



REPORT TO

REGULAR BOARD

2017-18 BUDGET PROJECTIONS FOR CONSULTATION PURPOSES

***“A GENEROUS MAN WILL HIMSELF BE BLESSED, FOR HE SHARES
HIS FOOD WITH THE POOR.”***

PROVERBS 22:9

Created, Draft	First Tabling	Review
March 6, 2017	March 30, 2017	Click here to enter a date

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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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Director of Education

A. EXECUTIVE SUMMARY

Changes to the Grants for Student Needs (GSN) Model over the past few years have resulted in reductions to TCDSB's operating funds in certain areas. The changes include the continued phase-in of changes to the School Foundation Grant, Differentiated Special Education Needs Amount (DSENA), Administration and Governance, School Operations and Declining Enrolment Adjustment grants. These reductions along with pressures in the areas of Special Education, Transportation and Occasional Teachers has led to TCDSB being in a deficit position and engaging in a four-year Multi-Year Recovery Plan (MYRP) since 2015-16.

TCDSB is expecting a 0.8% or \$8.3M overall reduction to its 2017-18 GSN allocation. 2017-18 is year three and the final year of projected GSN funding reductions.

During the Provincial Bargaining Table contract extension discussions with various employee groups, the TCDSB has been allocated \$9.5M to invest in system priorities. Up to \$7.5M of this can be potentially used to offset GSN reductions and planned MYRP expenditure reductions.

Additional options are presented in this report to find additional revenue generating opportunities to address the remaining GSN reduction shortfall of \$0.8M and any additional pressures that may arise prior to finalizing the 2017-18 budget.

The information provided in this report is based on our preliminary estimates at this point in time. The 2017-18 GSN announcement is expected in early April 2017 and could have a further impact to fiscal 2017-18.

The Administrative Services only (ASO) benefit surplus (subject to Ministry approval) is expected in Fiscal 2017-18, this would eliminate the accumulated deficit and completely balance the budget by 2017-18.

B. PURPOSE

1. This report presents some revenue-generating opportunities for consideration as part of year three of the four-year MYRP.
2. The 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 2017-2018 budget estimates for submission to the Ministry of Education by the June 30th 2017 deadline.
3. The Board of Trustees' approval will be sought at the Board Meeting scheduled for May 18th 2017.

C. BACKGROUND

1. In Fiscal Year 2015-16, the Ministry of Education (EDU) announced a reduction in the Grants for Student Needs (GSN) for TCDSB by 0.8% or approximately \$8.3M/year. The proposed reductions contained within this report make provision for a potential 0.8% overall reduction to the Grants for Student Needs. 2017-18 is year three and the final year of the EDU projected funding reduction for GSNs.
2. TCDSB has made reductions totalling \$44.7M over the past two years to balance its budget in-year. The table in Section D shows the required reductions for 2017-18 fiscal year.
3. The projected total required in-year expenditure reduction for 2017-18 due to GSN reductions amounts to \$8.3M.
4. At the January 12, 2017 meeting of Student Achievement and Well-Being, Catholic Education and Human Resources Committee, Staff presented a report on the impact of Board-approved reductions for 2016-17 (Appendix B). Following receipt of this report, the Board passed the following motion:

That when staff come back with 2017-2018 budget reduction options that this report be included as an appendix and that staff included the following information for each reduction option: risks to students, schools, and the system (including risks to achievement, well-being, and learning opportunities; our proposed response(s) to the identified risks.

Staff will provide a final report on the impact of trustee approved reductions to the Regular Board in April.

