are estimated to generate approximately \$0.5M	520,000	The area of Board Administration and School Operations is facing declining GSN revenues while operating in an environment of increased reporting and accountability initiatives, increased demands from the provincial and local bargaining exercises.
Subtotal – Expenditure Efficiencies		5,150,000	

SAVINGS & REVENUES OPPORTUNITY	DESCRIPTION	\$ AMT	KEY RISKS
Staff Parking (Revenues)	The collection of parking fees for staff parking at all TCDSB facilities has historically not been pursued, albeit parking fees are generally collected throughout the Greater Toronto Area (GTA) at public properties and buildings	2,000,000	The additional costs of employment may impact on the employees' morale and well-being, and the cost of collection, monitoring and enforcement will create associated cost pressures
Expand Summer eLearning Courses	Continue to expand the availability of eLearning Courses; as there is historical evidence showing the program has grown from \$1.0M in 2011-12 to \$1.8M in 2015-16	500,000	The generation of revenues is dependent upon the variable nature of student enrolment.
Subtotal – Revenue Generating Opportunities		2,500,000	
TOTAL - Efficiencies & Opportunities		7,650,000	

The Board has developed and approved a four-year Multi-Year Recovery Plan which has been submitted to the Ministry of Education. The Plan will need to be updated to specify where the Board will find the additional reductions/revenues in 2016-17. The plan will also require an additional \$8.2M to be found in 2017-18 and an additional \$13.9M to be found in 2018-19.

TCDSB staff will be exploring all areas of the budget, including alternative service delivery models to balance the budget in the future years. Particular attention will be paid to these areas that are overspent relative to Grants for Student Need (GSN) revenues. Staff will report back with options in the Winter/Spring 2017.

E. STAFF RECOMMENDATION

That the Board of Trustees approve the identification of cost-savings and revenue generating opportunities totalling \$5.65M for the 2016-17 fiscal year (Year 2 of the 4 year MYRP) as follows in the table below:

REF.#	SAVINGS & REVENUE OPPORTUNITIES	\$ AMT
1	Attendance Support Initiatives	2,000,000
2	School Block Budget Carryover	1,500,000
3	Benefits Budget Provision	1,000,000
4	International Languages	130,000
5	Additional Administrative Efficiencies	520,000
6	Expand Summer eLearning Courses	500,000
	TOTAL Cost Savings & Revenue Opportunities	5,650,000