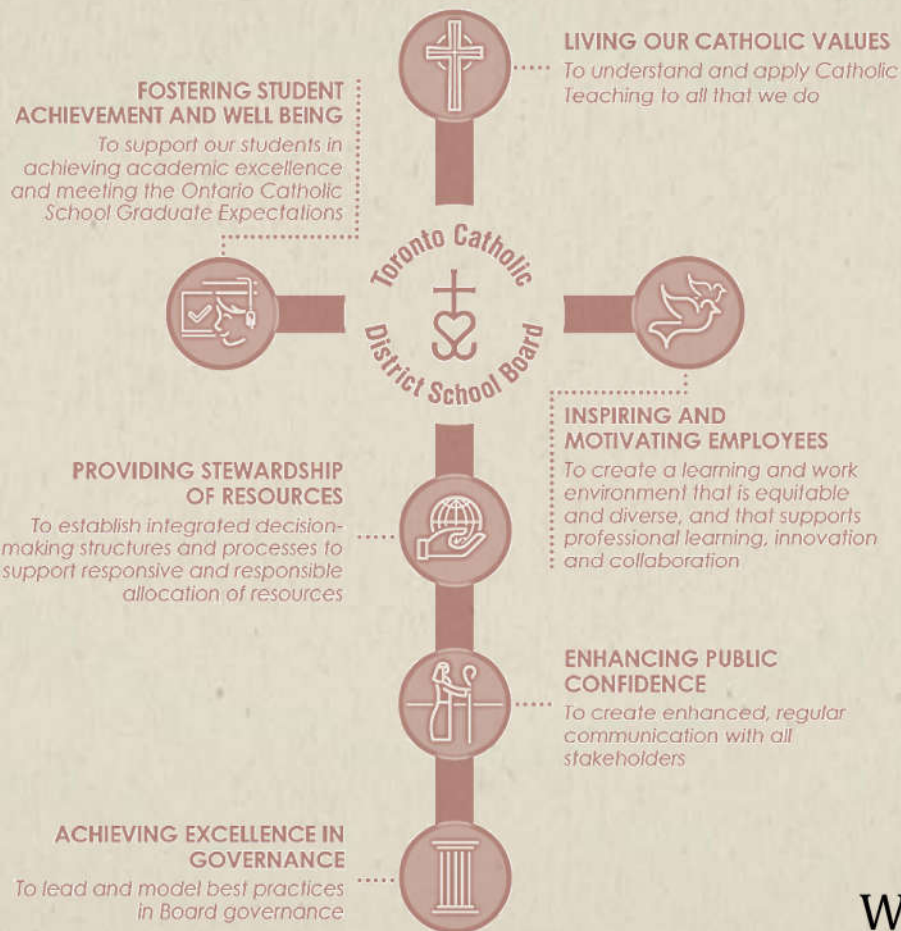




# 2017-18 BUDGET ESTIMATES FOR CONSULTATION PURPOSES

## OUR STRATEGIC DIRECTION 2016-2021



Wednesday, April 12, 2017

# PURPOSE

1. Provide a high level overview of 2017-18 Budget projections and potential strategy to address the shortfall and accumulated deficit.
2. Seek approval for the Budget Consultation Strategy.

# CONTEXT

Over the past two years, changes to the GSN model have resulted in reductions to TCDSB's operating funds and is one of the primary reasons why the Board has a deficit.

