



Halton  
District  
School  
Board

# 2020/2021 Budget Development

April 22, 2020

**TOGETHER**

we inspire every student to



# 2020/2021 Budget Development

## Agenda

- Budget Development Process
- Alignment of Financial Resources
- A Provincial Perspective
- A Board Perspective
- Review of Key Budget Components
- Budget Stakeholder Input
- Budget Additions and New Initiatives
- Next Steps
- Questions

# Budget Development Process

## Overview

### Three Ministry of Education financial reporting cycles

#### 1. Budget Estimates

- Developed 3 months before the beginning of the fiscal year
- Based on projected October 31 and projected March 31 enrolment
- Approved by the Board of Trustees and submitted to the Ministry of Education by June 30<sup>th</sup>

#### 2. Revised Budget Estimates

- Developed 3 months after the beginning of the fiscal year
- Based on actual October 31 enrolment and projected March 31 enrolment
- Presented to the Board of Trustees and submitted to the Ministry of Education by December 15<sup>th</sup>

#### 3. Audited Financial Statements

- Consolidated 3 months after the end of the fiscal year
- Based on actual October 31 and actual March 31 enrolment
- Approved by the Board of Trustees and submitted to the Ministry of Education by November 15<sup>th</sup>

# Budget Development Process

## Overview (Continued)

The Budget development process:

- Starts with Ministry's invitation to education funding consultation
  - 2020/2021 Education Funding Consultation released on January 13, 2020
  - Solicited input in all areas of the grant to “improve and refine the funding formula”, with particular focus on reducing red tape and administrative burden
- Enrolment projections sent to the Ministry in the fall, form the basis for the Grants for Student Needs (GSN)
  - 2020/2021 enrolment projections submitted on November 22, 2019
- Aligns financial resources to strategic priorities
- Seeks stakeholder input into the parameters of the budget
- Aligns with Ministry requirements for a balanced budget, with various enveloping, flexibility and other reporting requirements

# Budget Development Process

## Timelines



✓ **December 2019 – January 2020 (Complete)**

- Participate in Provincial budget and Education Funding consultations

✓ **February – March 2020 (Complete)**

- Budget holder planning meetings
- Budget survey open February 7<sup>th</sup>
- COTW Budget discussion February 12<sup>th</sup>

☐ **April - May 2020 (In progress):**

- April 14<sup>th</sup> Board report – Results of Stakeholder Consultation
- April 22<sup>nd</sup> COTW – Budget presentation,
- GSN release expected (delayed to beginning of May)

☐ **Other key dates:**

- May 27<sup>th</sup> COTW – Draft budget presentation
- June 3<sup>rd</sup> Draft Budget Report and June 17<sup>th</sup> Final Budget Report

# Budget Development Process

## Enveloping, Flexibility and Other Reporting Requirements

- Budgets must be balanced within 1% of provincial allocation
  - A compliance budget is a deficit budget of up to 1% of the provincial allocation
- Regulated class sizes must be met
- Special Education Grant is limited to special education expenses
- Allocations within the Learning Opportunities Grant to be used on related programs
- Enveloping of Library Staff Allocation, Program Leadership Allocation and a portion of Indigenous Education Grant
- School Board Administration and Governance spending shall not exceed the grant
- New Teacher Induction Program to be spent on eligible expenses
- School Renewal Allocation is primarily limited to capital expenses
- Capital funding is to be used on capital expenses
- Other restrictions outlined in various Transfer Payment Agreements as they relate to Priorities and Partnerships Fund (PPFs)

# Alignment of Financial Resources

The 2020/2021 budget process is developed with the following key objectives in mind:

- Supporting the new 2020-2024 Multi-Year Plan strategic priorities
- Alignment of resources to 2020/2021 Annual Operational Plan
- Alignment of resources to 2020/2021 Special Education Plan
- Accountability over financial resources
- Regulatory compliance

The 2020-2024 Multi-Year Plan is currently being developed, and the budget process will adjust priorities based on the direction of the plan.

# Alignment of Financial Resources

As we finalize the Multi Year Plan for 2020-2024, we review the feedback we have received during the stakeholder engagement:

- Maximum City presentation of feedback at the February 19, 2020 Board of Trustees Meeting
- Key emerging themes:
  - Differentiating learning strategies and programs to meet the needs of all learners and optimizing student achievement
  - Enhancing awareness and support for mental health and well-being
  - Continuous focus on equity and inclusion and eliminating systemic barriers
  - Advancing environmental sustainability