D. EVIDENCE/RESEARCH/ANALYSIS

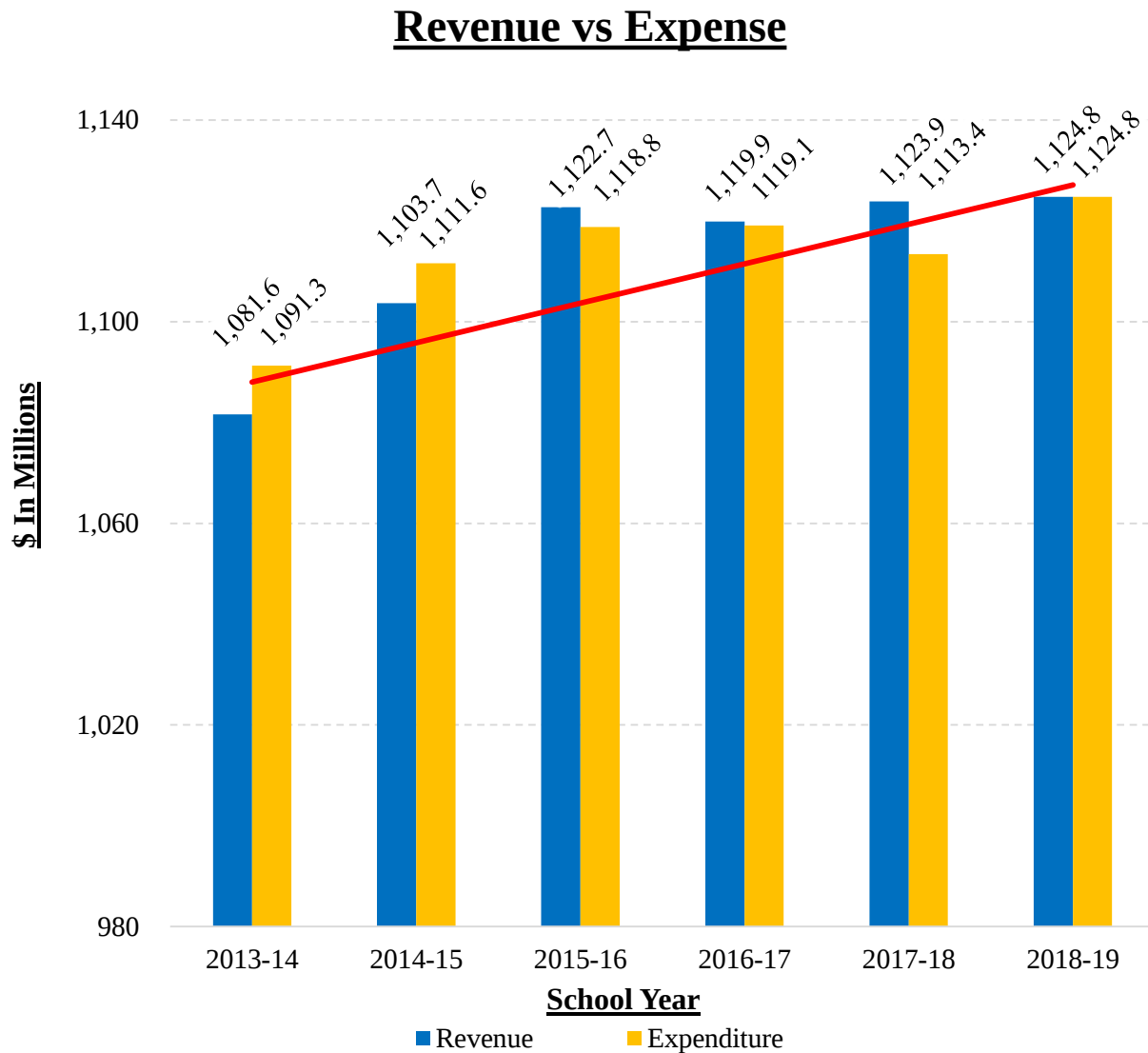
1. The table below depicts the 2017-18 projected revenues, expenditures and required budget reductions in order to balance the budget in-year and not increase the accumulated deficit.

2017-18 Budget Estimates	
Grant Revenues before Reductions	\$1119.9 B
Less: GSN reductions	\$ (8.3) M
Projected Grant Revenues	<u>\$1111.6 B</u>
Expenditure Budget Estimates before Reductions	<u>\$1119.9 B</u>
In-year Surplus/(Deficit) without Reductions	\$ (8.3) M
Required Reductions 2017-18	\$8.3 M
In-year Surplus/(Deficit) with Reductions	0

The Province has initiated a School Board Efficiencies and Modernization Strategy (SBEMS). This has resulted in reductions to GSN's in the following areas:

- School Operations \$1.7M
- Special Education \$2.7M
- Benefit Gratuity \$2.4M
- Earned leave \$0.7M
- Board Administration \$0.4M
- Declining Enrolment \$0.4M
- **TOTAL \$8.3M**

