

# Report 17-032

## 2017-2018 Budget Development Update

18 April 2017



OTTAWA-CARLETON  
DISTRICT SCHOOL BOARD



# Compliance Results

## Comparative Summary of Revenues and Expenses for the year ended 31 August 2016

(\$ in millions)

	<b>Actual</b> \$	<b>Approved Budget</b> \$	<b>Change</b> \$	<b>Change</b> Increase %
<b>Revenues</b>	<b>860.0</b>	<b>844.1</b>	<b>15.9</b>	<b>1.9</b>
<b>Expenses</b>	<b>872.3</b>	<b>856.0</b>	<b>16.3</b>	<b>1.9</b>
<b>Deficit</b>	<b>(12.3)</b>	<b>(11.9)</b>	<b>(0.4)</b>	<b>3.1</b>

Although the 2015-16 actual deficit was \$400,000 more than the budget, it was \$900,000 more than the forecasted deficit shown in the Multi-Year Financial Recovery Plan (MYFRP)

# Compliance Results

## Comparative Summary of Net Results and Accumulated Surplus

(\$ in millions)

School Year	Net Actual \$	Net Budget \$	Change \$	Accumulated Surplus (YE) \$
2011-12	9.4	(6.6)	16.0	46.0
2012-13	(0.2)	(6.7)	6.5	45.8
2013-14	(11.8)	(14.3)	2.5	34.0
2014-15	(17.2)	(17.2)	-	16.8
2015-16	(12.3)	(11.9)	(0.4)	4.5

\* \$600,000 of the 2015-16 accumulated surplus balance is restricted (cannot be used for other purposes)

# Multi-Year Financial Recovery Plan

(\$ in millions)

	<b>Actual 2015-16 \$</b>	<b>MYFRP 2015-16 \$</b>	<b>MYFRP 2016-17 \$</b>	<b>MYFRP 2017-18 \$</b>
<b>Revenues</b>	<b>860.0</b>	<b>858.2</b>	<b>864.8</b>	<b>864.8</b>
<b>Expenses</b>	<b>872.3</b>	<b>869.6</b>	<b>864.8</b>	<b>861.9</b>
<b>Surplus (Deficit)</b>	<b>(12.3)</b>	<b>(11.4)</b>	<b>-</b>	<b>2.9</b>
<b>Accum. Surplus Available for Use</b>	<b>0.5</b>	<b>-</b>	<b>0.4</b>	<b>3.7</b>
<b>Appropriated-EFB</b>	<b>3.4</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Restricted-Capital</b>	<b>0.6</b>	<b>5.4</b>	<b>5.0</b>	<b>4.7</b>
<b>Total</b>	<b>4.5</b>	<b>5.4</b>	<b>5.4</b>	<b>8.4</b>

Note: MYFRP as approved by Board

# MYFRP Elements for 2017-2018

(\$ millions)

<b>Operating Budget</b>	<b>Amount</b>
<b>Increase in Surplus</b>	
<b>Student Learning/Accommodations</b>	<b>2.0</b>
<b>Special Education</b>	<b>0.5</b>
<b>Net Central Department Supports</b>	<b>0.4</b>
<b>Increased Funding from FNMI Studies</b>	<b>0.3</b>
<b>Return of Manulife Deposits</b>	<b>2.0</b>
<b>Subtotal</b>	<b>5.2</b>
<b>Decrease in Surplus</b>	
<b>Reduced Facility Top-Up Funding</b>	<b>(2.3)</b>
<b>Net change</b>	<b>2.9</b>

Note: MYFRP as approved by Board – to be updated to reflect changes/deferrals

# Significant Budget Items

## Positive

- **Increase in elementary and secondary enrolment relative to 2016-2017 Budget**
- **Savings in OSBIE insurance premiums/capital**
- **Improved accumulated surplus starting point**

# Significant Budget Items

## Negative

- **Inflationary Pressures**
  - **licenses, agreements, utilities**
- **New pressures**
  - **Reinvestment in system infrastructure**
- **Continued pressure on OT/EA/ECE budgets**
- **Enveloping considerations (LOG)**
- **Anticipated annual savings resulting from facility closures may not be achieved until properties are sold**
- **Other adjustments to MYFRP**

# Grants for Student Needs

- **Announced on 12 April 2017**
- **EFIS Estimates forms scheduled for release on 21 April which will allow the District's funding to be determined**
- **Changes presented in GSN announcement:**
  - **Increased revenues to support contractual increases in compensation and benefit costs**
  - **Local Priorities Funding will allow positions to be retained and/or added**
  - **Investments to reduce class size in FDK and grades 4-8**



# Grants for Student Needs

(continued)

- Enveloping of the per-pupil amount allocation of the Indigenous Education Grant
- A 2% increase in the benchmark that supports student transportation costs
- A 2% increase in non-staff school operating benchmarks that support utilities, supplies and services
- Continued implementation of previously announced changes such as School Board Efficiencies and Modernization phase-in
- Continued FRP/SCI funding enhancements

# 2017-2018 Budget Development

## Starting Point (\$ millions)

	Amount
<b>2016-2017 Approved Budget</b>	<b>-</b>
<b>Adjustments</b>	
<b>Delayed Facility Consolidation Savings</b>	<b>1.0</b>
<b>Indigenous Studies</b>	<b>0.3</b>
<b>Special Education</b>	<b>0.5</b>
<b>2017-2018 Starting Point</b>	<b>1.8</b>

- 2015-16 actual deficit was \$900,000 more than that forecasted in the MYFRP.
- Variances between 2016-2017 budget and actual will influence the starting point, but the impact is not yet known.