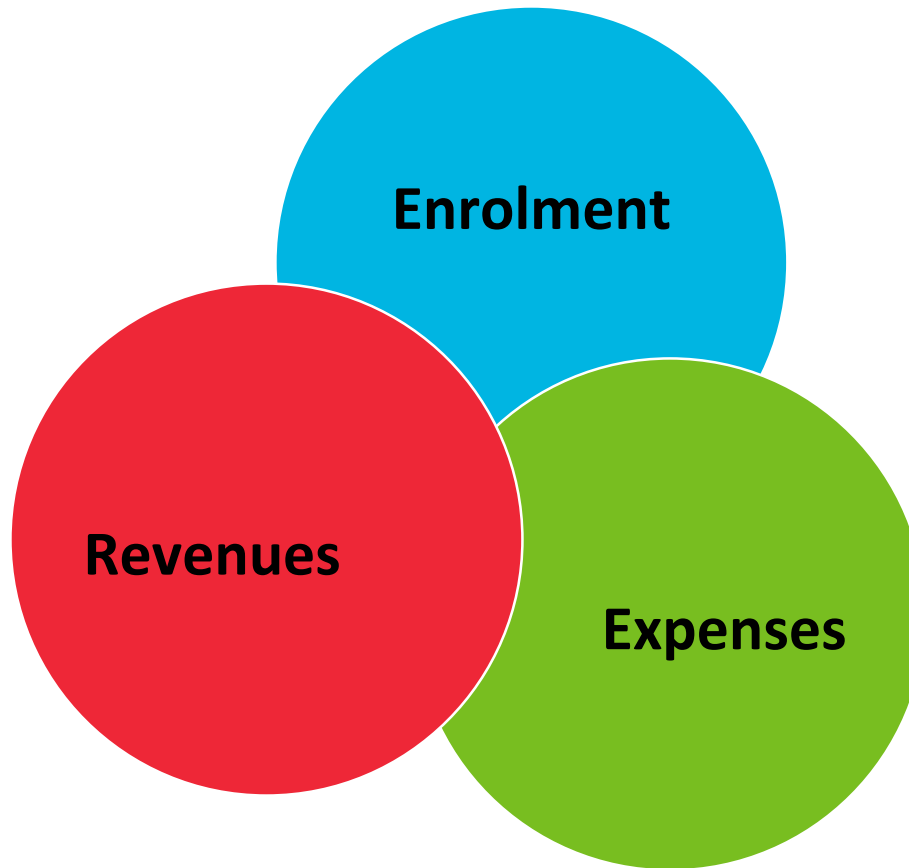
# A Provincial Perspective

- Education Funding Reform introduced in 2019/2020 forms the base of the 2020/2021 Grants for Student Needs (GSN)
- 2020/2021 Economic Outlook released March 25, 2020
  - \$500 million increase for education sector operating revenue
  - Additional funding to cover for enrolment growth and 1% compensation benchmark increases
  - Funding for Support for Students funding negotiated as part of labour agreements (replaces Local Priority Funding)
  - Secondary class size expected to be 23:1
  - \$400 million decrease for education sector capital funding
- Ratified agreements and tentative agreements reached for all unions
- GSN expected to be delayed to beginning of May

# A Board Perspective

- As a growth board, expected to be in a hiring position
- Elementary class size remains at current levels
- Secondary class size expected at 23:1, a decrease for Halton from the current year ratio of 24.85:1
- Restoration of Support for Students funds resemble the Local Priority Funding levels (may amount to \$6.7 million)
- Uncertainty around the current environment:
  - International students may not be able to travel and enter Canada for September
  - Interest rate decrease will negatively impact interest revenue
  - School renewal and construction projects delayed in current year will put a strain on construction materials availability and pricing, and temporary accommodations for students

# Review of Key Budget Components



# Review of Key Budget Components

## Enrolment

### Enrolment Projections:

- Enrolment projections form the basis for GSN calculations and staffing
- Enrolment is defined in terms of full-time equivalency (FTE) and average daily enrolment (ADE)
  - FTE: # of minutes of instruction per day / 300
  - ADE calculations are based on 50% of the FTE as of October 31 and March 31
- Enrolment Projections based on:
  - Birth rates, migrations rates, impact of new housing starts and pupil yield rates
  - Catchment population, participation rates
  - District program offerings, retention rates