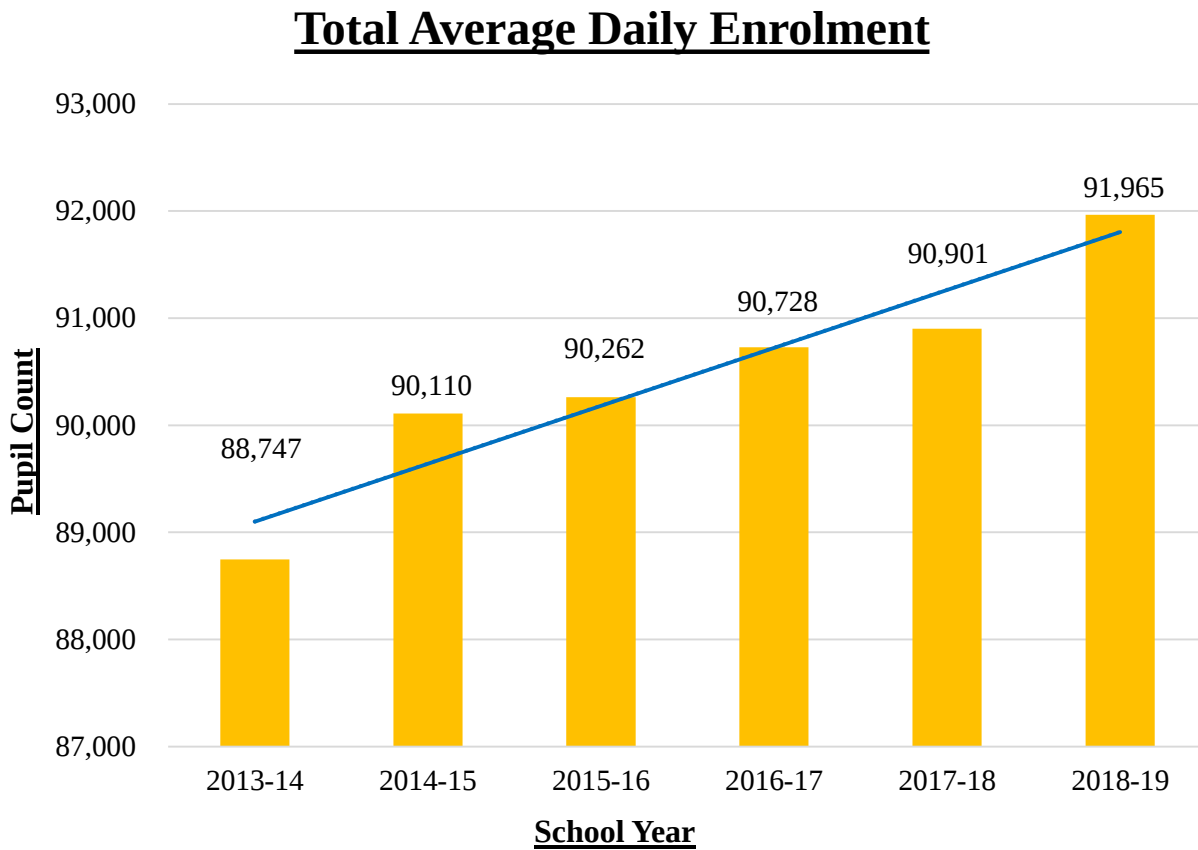
2. The chart below provides an overview of the Actual/Estimated Revenues and Expenditures over six years.



NOTES:

- (1) The one-time revenue from the Administrative Service Only (ASO) Benefits Surplus of \$10.5M is included in the 2017-18 forecast. The timing of this one-time revenue is subject to variation, i.e. could be realized in 2017-18 or 2018-19.