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

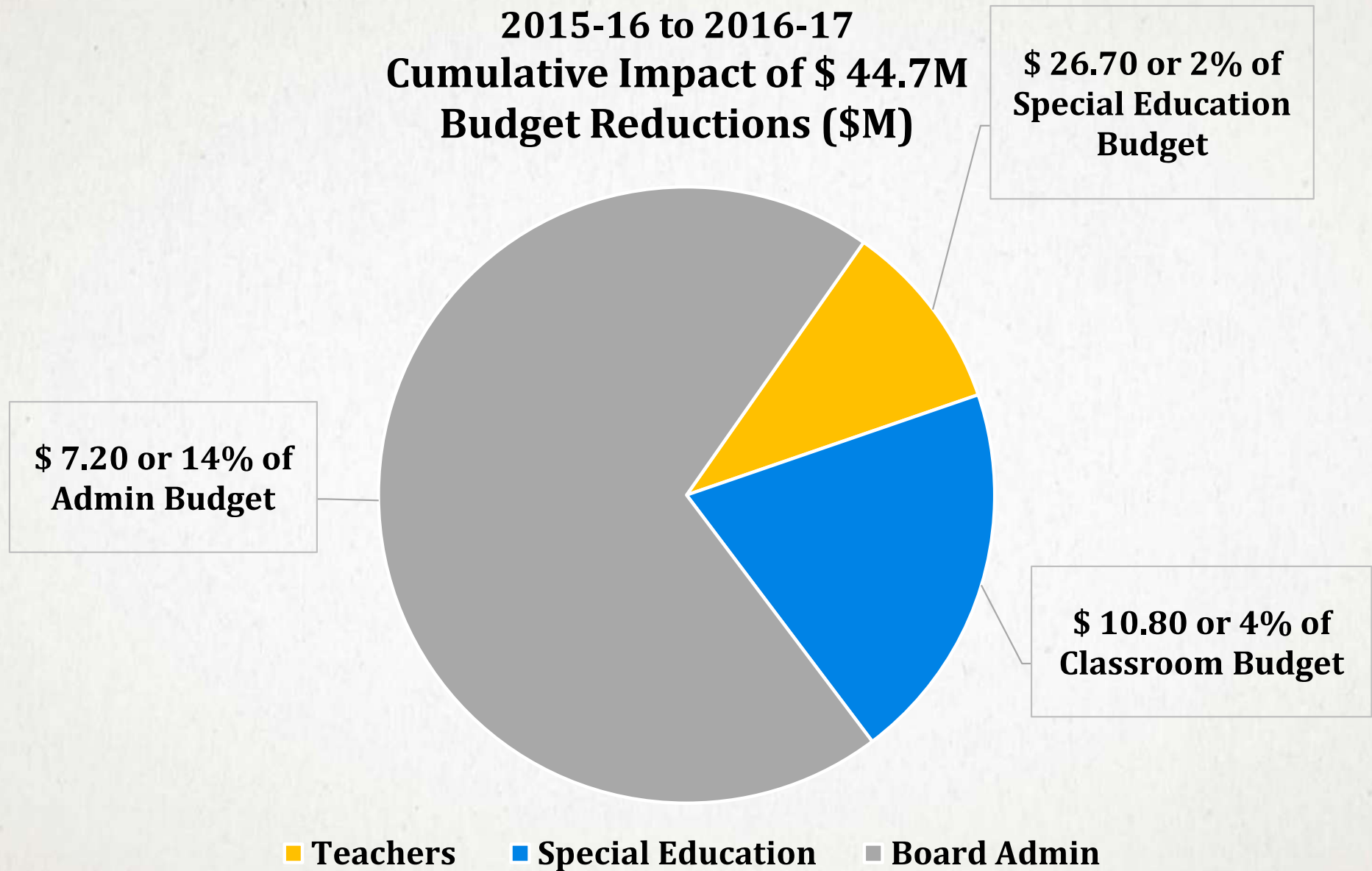
## BACKGROUND (CONTINUED)

- TCDSB has made reductions totalling \$44.7M over the past two years to balance its budget in-year
- Cuts have impacted all areas of the Board including classroom and administration
- Future budget strategies should try to minimize further reductions to ensure effective programming and system supports



# BACKGROUND

**2015-16 to 2016-17  
Cumulative Impact of \$ 44.7M  
Budget Reductions (\$M)**



# PRELIMINARY OUTLOOK

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

<b>2017-18 Budget Estimates</b>	
Grant Revenues before Reductions	\$1,119.9 M
Less: GSN reductions	\$ (8.3) M
<b>Projected Grant Revenues</b>	<b><u>\$1,111.6 M</u></b>

# POTENTIAL IN-YEAR BUDGET STRATEGY

- 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

# POTENTIAL IN-YEAR BUDGET STRATEGY (CONTINUED)

- An additional \$0.8M would need to be found to balance the budget in-year.
- Staff have identified potential revenue generating opportunities to address this gap.