# Review of Key Budget Components

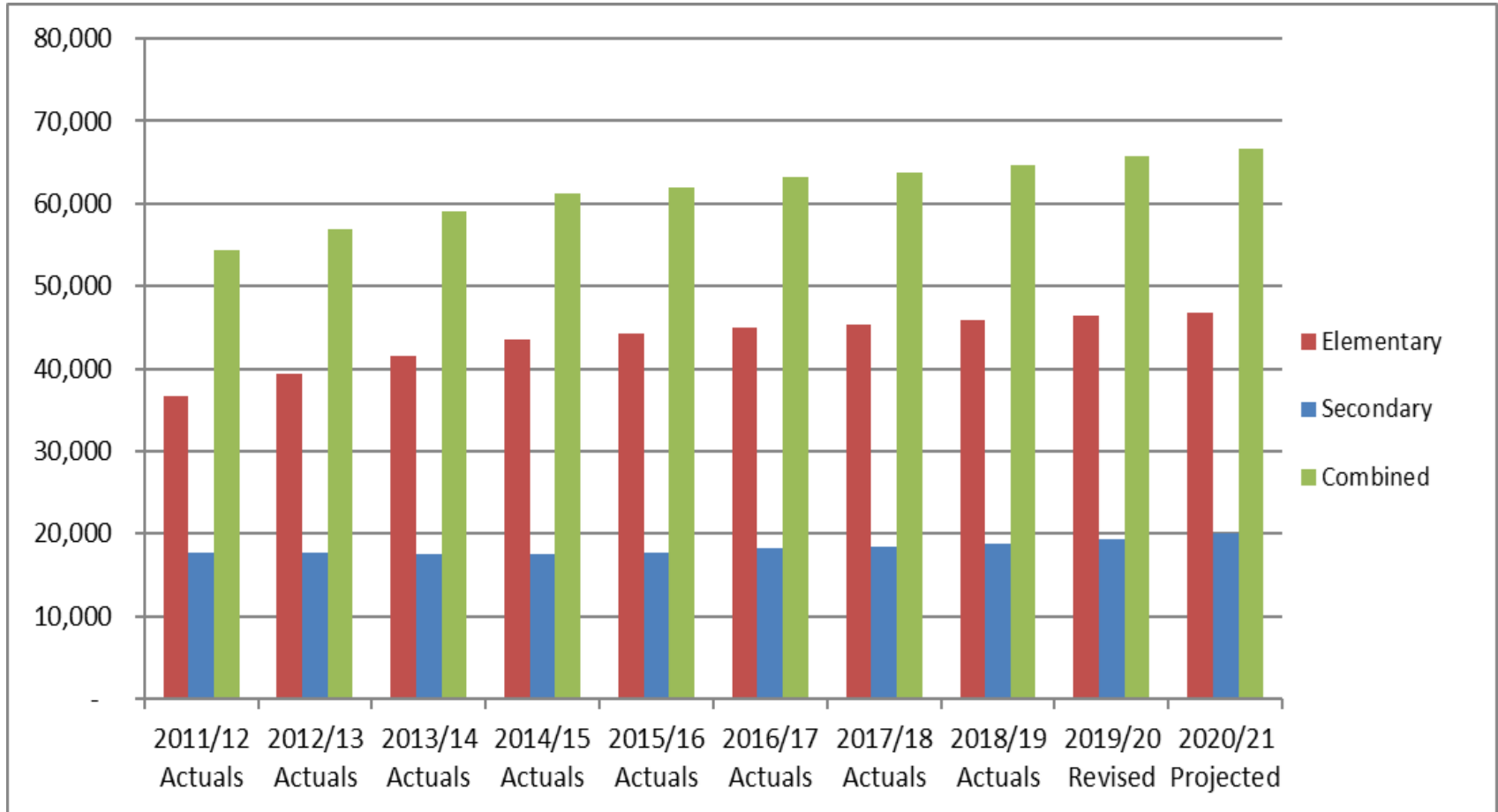
## Enrolment

	<b>2020/21 Projection***</b>	<b>2019/20 Revised Estimates*</b>	<b>Enrolment Increase (Decrease)</b>	<b>% Increase (Decrease)</b>
<b>Elementary</b>	46,714.00	46,375.00	339.00	0.73%
<b>Secondary</b>	20,013.73	19,309.65	704.08	3.65%
	<u>66,727.73</u>	<u>65,684.65</u>	<u>1,043.08</u>	<u>1.59%</u>
	<b>2020/21 Projection***</b>	<b>2019/20 Original Budget**</b>	<b>Enrolment Increase (Decrease)</b>	<b>% Increase (Decrease)</b>
<b>Elementary</b>	46,714.00	46,094.00	620.00	1.35%
<b>Secondary</b>	20,013.73	19,359.45	654.28	3.38%
	<u>66,727.73</u>	<u>65,453.45</u>	<u>1,274.28</u>	<u>1.95%</u>
* Enrolment based on <b>Actual</b> October 31/19 and <b>Projected</b> March 31/20				
** Enrolment based on <b>Projected</b> October 31/19 and <b>Projected</b> March 31/20				
*** Enrolment based on <b>Projected</b> October 31/20 and <b>Projected</b> March 31/21				