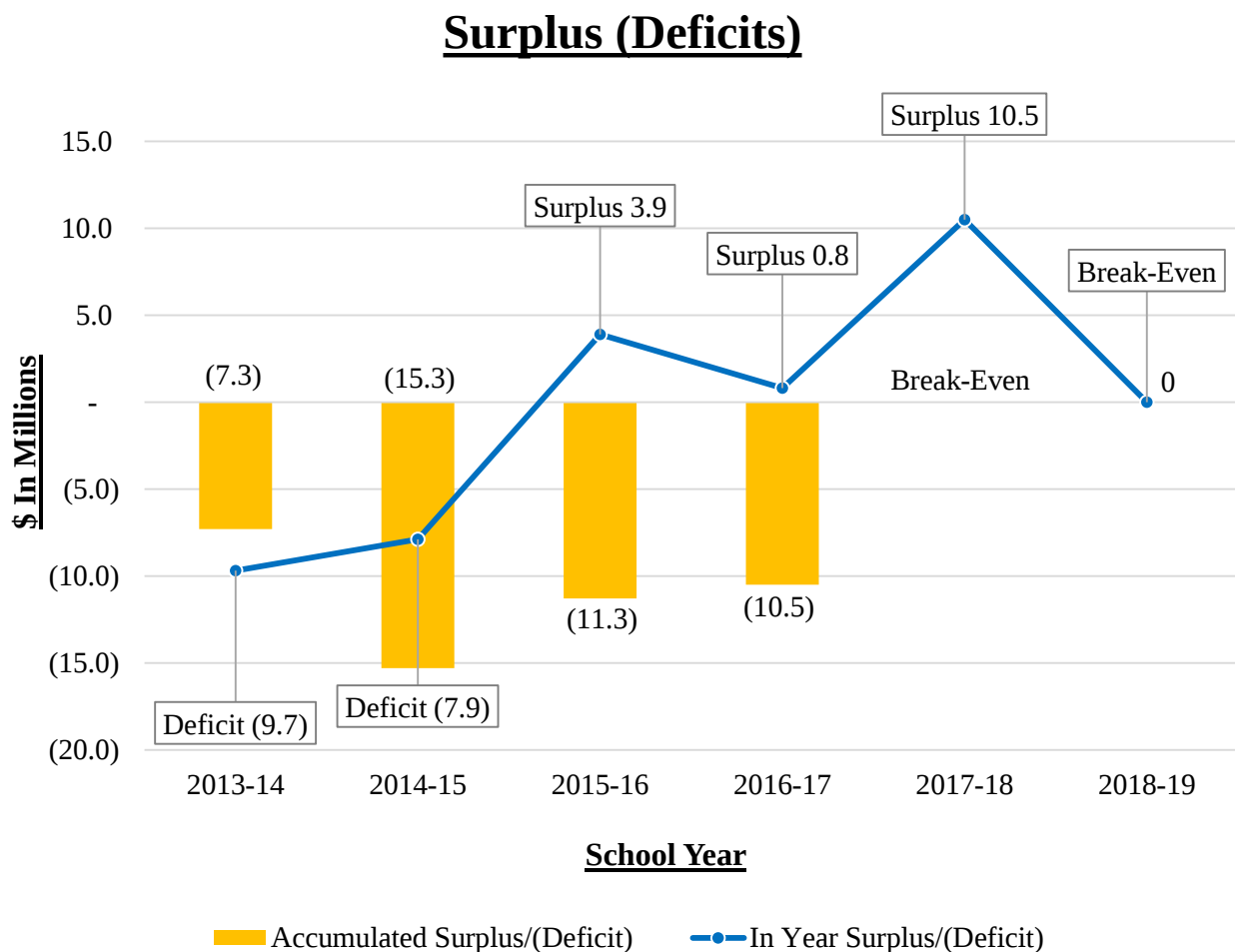
3. Enrolment is expected to slightly increase in 2017-18 and more significantly increase in 2018-19. Additional funding received for enrolment will be offset by additional expenditures due to enrolment. The chart below provides the Average Daily Enrolment Actual/Estimated for six years.



4. As per discussion with stakeholders, several investment opportunities have been identified to enhance TCDSB's operations, student achievement and staff well-being. These include investing in its IT infrastructure, Employee Assistance Program and Religious Program Resources. As part of the consultations process, these areas will be reviewed in more detail and will come forward as part of the final budget recommendations.
5. The Board of Trustees have made decisions to consolidate a few schools which will lead to more cost efficient operations. The financial impact of these consolidations will be brought forward during the budget process once all of the conditions and details associated with the consolidations are finalized.

6. TCDSB has historically provided group benefits, i.e. Health & Dental, in a self-funded manner also known as an Administrative Services Only (ASO) self-insurance arrangement. This fund has accumulated a surplus in excess of costs incurred to the present date. To date, staff have identified \$10.5M that can be used from the projected ASO benefit surplus (subject to Ministry approval) expected in Fiscal 2017-18 but some amounts may be received earlier.