**This strategy could allow TCDSB to balance the 2017-18 in-year budget without any reductions to programs or staffing (assuming no further GSN reductions).**



# OTHER POTENTIAL BUDGET OPPORTUNITIES

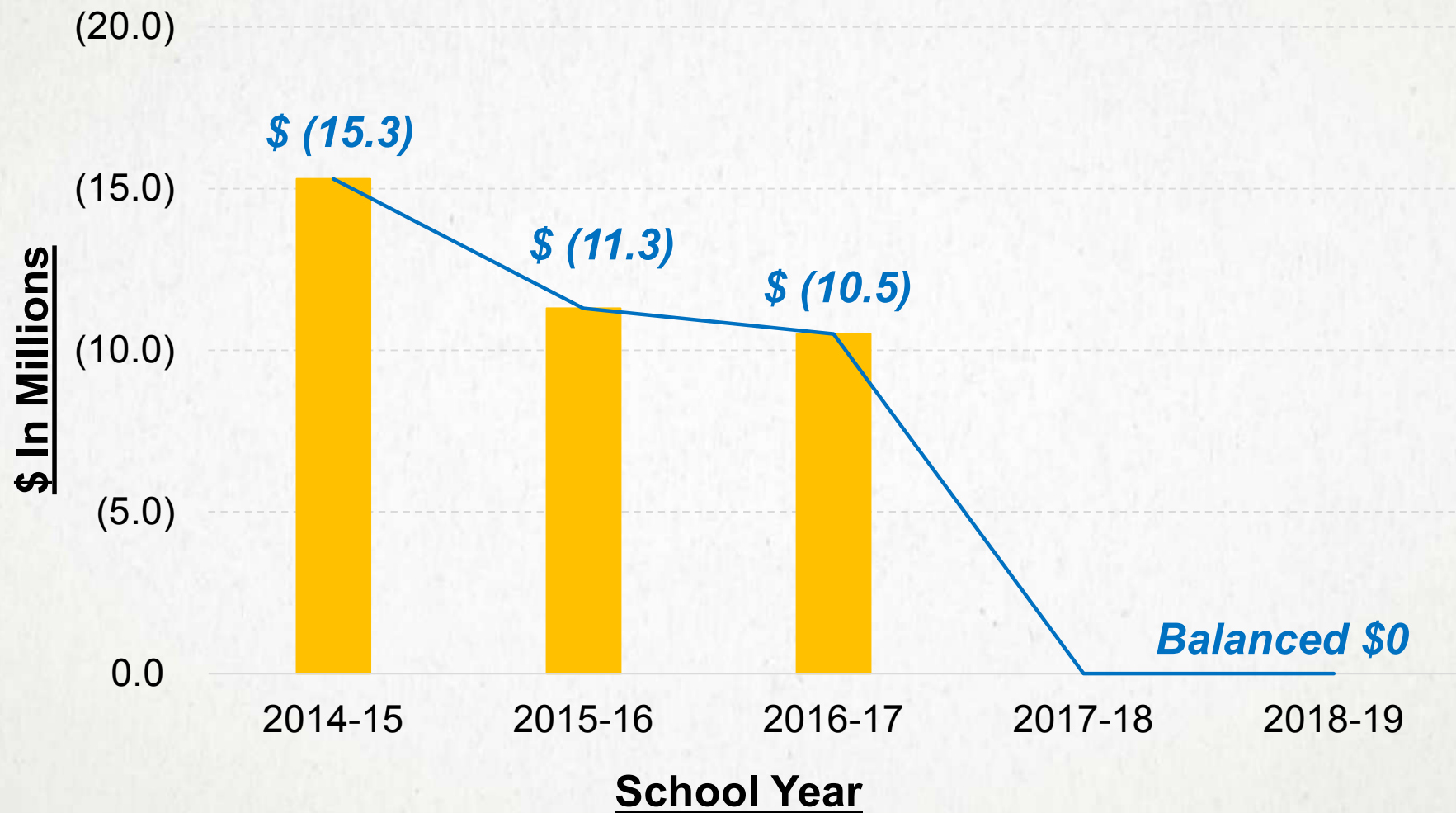
- Trustee approved school consolidations in 2017-18 will result in cost-savings
- Potential investment opportunities have also been identified:
  - Employee Assistance Program
  - IT infrastructure
  - Religious Program Resources
- Consultation process may also result in new ideas for savings and/or investments
- These items will be presented as part of the draft budget estimates report, while complying with the need to balance the budget