# Review of Key Budget Components

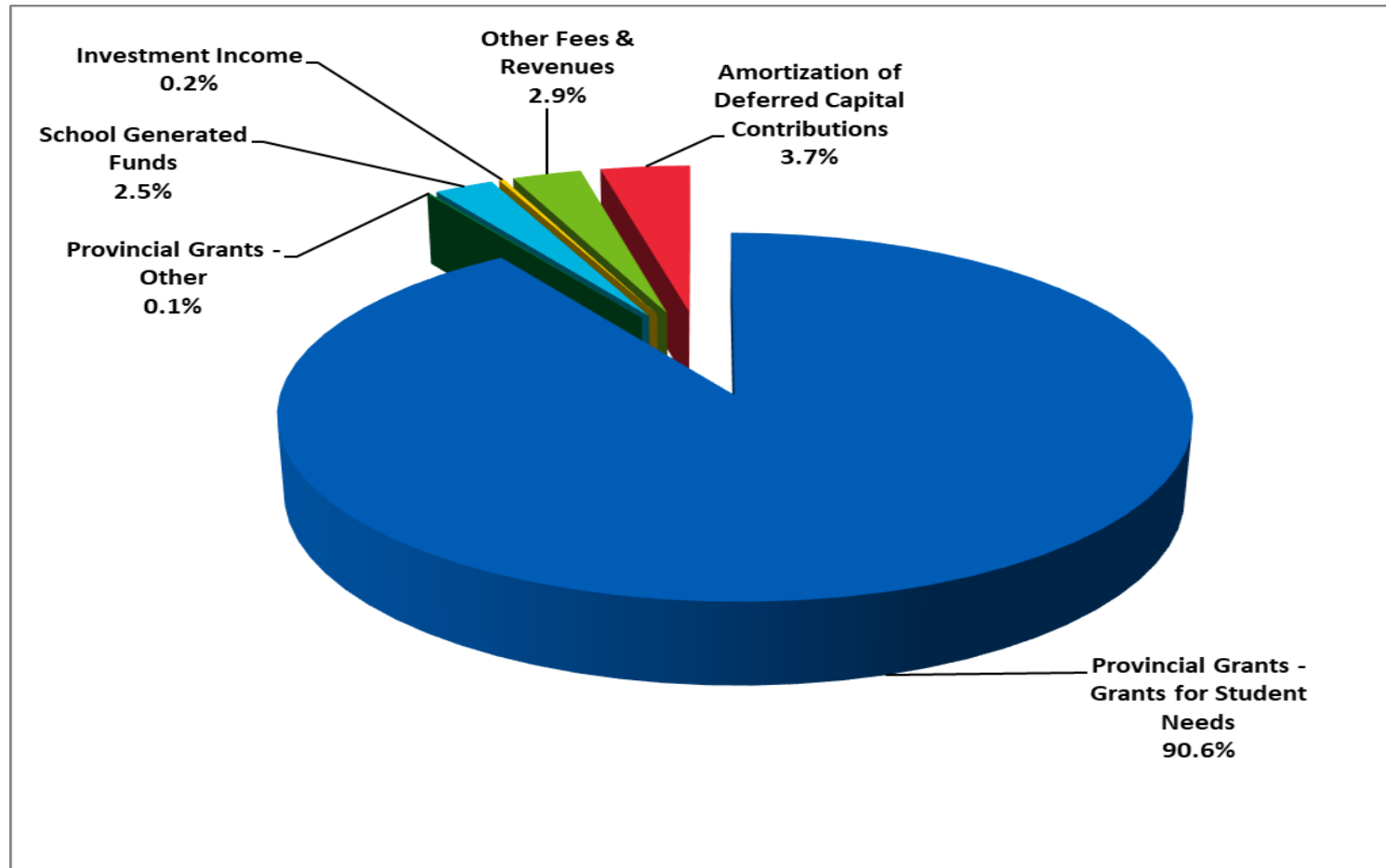
10 Year Enrolment

Trend



# Review of Key Budget Components

## 2019/2020 Revenues



# Review of Key Budget Components

## 2019/2020 Revenues

### ➤ Ministry Funding

#### Grants for Student Needs (GSN) 90.6%

- HDSB share of municipal education levies with the balance from the Province
- Mainly based on enrolment, but also based on socio-demographic factors, number of schools and on the ground capacity

#### Priorities and Partnerships Fund (PPF) 0.1%

### ➤ Other Revenues 6.8%

#### Amortization of Deferred Capital Contributions

#### Other Government Funding

#### Tuition Fees

#### Cafeteria/Rental Income

#### Investment Income

#### Other

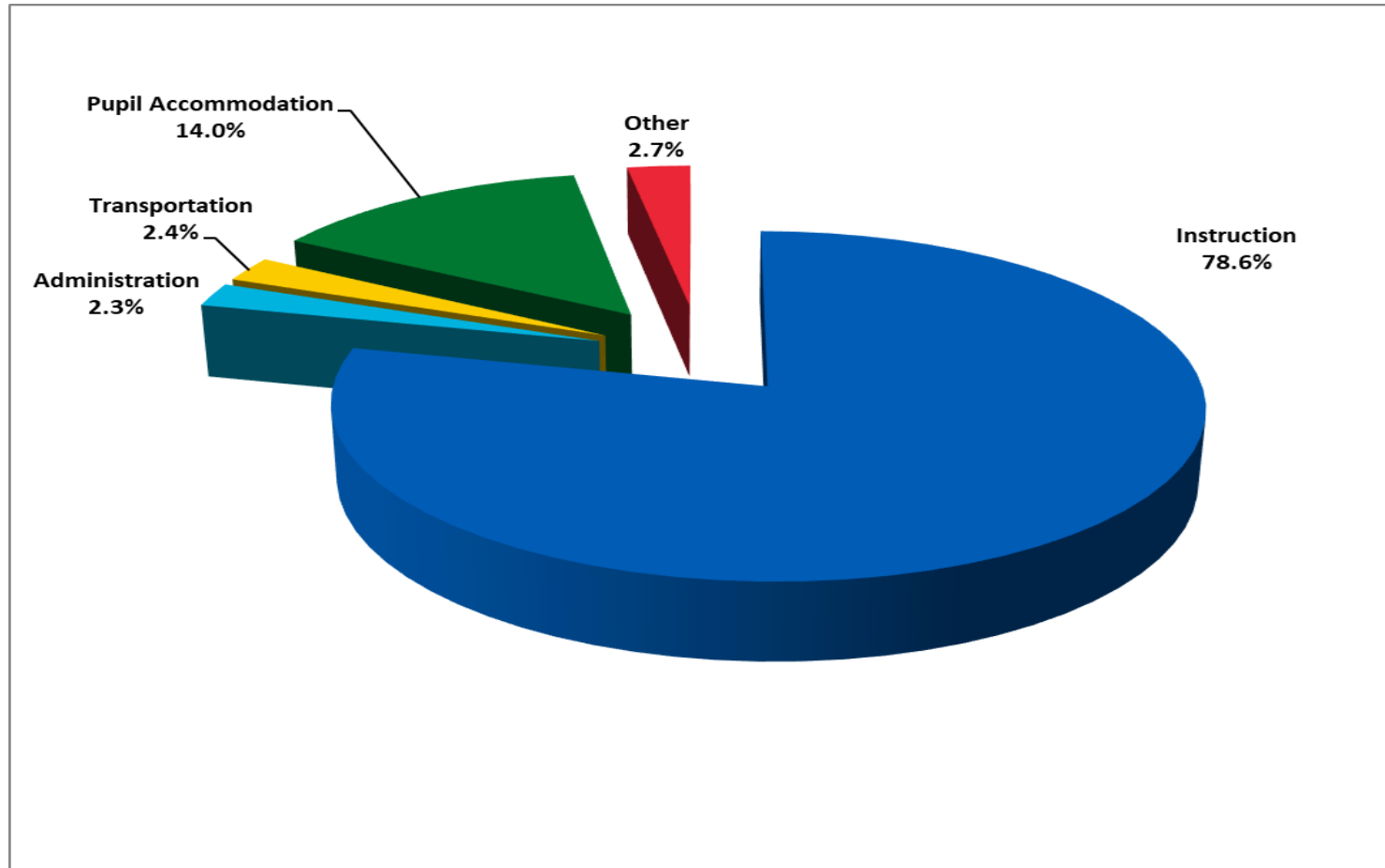
### ➤ Transfer to (from) Accumulated Surplus

