



# Report 20-063

## 2020-2021 Staff-Recommended Budget 21 July 2020

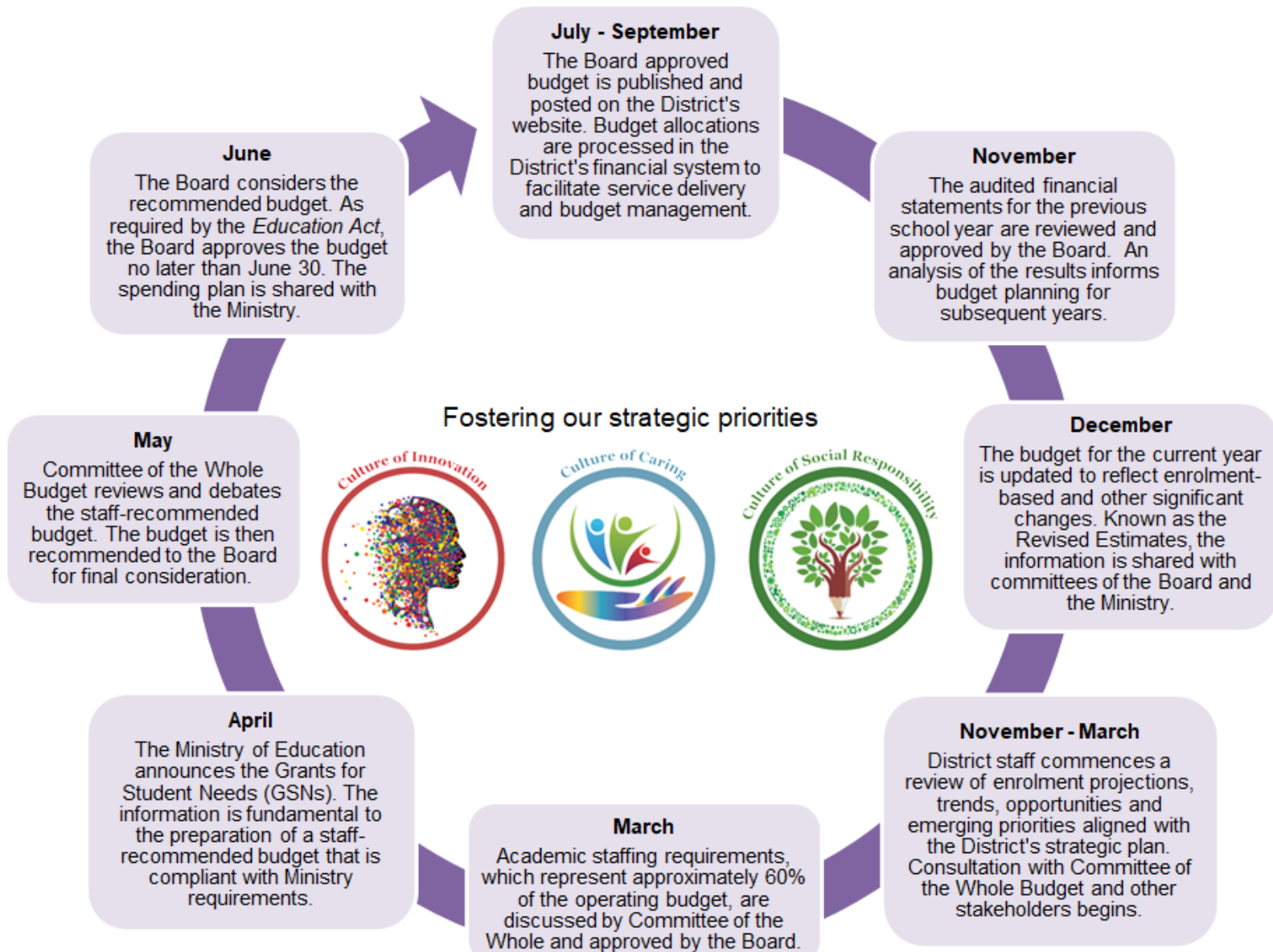
Updated for 11 August 2020 and 13 August 2020 meetings  
with slides 17, 18, 20

Updated for 26 August 2020 meeting with confirmed funding amounts  
(slide 18) and anticipated new federal support funding (slide 19)

Includes new funding announced 11 August 2020 and 14 August 2020



# Annual Budget Development Cycle



# Ministry Funding

- **The Ministry announced the Grants for Student Needs (GSNs) on 19 June 2020. The announcement provides general funding direction and identifies allocations that may be subject to more significant changes.**
- **Education Finance Information System (EFIS) was also released. EFIS uses the District's student and employee demographics to calculate actual funding that will be provided to the OCDSB.**
- **For 2020-2021, the GSNs represent 89% of District operating revenues.**