The following chart outlines the Actual/Estimated Surplus/(Deficits) over the six years.



7. As a result of union contract settlements, up to \$7.5M can be used to offset GSN and MYRP planned expenditure reductions for fiscal 2017-18 in order to prevent staffing reductions. There are articles in the provincially negotiated contract extension agreements that allow for these funds to be used as offsets to prevent previously planned reductions, enrolment and grant changes.

The agreement with the Ontario English Catholic Teachers Association (OECTA) in article 9 states the following: “the system investment is an additional fund which shall provide additional teacher staffing to support student needs subject to fluctuations as determined by a school board acting reasonably.

The agreement with the Canadian Union of Public Employees (CUPE) contains similar language in greater detail in the Letter of Understanding #3 which states that “the Board undertakes to maintain its Protected Complement, except in cases of:

- a. A catastrophic or unforeseeable event or circumstance;
- b. Declining enrolment;
- c. Funding reductions directly related to services provided by bargaining unit members; or
- d. School closure and/or school consolidation

2017-18 SUMMARY OF GSN REDUCTIONS AND SYSTEM PRIORITY ALLOCATIONS

	17-18 GSN Reductions		OECTA, CUPE, EWAO & EFTO				
Description of Employees included in Union Groups	Total 2017-18 GSN Reductions \$ M	Total 2017-18 GSN Reductions FTE	Total System Priorities Funding Allocations & FTE's 2017-18		System Priorities for GSN Reduction Allocation 2017-18	System Priority Additions	NET FTE (Cuts) / Additions
OECTA Elementary & Secondary Teachers.	(3.70)	(36.3)	5.70	56.8	3.7	2.0	20.5
EWAO Professional & Paraprofessionals	(0.20)	(2.1)	0.20	2.0	0.2		(0.1)
ETFO Designated Early Childhood Educators	(0.10)	(1.7)					(1.7)
CUPE Educational Assistants, School Secretarial Staff.	(3.70)	(57.7)	3.60	58.3	3.6		0.6
Non-Union (Principals, Vice Principals, Non-Union Staff in Board Admin, Transportation, School Op., Lunch Time Supervisors)	(0.60)	(6.1)					(6.1)
TOTAL	(8.30)	(103.9)	9.50	117.1	7.5	2.0	13.2

Note: Non-Union Staff including Principals and VP's have not settled their Extension Agreements for 2017-18

In addition, several structural revenue generating opportunities have been identified in consideration as part of the third year of the four-year deficit recovery plan. Details regarding these reductions can be found in the Options Analysis located in Appendix A.

E. IMPLEMENTATION, STRATEGIC COMMUNICATIONS AND STAKEHOLDER ENGAGEMENT PLAN

1. Based on the options being considered for the 2017-2018 Budget, the community engagement will be conducted at the level of **“Inform”** – which is used for regular annual budget consultations. The “Inform” level as defined in the policy is:

“To provide community members and the general public with balanced and objective information to assist them in understanding issues, the alternatives, opportunities and solutions.”

The policy also states that:

“Community members and the general public will be open to receiving and understanding information.”

The continuum comprises six increasing levels of engagement that may be sought with community members: Inform, Consult, Involve, Collaborate, Consensus, and Empower.

2. The consultation plan is in compliance with Community Engagement Policy T.07, and reflects the desire expressed by Trustees to ensure that the communications and community engagement process involve **all** TCDSB community stakeholders.
3. Input and feedback received during this process will be presented at the April 26, 2017 Board meeting to inform Trustees as they finalize the budget for the 2017-2018 fiscal year for submission to the Ministry of Education by the June 30, 2017 deadline.
4. To optimize stakeholder input, the parameters for public consultation and communication is guided by these key factors:
 - a) A section of the TCDSB web site will be transformed to a “mini-website” dedicated informing the community about the 2017-2018 Budget consultation including: A Frequently Asked Questions (FAQs) information sheet and an online budget feedback tool used in previous consultations for the MYRP, and 2016-2017 budget process.