## **STRATEGY TO ADDRESS ACCUMULATED DEFICIT**

- Accumulated deficit is currently projected at \$10.5M
- As part of our MYRP, TCDSB is committed to eliminating this accumulated deficit by 2018-19.
- There is an opportunity to use funds in the Benefits Surplus to completely eliminate the Accumulated Deficit.
- Staff have been working with the Benefit providers and the Ministry and it is expected that \$10.5M can be accessed by the end of 2017-18
- This will eliminate the Accumulated Deficit one year earlier than planned

# STRATEGY TO ADDRESS ACCUMULATED DEFICIT (CONTINUED)

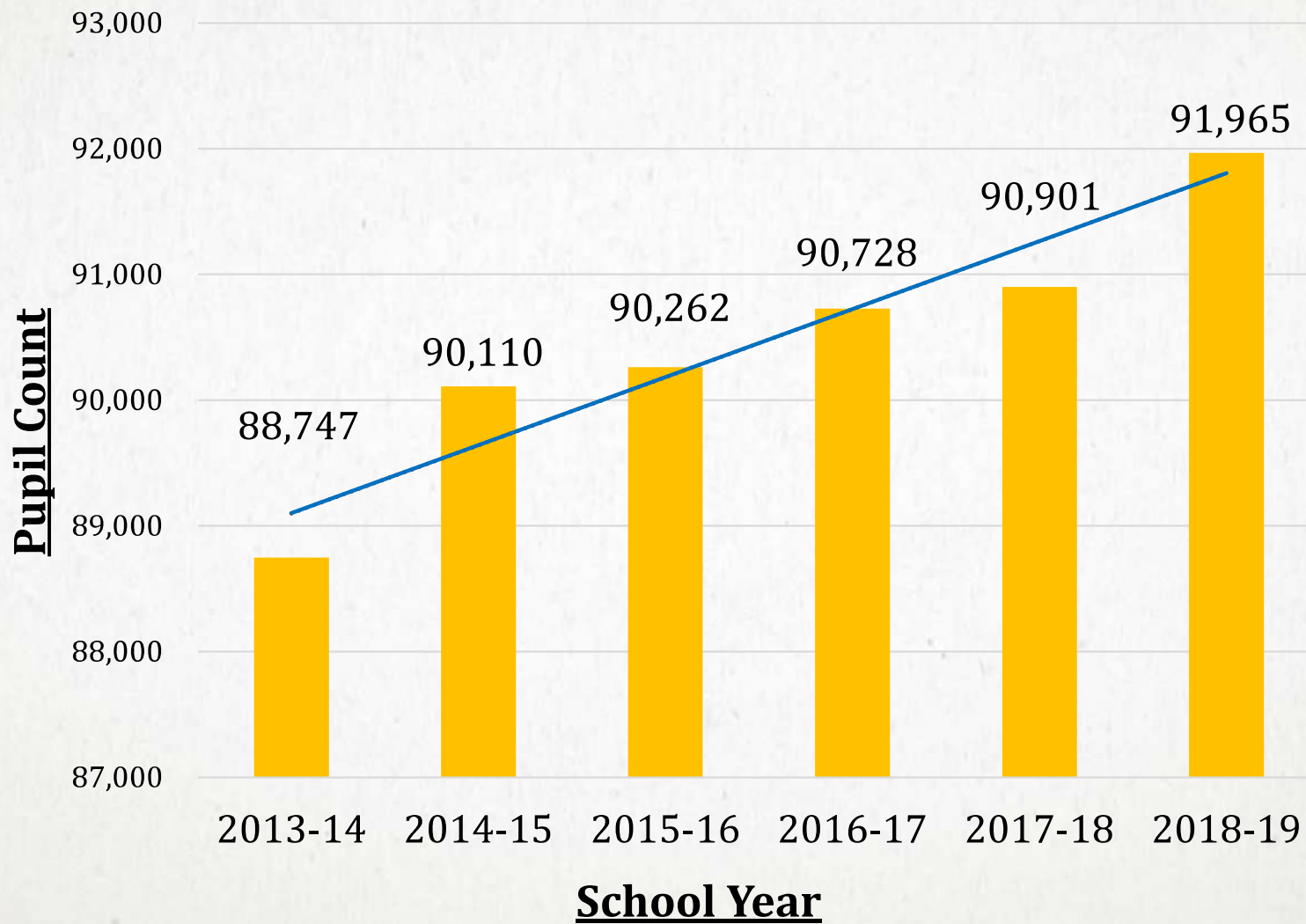
## Accumulated Surplus/(Deficits)