# Significant Changes in the GSN

- **GSN funding benchmarks were adjusted for the negotiated compensation increases.**
- **New Supports for Students Funding.**
- **Two Priorities and Partnerships Fund (PPF) grants were transferred to the GSN:**
  - **Mental Health Workers in Schools; and**
  - **Experiential Learning.**
- **The School Operations benchmark was updated by 2% to offset commodity price increases.**
- **Secondary classrooms are funded at 23:1.**



# Guided by the Strategic Plan

- **The 2019-2023 Strategic Plan recognizes that learning, well-being and equity are the core of OCDSB work.**
- **The new strategic plan has three key objectives, which are to create a:**
  - **Culture of Innovation;**
  - **Culture of Caring; and**
  - **Culture of Social Responsibility**
- **The budgeting challenge is to align available resources to maximize the achievement of the three priorities.**



# Effect of COVID-19 on Budget Assumptions

- **Recognition that reduced/slowed enrolment growth was due to:**
  - **lower immigration;**
  - **fewer international students; and**
  - **parental concerns.**
- **Anticipated an increase in cleaning standards to allow for the full re-opening of schools.**
- **A need to be able to provide equipment for home-based learning as the need arises.**
- **The need for a budget provision to respond to extraordinary COVID-19 related costs.**



# Staff-Recommended Budget

- **Originally anticipated a compliance deficit within the Ministry's 1% compliance limit supported by accumulated surplus or \$8.8 million.**
- **The staff-recommended budget proposes a deficit of almost 2% or \$17.2 million.**
- **Includes new investments to support students and required cost adjustments.**
- **The proposed deficit will require additional Ministry approval.**
- **A high-level deficit elimination plan is proposed that envisions a balanced budget in 2021-2022**



# Comparative Summary

## Operating Budget Revenues and Expenses (\$ millions)

	<b>2020-2021 Recommended Budget</b>	<b>2019-2020 Approved Budget</b>	<b>Change</b>
<b>Revenues</b>	<b>991.2</b>	<b>971.8</b>	<b>19.4</b>
<b>Expenses</b>	<b>1,008.3</b>	<b>980.2</b>	<b>28.1</b>
<b>Deficit</b>	<b>17.2</b>	<b>8.4</b>	<b>8.7</b>

Numbers may not add due to rounding





# Enveloping

## 2020-2021 Operating Budget Revenues and Expenses by Envelope (\$ millions)

	Revenues	Expenses	Surplus/ (Shortfall)
Instruction	623.0	621.4	1.6
Special Education	117.9	131.4	(13.5)
Transportation	44.2	46.9	(2.7)
Facilities	93.3	96.6	(3.3)
Extended Day/Childcare	20.2	20.5	(0.3)
Central Admin/Amort	92.6	91.5	1.1
<b>Total</b>	<b>991.2</b>	<b>1,008.3</b>	<b>(17.2)</b>

Information is based on EFIS Data Form D  
Numbers may not add due to rounding

# Net Results and Accumulated Surplus

(\$ in millions)

School Year	Net Actual \$	Net Budget \$	Change \$	Accumulated Surplus (YE) \$
2014-15	(17.2)	(17.2)	-	16.8
2015-16	(12.3)	(11.9)	(0.4)	4.5
2016-17	15.2	-	15.2	19.7
2017-18	15.2	-	15.2	34.9
2018-19	7.5	-	7.5	42.4
2019-20 *	(5.6)	(8.4)	2.8	36.8
2020-21 *	(17.2)	(17.2)	-	19.6

- Projected results for 2019-2020.
- For 2020-2021, \$10.4 million of the accumulated surplus balance is restricted (cannot be used for other purposes).



# Significant Factors

## 2020-2021 Operating Budget

(\$ millions)

	Surplus/ (Shortfall)
<b>Gain on Former Employee Benefit Plan Surplus</b>	<b>3.3</b>
<b>Net Revenue Loss from International Students</b>	<b>(3.0)</b>
<b>Secondary Classroom Teacher Staffing (23:1)</b>	<b>(4.1)</b>
<b>Provision for Extraordinary COVID-19 Expenses</b>	<b>(4.0)</b>
<b>Transportation Costs</b>	<b>(2.7)</b>
<b>Net Instruction Spending</b>	<b>(6.0)</b>
<b>Asset Amortization Supported by Accum Surplus</b>	<b>(0.7)</b>
<b>Total</b>	<b>(17.2)</b>



# Changes in Revenues

## 2020-2021 Operating Budget

(\$ millions)