- b) To facilitate the need to be as inclusive as by overcoming language, cultural and socio-economic access barriers, a customized TRANSLATE tool has been developed to take advantage of GOOGLE Translator so that TCDSB stakeholders can access all budget information on the budget website in the language of their choice.
 - c) Enhance face to face opportunities by aligning consultation process with dates for pre-scheduled Standing Board/Committee meetings (see chart below) parent engagement committees (CPIC, OAPCE-Toronto), Board advisory committees (e.g. SEAC), and Student leadership meetings (ESCLIT, CSLIT).
5. The Communications Plan will also be aligned to support budget engagement process through:
- Director's Bulletin Board
 - Weekly Wrap Up, web (TCDSB's external and internal portal)
 - social media (i.e. Twitter)
 - E-newsletters and traditional school newsletters.
 - Collaboration with the Archdiocese to publish information for inclusion in individual parish bulletins and parish web site links

Who will be invited to participate:

- Parents/Guardians
- Student Leaders (CSLIT and ECSLIT)
- Community Leaders and Members (CSPCs, CPIC, OAPCE-Toronto etc.)
- All Employees and employee groups (Teachers/Support Staff including the federations TECT, CUPE and TSU)
- Special Education Advisory Committee (SEAC)
- Principals/Vice Principals
- Parishioners and Catholic Stakeholders (via Archdiocese)
- General Public (via PSAs, Community newspaper calendars, Twitter, TCDSB website)

F. ACTION PLAN: CONSULTATION TIMELINE

DATE	PUBLIC CONSULTATION ACTIVITY
1) Friday, March 31, 2017 Community Consultation Launch (Subject to Board of Trustees Approval at March 30, 2017, Board meeting)	• GO LIVE with online HTML web-based 2017–2018 Budget consultation pages on website. • Invitation letter from Chair and Director to Parents, Principals and chairs of CSPC, CPIC, OAPCE (Toronto), SEAC, CSLIT/ECSLIT, to participate in public consultations. • Communication sent to Archdiocese (via Communications Dept.) for distribution to individual parishes to encourage Catholic community/ stakeholder involvement
2) March 31 – April 24, 2017 Online Budget Feedback Tool	• Anonymous online input tool to inform Trustee deliberations on budget options.
3) Thursday April 6, 2017 Student Achievement Committee	• Opportunity for public deputations regarding budget options.
4) April, 2017 (Date TBC) * Meeting with Union Partners	• Consultation and discussion of budget options.
6) Monday April 10, 2017 CPIC Meeting	• Budget discussions with CPIC members for feedback
7) Wednesday, April 12, 2017 Special Education Advisory Committee (SEAC) Meeting	• Budget discussions with SEAC members for input and recommendations.
8) Wednesday, April 19, 2017 Corporate Services Committee Meeting	• GSN update for 2017-18 (including MYRP 3/yr. plan). • Opportunity for public deputations regarding budget options.

DATE	PUBLIC CONSULTATION ACTIVITY
9) Monday, April 24, 2017 OAPCE-Toronto Meeting	• Budget discussions with OAPCE-Toronto members for feedback
10) Wednesday, April 26, 2017 Regular Board Meeting	• Budget consultation update for Trustees. • Opportunity for public deputations regarding budget options.
11) Wednesday April, 2017 (TBC) ESCLIT/CSLIT	• Budget information and options discussed with student leaders
12) May 4, 2017 Student Achievement Committee Meeting	• Opportunity for public deputations regarding budget options.
13) Thursday, May 11, 2017 Corporate Services Committee Meeting	• Opportunity for public deputations regarding budget options.
14) Thursday, May 18, 2017 Regular Board Meeting	• Final opportunity for delegations. • Final vote on approval of 2017-2018 Budget for submission to the Ministry of Education by June 30, 2017.

G. STAFF RECOMMENDATION

1. That the Board use the System Priorities funding of approximately \$7.5M to offset the staffing reductions of \$8.3M and the balance reductions of \$0.8M to be funded from additional revenue generating opportunities identified below.
2. That the Board of Trustees approve for inclusion in the budget engagement and consultation process, the following list of potential revenue generating opportunities as a strategy towards building a 2% reserve to remain in good standing with the EDU.

Revenue Generating Opportunities			
1	Parking Revenues (\$5/day)		5,000,000
2	Permit Revenues		500,000
3	After-Hours Parking Revenue		400,000
	TOTAL		\$5,900,000

3. That staff present the 2017-18 Budget which will be reflective of the community budget consultations to the Board of Trustees at the Board meeting scheduled for May 18th 2016.