### ➤ School Generated Funds (school level) 2.5%



# Review of Key Budget Components

## 2019/2020 Expenses



# Review of Key Budget Components

## 2019/2020 Expenses

### ➤ Instruction 78.6%

- Classroom Teachers
- Supply Staff
- Educational Assistants
- Learning Resources and Supplies
- Computers
- Professionals, Paraprofessionals & Technical
- Library and Guidance
- Staff Development
- Department Heads
- Principals and Vice-Principals
- School Office
- Instructional Program Leads and Itinerants
- Continuing Education

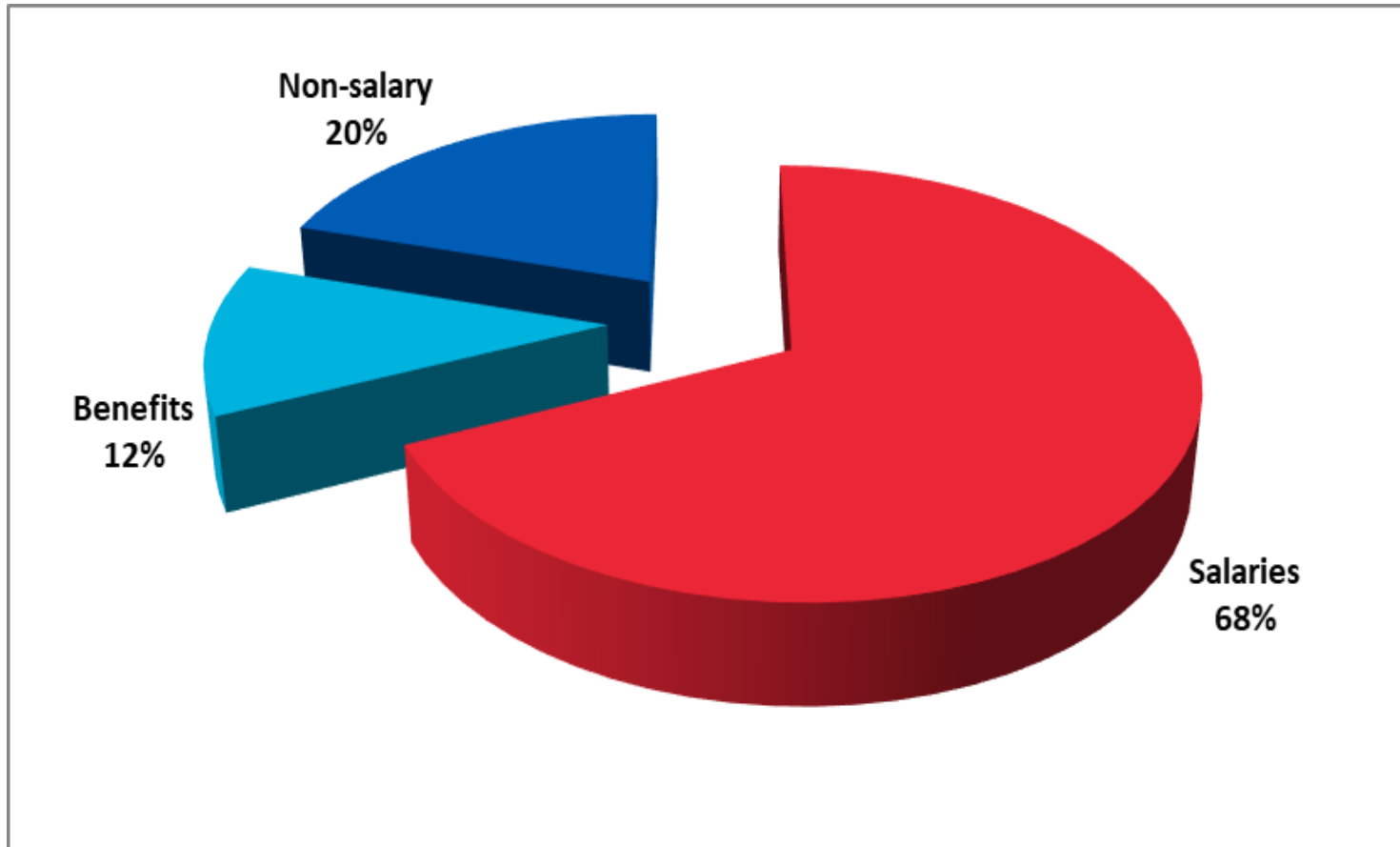
# Review of Key Budget Components

## 2019/2020 Expenses

- Administration 2.3%
  - Trustees
  - Director and Supervisory Officers
  - Board Administration
  
- Transportation 2.4%
  
- Pupil Accommodation 14.0%
  - School Operations and Maintenance
  - School Renewal
  - Debt Interest Expense
  - Amortization
  
- Other Expense 2.7%
  - Education Program Other
  - School Generated Funds
  - Permanent Financing of Not Permanently Financed debt
  - Provision for Contingencies