	<b>Increase (Decrease)</b>
<b>Net GSN Revenues</b>	<b>30.8</b>
<b>Surplus from Former Employee Benefit Plan</b>	<b>3.3</b>
<b>Priorities and Partnerships Fund</b>	<b>(2.1)</b>
<b>OCENET Student and Facilities Recovery Fees</b>	<b>(5.6)</b>
<b>Staff Secondment Compensation Recoveries</b>	<b>(0.7)</b>
<b>Miscellaneous Revenue Adjustments</b>	<b>(0.7)</b>
<b>Deferred Capital Contributions (Assets)</b>	<b>(5.6)</b>
<b>Total</b>	<b>19.4</b>



# Staffing Recommendations-General

(\$ millions)

	FTE	\$
<b>Academic staffing and PVPs</b>	<b>48.22</b>	<b>5.1</b>
<b>ECEs for new kindergarten classes</b>	<b>17.79</b>	<b>1.0</b>
<b>EAs to meet increased needs</b>	<b>44.00</b>	<b>2.6</b>
<b>Net school offices and B&amp;LT department</b>	<b>(0.90)</b>	<b>0.1</b>
<b>Equity and Diversity and Mental Health *</b>	<b>4.30</b>	<b>0.2</b>
<b>EDP increased enrolment and ELA wages</b>	<b>21.12</b>	<b>1.5</b>
<b>Total</b>	<b>134.53</b>	<b>10.5</b>

\*Equity and Diversity position funded using PPF grant.

Community Partnership position funded using RAISE allocation.



# Staffing Recommendations-SSF

(\$ millions)

	<b>FTE</b>	<b>\$</b>
<b>Educational Assistants</b>	<b>19.50</b>	<b>1.1</b>
<b>Facilities Learning Environment</b>	<b>16.60</b>	<b>1.1</b>
<b>Educational Support Professionals</b>	<b>15.00</b>	<b>0.9</b>
<b>Professional Student Support Personnel</b>	<b>1.30</b>	<b>0.2</b>
<b>Elementary Teachers</b>	<b>21.00</b>	<b>2.2</b>
<b>Secondary Teachers</b>	<b>11.00</b>	<b>1.2</b>
<b>Total</b>	<b>84.40</b>	<b>6.7</b>

The number of positions shown above is based on funding capacity provided by the new Supports for Students Fund (SSF) included in recent collective agreements.



# Other Recommended Cost Adjustments

(\$ millions)

	\$
<b>Compensation Costs</b>	<b>15.4</b>
<b>EFB and WSIB Actuarial Valuations</b>	<b>1.6</b>
<b>Reduced Capital Asset Amortization Expense</b>	<b>(5.1)</b>
<b>International student administrative fee</b>	<b>(2.9)</b>
<b>Priorities and Partnerships and other grants</b>	<b>(1.5)</b>
<b>Student transportation</b>	<b>0.9</b>
<b>Staff secondments and operating savings</b>	<b>(1.5)</b>
<b>COVID-19 response provision</b>	<b>4.0</b>
<b>Total</b>	<b>10.9</b>



# Changes in Staffing Summary

<b>FTE Grouping</b>	<b>2019-20</b>	<b>Change</b>	<b>2020-21</b>
<b>Classroom/Resource Teachers</b>	<b>4,876.31</b>	<b>75.73</b>	<b>4,952.04</b>
<b>Educational Assistants</b>	<b>750.00</b>	<b>63.50</b>	<b>813.50</b>
<b>Custodial and Maintenance</b>	<b>705.62</b>	<b>16.60</b>	<b>722.22</b>
<b>Early Childhood Educators</b>	<b>393.20</b>	<b>17.80</b>	<b>411.00</b>
<b>School Office and Technicians</b>	<b>393.05</b>	<b>(3.90)</b>	<b>389.15</b>
<b>Central/School Admin/Support</b>	<b>374.50</b>	<b>21.00</b>	<b>395.50</b>
<b>Extended Day and Childcare</b>	<b>297.20</b>	<b>21.12</b>	<b>318.32</b>
<b>Principals and Vice-Principals</b>	<b>250.75</b>	<b>4.50</b>	<b>255.25</b>
<b>Student Support Professionals</b>	<b>94.60</b>	<b>2.60</b>	<b>97.20</b>
<b>Continuing Education</b>	<b>16.00</b>	<b>-</b>	<b>16.00</b>
<b>Total</b>	<b>8,151.23</b>	<b>218.95</b>	<b>8,370.18</b>



# New Funding to Address COVID-19 Expenses

	Provincial \$	District Share \$
<b>Confirmed Funding</b>		
Allocation for Technology-Related Costs (GSN)	15,000,000	528,561
Enhanced Cleaning Allocation (PPF)	4,000,000	140,798
Additional Staffing Support-Custodial (PPF)	50,000,000	1,816,446
Health and Safety Training-Casual Staff (PPF)	10,000,000	369,988
Additional Supports-Special Education (PPF)	10,000,000	265,217
Allocation for Mental Health Supports (GSN)	10,000,000	198,891
Additional Funds-Mental Health Supports (PPF)	10,000,000	198,891
Additional Elementary Teachers (PPF)	30,000,000	1,301,325
Remote Learning Virtual School Admin (PPF)	18,000,000	552,323
<b>Total Confirmed Funding</b>	<b>157,000,000</b>	<b>5,372,440</b>



