

Halton District School Board

Report Number: 20019

Date: January 30, 2020

FOR INFORMATION

TO: The Chair and Members of the Halton District School Board
FROM: R. Negoi, Superintendent of Business Services and Treasurer
RE: **2020/2021 Budget Development**

Background

This report is intended to present the 2020/2021 Budget Development Schedule and the Board's Budget Objectives.

Reporting

The fiscal year for all School Boards in Ontario is in alignment with the school year and runs from September 1 to August 31. According to Ministry of Education reporting and accountability requirements, a School Board's budget must be submitted to the Ministry by the end of June preceding the start of the fiscal year in question. Consequently, the 2020/2021 budget must be submitted prior to the end of June 2020.

Provincial Perspective

Over the past year, the Ministry of Education has introduced a reform to education funding, resulting in significant reductions to funding across the province. The main changes pertained to increase of class size from 23.84:1 to 24.5:1 for Grades 4-8, and from 22:1 to 28:1 for Grades 9-12, over a four year period. Additional funding reductions were introduced which impacted the early childhood educator allocation, secondary programming allocation, school operations allocation and the elimination of local priorities funding introduced during the last round of bargaining.

The province is currently in labour negotiation with education unions across the sector. To date, the Canadian Union of Public Employees (CUPE) has reached an agreement, with the remaining parties still debating on various issues which will impact the upcoming budget and education funding.

On January 13, 2020, the Ministry released memorandum 2020:B01 - 2020-21 Education Funding Feedback (attached as appendix A), soliciting input into the budgeting process. While feedback on all aspects of education funding is welcomed, the main focus of the consultation is around reducing red tape and administrative burden for the education sector. The memorandum also identifies the Ministry's focus to continue to "improve and refine the education funding formula", which could lead to further changes for 2020/2021.

Revenue – Grants for Student Needs (GSN)

The Ministry of Education allocates funding to school boards using a model referred to as Grants for Student Needs (GSN) that is based on enrolment and the needs of students in each board. In 2019/2020, the HDSB projected to receive 91% (approximately \$696 million) of total operating revenue from GSN funding. Specific funding allocation details are normally provided to Boards following the provincial budget. In the past few years, this information has been made available in late March or early April. The timing of these funding announcements present challenges for boards in the province given that certain major decisions such as staffing need to be made in advance of final budget discussions.

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The provincial government remains committed to finding efficiencies and balancing the provincial budget. Many areas, which have financial implications, are dependent on the results of the central negotiations, providing a big unknown in the budget process. At this point, there has been no indication whether additional areas of the GSN are expected to change; however, that remains a possibility, depending on the results of central negotiations and the priorities and targets identified in the provincial budget.

Board Perspective

Objectives of Budget Development Process

The key objective of the Budget Development Process is to align the allocation of resources with the Operational Plan of the Board, the Multi-Year Plan, and the Special Education Plan; identify school based staffing requirements; identify budget challenges and opportunities; and gather input from the various stakeholder groups.

The 2020/2021 budget timelines are attached to this report. A survey will be developed in February, seeking input into the upcoming budget process. Results will be presented to the Board of Trustees during March and April. A budget presentation will be scheduled during April at the Committee of the Whole meeting, with a draft budget proposed for May 2020. The final budget will be presented to the Board for final approval in June 2020.

Multi-Year Plan 2020-2024 and Operational Plan

The Board is currently in the process of developing the 2020-2024 Multi-Year Plan. This new strategic plan is expected to be approved by the Board of Trustees by April 2020, with the 2020/2021 Operational Plan and Special Education Plan to be approved by June 2020. The budget development process will align the allocation of resources in order to support these plans.

Enrolment

The Halton District School Board is projected to continue to grow by 595 Average Daily Enrolment (ADE) or 0.9% into 2020/2021, as compared to 2019/2020 Budget Estimates. The growth is expected to occur at the secondary panel, which will continue to put pressure on temporary accommodations for students in Milton and north Oakville. In addition to the operational impact on the budget, this growth will continue to put pressure on the capital expenditures of the board.

Rationale:

The Halton District School Board has always been financially responsible with a clear focus on providing the system with the resources and supports necessary to ensure that we inspire and support learning; create safe, healthy and engaging environments; and provide opportunities for challenge and choice.

Respectfully submitted,

R. Negoj, Superintendent of Business and Treasurer

S. Miller, Director of Education

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Timelines for 2020/2021 Budget Development

December 2019/January 2020

Education Funding Consultations

- Provide feedback to senior administration and include in a Board report

Senior Staff budget meetings

- Administrative Council budget planning meeting

February 2020

Administrative Council budget discussions continue

Senior Staff budget meetings

- Individual meetings with budget owners
- Identifying gaps and priorities

Budget Development Report

- Budget objectives, schedule, funding, consultation, review of budget assumptions
- Budget Input
- Deploy online budget survey
- Staff budget meetings
- Trustee input

March/April 2020

Administrative Council meetings to form recommendations

Trustee Budget Meeting(s)

- Discussion re: Alignment of Financial Resources
 - Multi-Year Plan
 - Annual Operational Plan
 - Special Education Plan
- Review of Budget Parameters
 - Preliminary Enrolment
 - Revenue Assumptions
 - Expenditure Assumptions
 - Review ratified agreements implications
 - Review details of 2020/2021 GSN
 - Overview of Grant Revenue Calculation (based on GSN release)
 - Review Expenditures to ensure alignment with GSN
 - Discuss restraint measures if required
- Review of Accountability and Reporting Requirements
- Review Trustee Issues/Input
- Review Stakeholder Input
- Presentation/review with SEAC

May/June 2020

Trustee Budget Meeting(s)

- Review of draft budget
- Review Administrative Council recommendations
- Update on Trustee Input
- Update on Stakeholder Input
- Update on Communication Plan
- Continue to discuss restraint measures if required

Board Meeting

- Budget finalized

Budget filed with Ministry and posted on the board website