**This strategy would eliminate the accumulated deficit one year early.**

# FUTURE OUTLOOK

## Total Average Daily Enrolment



# COMMUNICATION STRATEGY

Based on the options being considered for the 2017-2018 Budget, it is proposed that the community engagement will be conducted at the level of “Inform” – which is used for regular annual budget consultations.

Input and feedback received during this process will be presented to the Board following the completion of the consultation process.



# STAFF RECOMMENDATION

- 1) Use the System Priorities funding of approximately \$7.5M to offset the staffing reductions of \$8.3M, with the balance reductions of \$0.8M to be funded from additional revenue generating opportunities identified below.
- 2) Approve for inclusion in the budget engagement and consultation process, the following list of potential revenue generating opportunities.

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

# APPENDIX A

## UPDATED MYRP 2017-18 (\$ in Millions)

	2015-16 Actuals as of at August 31, 2016	2016-17 Approved Revised Estimates	2017-18 Projections	2018-19 Projections
Opening Accumulated Surplus / (Deficit)	(15.3)	(11.3)	(10.5)	0.0
Total Revenue	1,122.7	1,119.9	1,121.7	1,124.8
GSN Reductions			(8.3)	
ASO Benefits Surplus			10.5	
Total Revenue	1,122.7	1,119.9	1,123.9	1,124.8
Expenditures	1,148.2	1,134.4	1,121.7	1,124.8
Board Approved Expenditure Reductions	(29.4)	(15.3)	0.0	0.0
In-year Required Reductions	0.0	0.0	(8.3)	0.0
Total Expenditures	1,118.8	1,119.1	1,113.4	1,124.8
In-Year Surplus / (Deficit)	3.9	0.8	10.5	0.0
Accumulated Surplus / (Deficit)	(11.3)	(10.5)	0.0	0.0

2017-18 Revenue includes additional GSNs due to projected increase in enrolment

# APPENDIX B

## 2017-18 SUMMARY OF GSN REDUCTIONS AND SYSTEM PRIORITY ALLOCATIONS

Description of Employees included in Union Groups	Total GSN Reductions 2017-18		Total System Priorities Funding Allocation 2017-18		System Priorities Funding to offset GSN Reduction 2017-18	System Priority Additions	NET FTE (Cuts) / Additions
	\$ M	FTE	\$ M	FTE	\$ M	\$ M	\$ M
<b><u>OECTA</u></b> Elementary & Secondary Teachers.	(3.70)	(36.3)	5.70	56.8	3.7	2.0	20.5
<b><u>EWA0</u></b> Professional & Paraprofessionals	(0.20)	(2.1)	0.20	2.0	0.2	-	(0.1)
<b><u>CUPE</u></b> Educational Assistants, School Secretarial Staff.	(3.70)	(57.7)	3.60	58.3	3.6	-	0.6
<b>TOTAL</b>	<b>(7.60)</b>	<b>(96.1)</b>	<b>9.50</b>	<b>117.1</b>	<b>7.5</b>	<b>2.0</b>	<b>21.0</b>