# New Funding to Address COVID-19 Expenses

	Provincial \$	District Share \$
<b>Anticipated Additional Funding</b>		
<b>Masks and Personal Protective Equipment</b>	<b>60,000,000</b>	<b>2,100,000</b>
<b>New Enhanced Cleaning Allocation *</b>	<b>25,000,000</b>	<b>875,000</b>
<b>Student Transportation (held by Ministry) *</b>	<b>20,000,000</b>	<b>825,112</b>
<b>Student Transportation (confirmed) *</b>	<b>20,000,000</b>	<b>825,112</b>
<b>Ventilation in Classrooms (confirmed)</b>	<b>50,000,000</b>	<b>1,681,500</b>
<b>Total Anticipated Additional Funding</b>	<b>175,000,000</b>	<b>6,306,724</b>
<b>Total Expected COVID-19 Funding</b>	<b>332,000,000</b>	<b>11,679,164</b>

\* Updated - descriptions were previously shown as being for mental health supports and enhanced cleaning, respectively.

The above amounts are not reflected in the 2020-2021 Staff-Recommended Budget or amended budget recommendations. Funding is as identified in Ministry memo 2020:B11 dated 4 August 2020 and Minister's memo dated 14 August 2020. Anticipated additional funding reflects 3.5% of provincial totals. Ventilation and Transportation funding confirmed by Memos 2020:B12 and B13, both dated August 25, 2020.



# New Federal Funding of COVID-19 Expenses

	Provincial \$	District Share \$
<b>Anticipated Additional Funding</b>		
<b>Reopening Plan Implementation</b>	<b>200,000,000</b>	<b>7,000,000</b>
<b>Student Transportation</b>	<b>70,000,000</b>	<b>2,450,000</b>
<b>Special Education and Mental Health</b>	<b>12,500,000</b>	<b>437,500</b>
<b>Remote Learning</b>	<b>36,000,000</b>	<b>1,260,000</b>
<b>Anticipated Federal COVID-19 Funding</b>	<b>318,500,000</b>	<b>11,147,500</b>

The announced maximum total federal transfers to support Ontario students is \$763.3 million. The first instalment will be provided in the Fall of 2020 and additional funding will be available in early 2021. The funding identified above is based on the provincial announcement *Additional Funds Enhance Ontario's Robust Back-to-School Plan* dated 26 August 2020. Anticipated additional funding reflects 3.5% of provincial totals.

The above amounts are not reflected in the 2020-2021 Staff-Recommended Budget or amended budget recommendations.



# Accumulated Surplus Available for Compliance

	Projected 31 Aug 2021 \$	Projected 31 Aug 2020 \$	District Share \$
<b>Restricted-Committed Capital</b>	<b>10,438,731</b>	<b>8,785,584</b>	<b>1,653,147</b>
<b>Internally Appropriated</b>			
<b>Extended Day Program</b>	685,616	940,000	(254,384)
<b>Budgets Carried Forward</b>	1,656,145	1,656,145	-
<b>Business Systems</b>	500,000	2,000,000	(1,500,000)
<b>Contingencies</b>	5,000,000	17,200,000	(12,200,000)
	<b>7,841,761</b>	<b>21,796,145</b>	<b>(13,954,384)</b>
<b>Unappropriated *</b>	<b>893,029</b>	<b>6,245,448</b>	<b>(5,352,419)</b>
	<b>19,173,521</b>	<b>36,827,177</b>	<b>(17,653,656)</b>

\* Updated to show proposed \$471,791 increased use of accumulated surplus.



# 2020-2021 Budget Key Dates

<b>04 Feb</b>	<b>Budget process review</b>
<b>24 Mar</b>	<b>Academic staffing approval</b>
<b>26 May</b>	<b>Amended academic staffing approval</b>
<b>08 Jun</b>	<b>Budget development update</b>
<b>19 Jun</b>	<b>Grants for Student Needs announced</b>
<b>22 Jun</b>	<b>Preliminary non-academic staffing approval</b>
<b>21 Jul</b>	<b>Presentation of staff-recommended budget</b>
<b>11 Aug</b>	<b>Budget debate</b>
<b>13 Aug</b>	<b>Budget debate</b>
<b>18 Aug</b>	<b>Budget debate / <del>Board approval</del>*</b>
<b>26 Aug</b>	<b>Budget debate / Board approval *</b>

- A special Board meeting may be held following COW Budget's recommendation