# 2017-2018 Budget Development

## Preliminary Savings Target

(\$ millions)

	Amount
<b>2017-2018 Starting Point</b>	<b>1.8</b>
<b>Pressures</b>	
<b>Net Change in Grants</b>	<b>3.0</b>
<b>Grants from Increased Enrolment</b>	<b>(3.0)</b>
<b>Inflationary Pressures (supplies/services)</b>	<b>1.0</b>
<b>Staff Replacement Costs</b>	<b>1.0</b>
<b>Reinvestment in System Infrastructure *</b>	<b>2.0</b>
<b>2017-2018 Savings Target (30 Jan 2017)</b>	<b>5.8</b>

\* Other net pressures and reinvestment needs:

Technology, Health and Safety, Student and Staff Supports, Professional Learning

# 2017-2018 Budget Development

## Updated Savings Target (\$ millions)

	Amount
<b>2017-2018 Savings Target (30 Jan 2017)</b>	<b>5.8</b>
<b>Changes</b>	
<b>Net Change in Grants Assumptions</b>	<b>(1.5)</b>
<b>Academic Staffing Changes (Discretionary)</b>	<b>(1.3)</b>
<b>Additional Facility Consolidation Savings</b>	<b>(0.1)</b>
<b>Additional Staff Replacement Costs</b>	<b>0.5</b>
<b>Transportation Net Costs</b>	<b>1.2</b>
<b>2017-2018 Savings Target (18 April 2017)</b>	<b>4.6</b>

# 2017-2018 Budget Development

## Areas of Focus to Achieve Savings Target

(\$ millions)

	Amount
<b>2017-2018 Savings Target (18 Apr 2017)</b>	<b>4.6</b>
<b>Areas of Focus</b>	
<b>Local Priorities Funding</b>	?
<b>Savings from Attrition</b>	?
<b>Class Size Funding</b>	?
<b>Operating Efficiencies</b>	?
<b>Other</b>	?
<b>2017-2018 Savings Target (18 Apr 2017)</b>	<b>?</b>

# Current Budget Dates

<b>18 April</b>	<b>Budget development update (GSNs)</b>
<b>21 April</b>	<b>EFIS Estimates Forms Released</b>
<b>30 May</b>	<b>Presentation of staff recommended budget</b>
<b>05 June</b>	<b>Delegations and questions</b>
<b>12 June</b>	<b>Budget debate commences</b>
<b>19 June</b>	<b>Budget debate and recommendation</b>
<b>26 June</b>	<b>Budget approval (Board meeting)</b>

Academic staffing was discussed at Committee of the Whole meetings in March 2017 and approved by the Board on 28 March 2017.

# A Community of Character

**ACCEPTANCE:** I reach out to include others. I accept others for who they are.

I am gentle with myself and others when mistakes are made.

**APPRECIATION:** I am grateful for all that I have. I am thankful for the support that others give me. I am generous in recognizing the contributions of others.

**COOPERATION:** I work with others to make a peaceful community. I am willing to listen to others' ideas and suggestions. I compromise and negotiate to solve problems and differences of opinion.

**EMPATHY:** I am compassionate, caring, and kind. I am a true friend. I will walk in your shoes in order to understand you. I am slow to judge and quick to forgive.

**FAIRNESS:** I make decisions based upon the whole picture. I treat others the way I would like to be treated. I am just.



**INTEGRITY:** I behave ethically and honourably. I am honest, loyal, and trustworthy. I am truthful and courageous. I stand up for what is right even when it is hard. I am a person of my word and people who know me understand that.

**OPTIMISM:** I believe that challenges are opportunities. I choose to see goodness. I have hope for our future.

**PERSEVERANCE:** I will work hard and I will not give up. I will finish what I begin and I will not give up. I will care enough and I will not give up.

**RESPECT:** I honour myself and others through my words and actions. I support our diversity of beliefs. I treat our world and everything in it with dignity.

**RESPONSIBILITY:** I am accountable for the decisions I make. I realize that my decisions impact my community. I honour my commitments.

Educating for Success —  
Inspiring Learning and Building Citizenship



# 2017-2018 Budget Development

## Committee of the Whole Budget

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## Questions and Comments