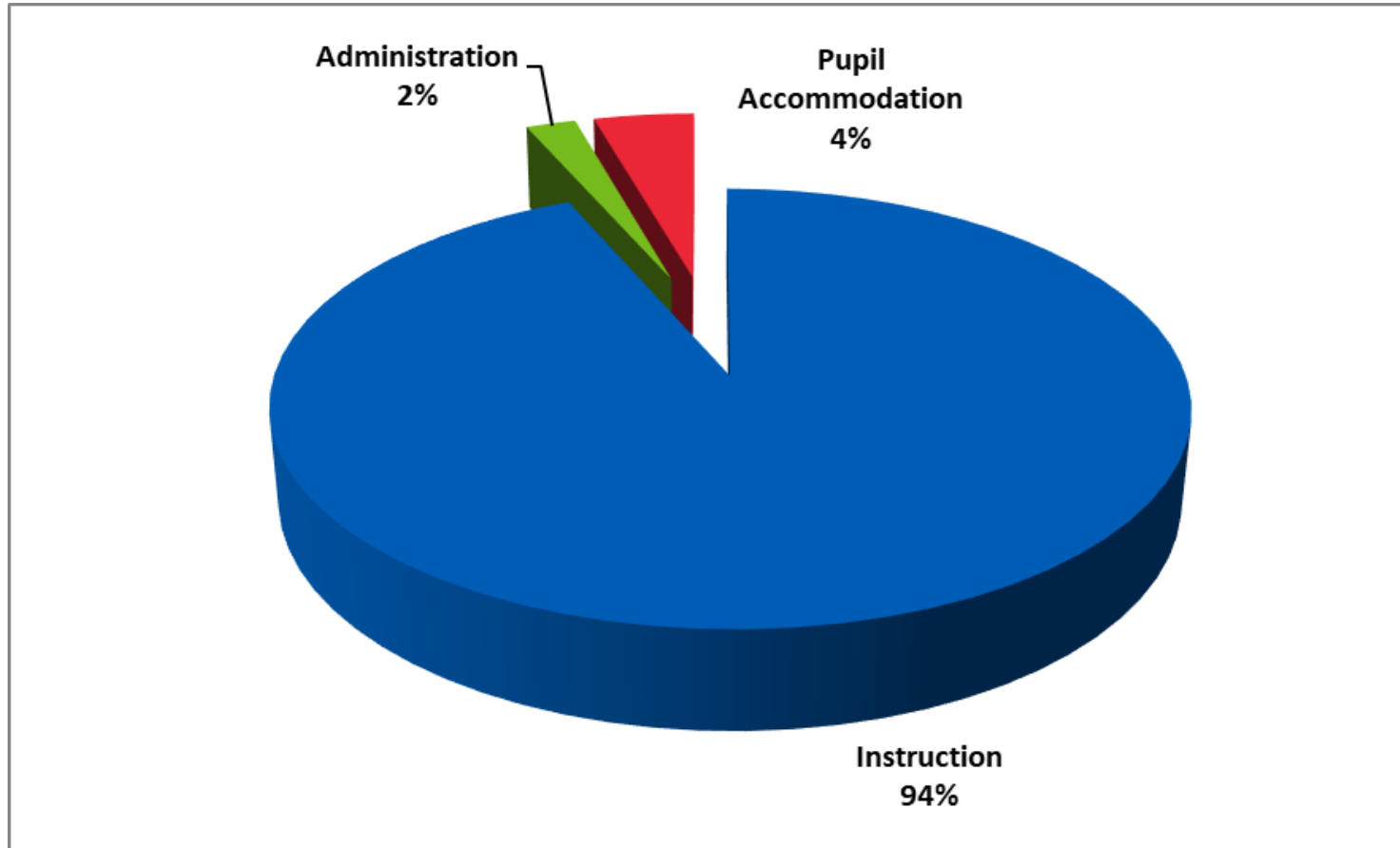
# Review of Key Budget Components

## 2019/2020 Salary/Non-Salary Expenses



# Review of Key Budget Components

## 2019/2020 Salary Expenses



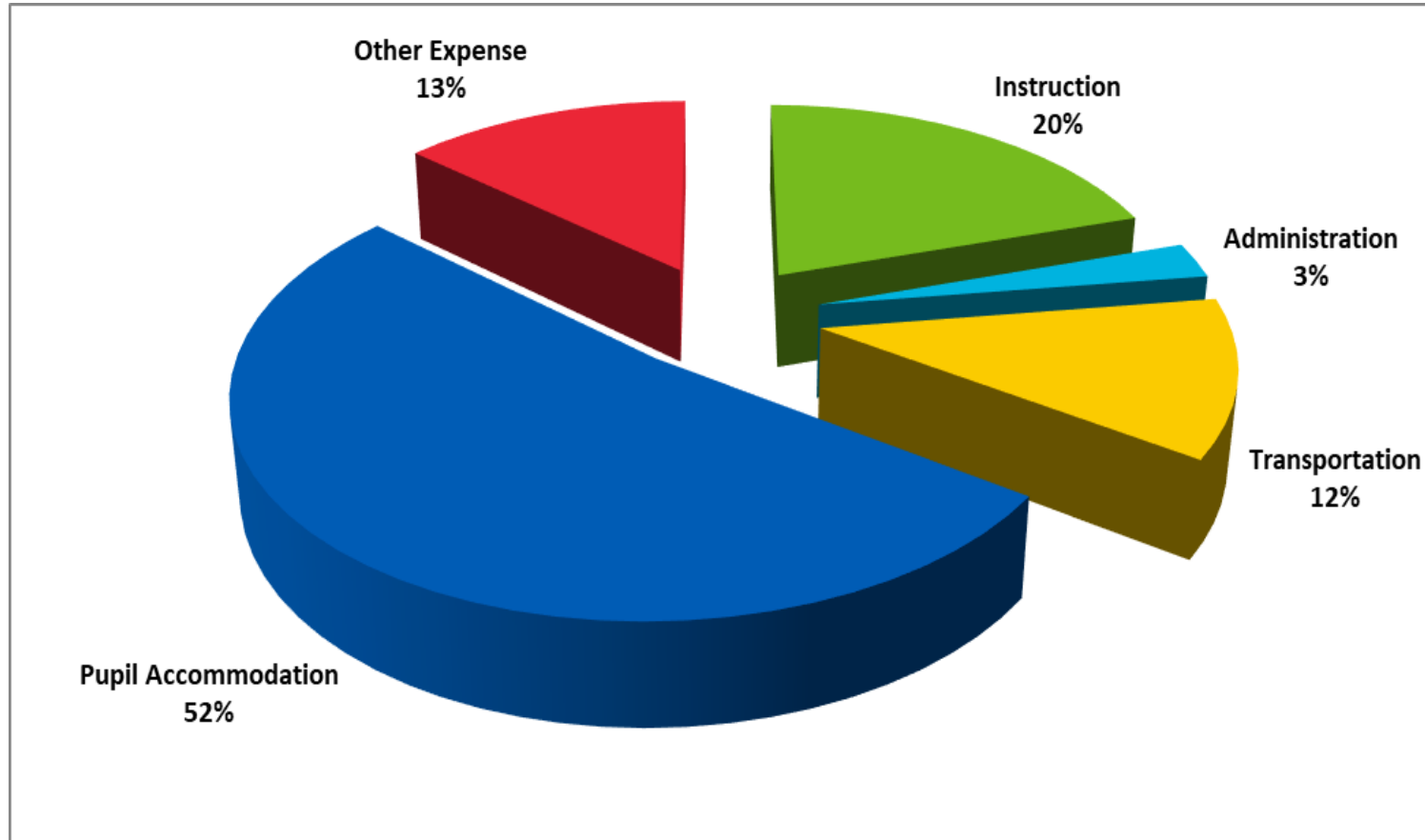
# Review of Key Budget Components

## 2019/2020 Salary Expenses

- Instruction 94%
  - Classroom Teachers, Library, Guidance
  - Educational Assistants
  - Early Childhood Educators
  - Professionals, Paraprofessionals, Technical
  - School Office
  - Principals & Vice-Principals
  - Coordinators & Consultants
  - Continuing Education
  
- Board Administration and Governance 2%
  - Trustees
  - Director and Supervisory Officers
  - Board Administration
  
- Pupil Accommodation 4%
  - Facility Services staff
  - Caretakers and Cleaning staff

# Review of Key Budget Components

## 2019/2020 Non-Salary Expenses



# Review of Key Budget Components

## 2019/2020 Non-Salary Expenses

### ➤ Instruction 20%

- Decentralized School Budgets
- Program Specific Resources
- Special Education Resources & Equipment
- Wide Area Network, Software Fees & Licenses
- Staff/Professional Development
- New Teacher Induction Program
- Instructional Computers & Connectivity

### ➤ Board Administration and Governance 3%

- Supplies and Services
- Legal, Audit & Professional Fees
- Software Maintenance Fees
- Professional Development
- Administrative Building Maintenance & Utilities



# Review of Key Budget Components

## 2019/2020 Non-Salary Expenses

### ➤ Transportation 12%

- Home to School
- Program Specific
- Special Education

### ➤ Pupil Accommodation 52%

- Utilities
- Repairs & Maintenance
- Cleaning & Caretaking Supplies
- Insurance
- Maintenance Contracts
- Property Maintenance
- Supplies & Services
- Amortization/Capital Interest

### ➤ Other 13%

- School Generated Funds
- Education Program Other
- Contingency

# Budget Stakeholder Input

- The budget survey was available to the public from February 10 to March 1, 2020.
- The survey was promoted via the HDSB website, Facebook, Twitter and through a media release.
- There were 1490 respondents and 2353 relevant comments identified and analyzed into themes.
- The themes listed on the following slides are not listed in any particular priority order.
- The survey focused on two areas:
  1. Suggestions for priority areas of further financial investment
  2. Suggestions for areas of budgetary savings

# Budget Stakeholder Input

Key themes regarding areas for priorities and future investment (in no particular order):

- Maintenance of buildings, including common areas and outdoor spaces
- Construction of additional learning spaces (new schools/additions)
- Support for additional positions within Special Education, guidance, library, English as a second language
- Focus on professional development, instructional strategies and technology
- Increased awareness of equity and inclusion, mental health and well-being
- Resources to support student and staff mental health and well-being
- Focus on courses that build life skills, elective courses, Indigenous education, literacy, math, STEM, Arts and extra-curricular clubs and athletics
- Focus on e-Learning, English as Second Language, French Immersion, International Baccalaureate, Advanced Placement and Outdoor Education
- Investment in classroom supplies, instructional resources, equipment for physical education and library materials
- Student and educators' access to general technology and tools

# Budget Stakeholder Input

Key themes regarding areas for savings and efficiencies:

- Compensation savings and reduction in system level resources
- Eliminating redundancy in processes by streamlining business flows and automation
- Reducing transportation costs
- Using maintenance as a strategy to achieve future savings
- Outsourcing to obtain competitive rates

# Budget Investments to Address Growth

To address enrolment growth and opening of a new school, there will be an increase in staffing, over the current year:

- Increase in elementary teachers
- Increase in secondary teachers
- Additional self-contained classes
- Additional ESL/ELD teachers
- Additional educational assistants
- Increase in school administration and school support staff
- Increase in custodial staff

Additional areas of budget increase to address growth or operating pressures:

- Increase software fees for the new student information system
- Increase in operating costs for schools, school maintenance and outdoor spaces
- Increase in benefit costs and WSIB, as projected by actuaries
- Increase in contingency to account for market uncertainty
- Continued focus on building new schools in North Oakville and South Milton

# Proposed Budget Investments

Additional areas of focus in 2020/2021, provided there is funding available (listed in no particular priority order):

- Increase in special education resources:
  - Communication classes
  - Special Education Resource Teachers
  - Learning Disability Reading Supports
  - Specialized behavior workers
  - Mental health strategy
- Increase in school program services resources:
  - School support Learning Resource Teachers / Instructional Program Leads
  - Learning disabilities - mathematics and literacy support
  - E-learning resources

# Proposed Budget Investments

Additional areas of focus in 2020/2021 (continued):

- Safe & Inclusive Schools / Equity Program supports
- Well Being resources
- Innovation – SHIFT resources and building capacity
- Increase to school based technology
- School resource fund to address equity to learning environments
- Addressing period poverty in schools
- Engaging in environmental initiatives, promoting programs and collaboration
- Addressing growth and compliance in the corporate areas:
  - Payroll, Health & Wellness and Abilities staff
  - Facility Regulatory Compliance staff
  - Electronic records management system and Records Management Officer

# Budget Savings and Efficiencies

As we build the budget, we focus on diligent use of resources and finding efficiencies:

- Competitive procurement to ensure best value for money and taking advantage of economies of scale discounts
- Transportation route planning to contain and reduce costs for student transportation
- Identifying areas requiring new or different skills by reviewing retirements and aligning new hires with necessary skill set
  - Reduced, through attrition, 2 corporate positions in 2019-2020, in an effort to make budget neutral hiring decisions where possible
- Investing in energy efficient projects that reduce future operating costs
- A number of new initiatives identified will be eligible to be covered under the new Support For Students funding provided as a result of labour negotiations
- Dedicating an annual amount of surplus to support priorities of the Multi-Year Plan, without putting pressures on in-year resources



# Next Steps

- GSN announcements expected at the beginning of May 2020
- Development of draft budget during May 2020
- Draft budget presented on May 27, 2020 at the Committee of the Whole
- Budget report presented at June 3, 2020 Board of Trustees public meeting for information
- Budget report presented at June 17, 2020 Board of Trustees public meeting for approval

**Questions?**