



Halton
District
School
Board

2020/2021 Draft Budget

Wednesday, July 15, 2020

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Presentation Overview

1. Budget Development Process
2. Enrolment
3. Revenue
4. Expenses
5. Capital Budget
6. Budget Considerations and Priorities
7. Financial Position

Budget Development Process

Budget Development Objectives

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

- Supporting the Multi-Year Plan strategic priorities
- Alignment with Annual Operational Plan
- Alignment with Special Education Plan
- System and Corporate Responsibility
- Accountability over financial resources
- Regulatory compliance
- Flexibility to accommodate return to school plans

Budget Development Objectives (cont.)

Developing a budget to address multiple scenarios resulting from a global pandemic presented many challenges. The budget has been built to address the following:

- Meet the needs of a growing system, with focus on student learning and achievement
- Continued focus on special education programs and resources
- Continued focus on providing safe, respectful and welcoming schools and work places
- Providing equitable access to learning for all
- Meet the guidelines of public health for a safe return to school for all students and staff

Budget Development Objectives (cont.)

Enveloping, Flexibility and Other Reporting Requirements

- Budgets must be balanced within 1% of provincial allocation
 - A compliant budget is a deficit budget of up to 1% of the provincial allocation
 - A recovery plan is required for all compliant budgets
- Regulated class sizes must be met
- Special Education Grant is limited to special education expenses
- The staffing component within the Mental Health Workers Allocation is limited to professionals in the secondary schools
- Allocations within the Learning Opportunities Grant are limited to use on related programs
- Enveloping of Library Staff Allocation, Program Leadership Grant 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 requirements
- School Renewal Allocation is primarily limited to capital expenditures
- Capital funding is to be used on capital expenditures
- Other restrictions outlined in various Transfer Payment Agreements as they relate to Priorities and Partnership Funding (PPF)

Budget Development Process



✓ **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 7th
- COTW Budget discussion February 12th

✓ **April - May 2020 (Complete):**

- April 14th Board report – Results of Stakeholder Consultation
- April 22nd COTW – Budget presentation
- May 5th – SEAC Budget presentation

☐ **Other key dates:**

- ✓ June 19th - GSN released
- July 15th COTW – Draft budget presentation
- July 22nd – Final Budget Report

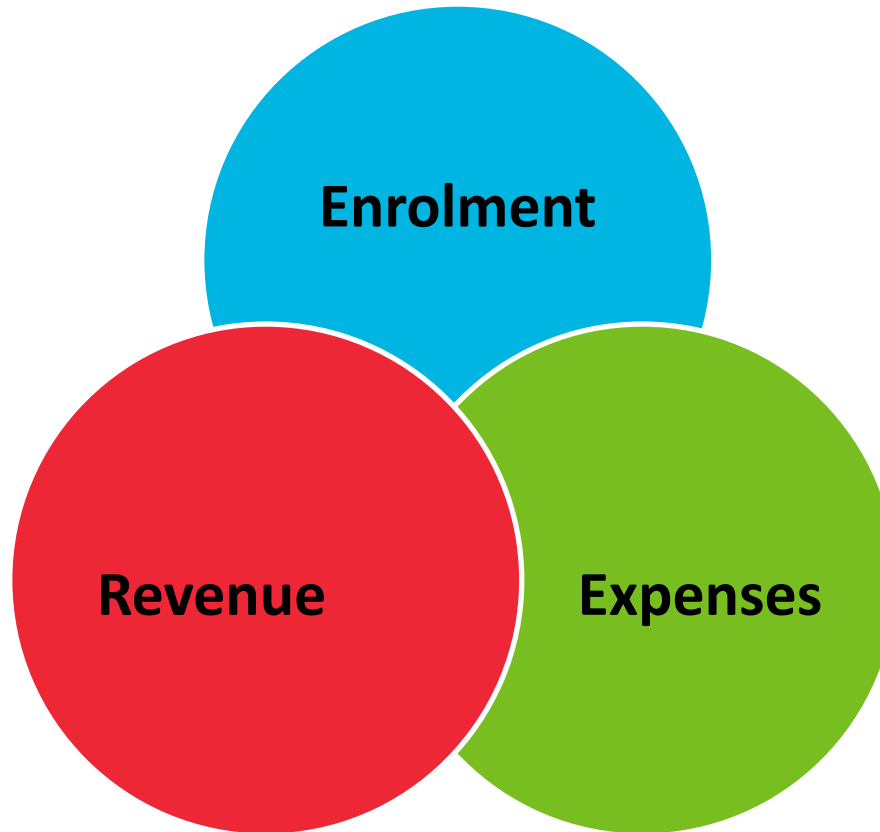
2020/2021 Reporting Timelines

- Estimates – Delayed Submission Timeline – August 19, 2020
 - Approved Budget
 - Projected Oct 31/20 and Projected Mar 31/21 Enrolment

- Revised Estimates – December 15, 2020
 - Revised Budget
 - Actual Oct 31/20 Enrolment and Revised Mar 31/21 Projected Enrolment

- Financial Statements – November 15, 2021
 - Actual Expenses and Revenues
 - Actual Oct 31/20 Enrolment and Actual Mar 31/21 Enrolment
 - Audited by External Audit Firm

Key Budget Components



Enrolment

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

Enrolment

	2020/21 Projection***	2019/20 Revised Estimates*	Enrolment Increase (Decrease)	% Increase (Decrease)
Elementary	46,714.00	46,375.00	339.00	0.73%
Secondary	20,013.73	19,309.65	704.08	3.65%
	66,727.73	65,684.65	1,043.08	1.59%

	2020/21 Projection***	2019/20 Original Budget**	Enrolment Increase (Decrease)	% Increase (Decrease)
Elementary	46,714.00	46,094.00	620.00	1.35%
Secondary	20,013.73	19,359.45	654.28	3.38%
	66,727.73	65,453.45	1,274.28	1.95%

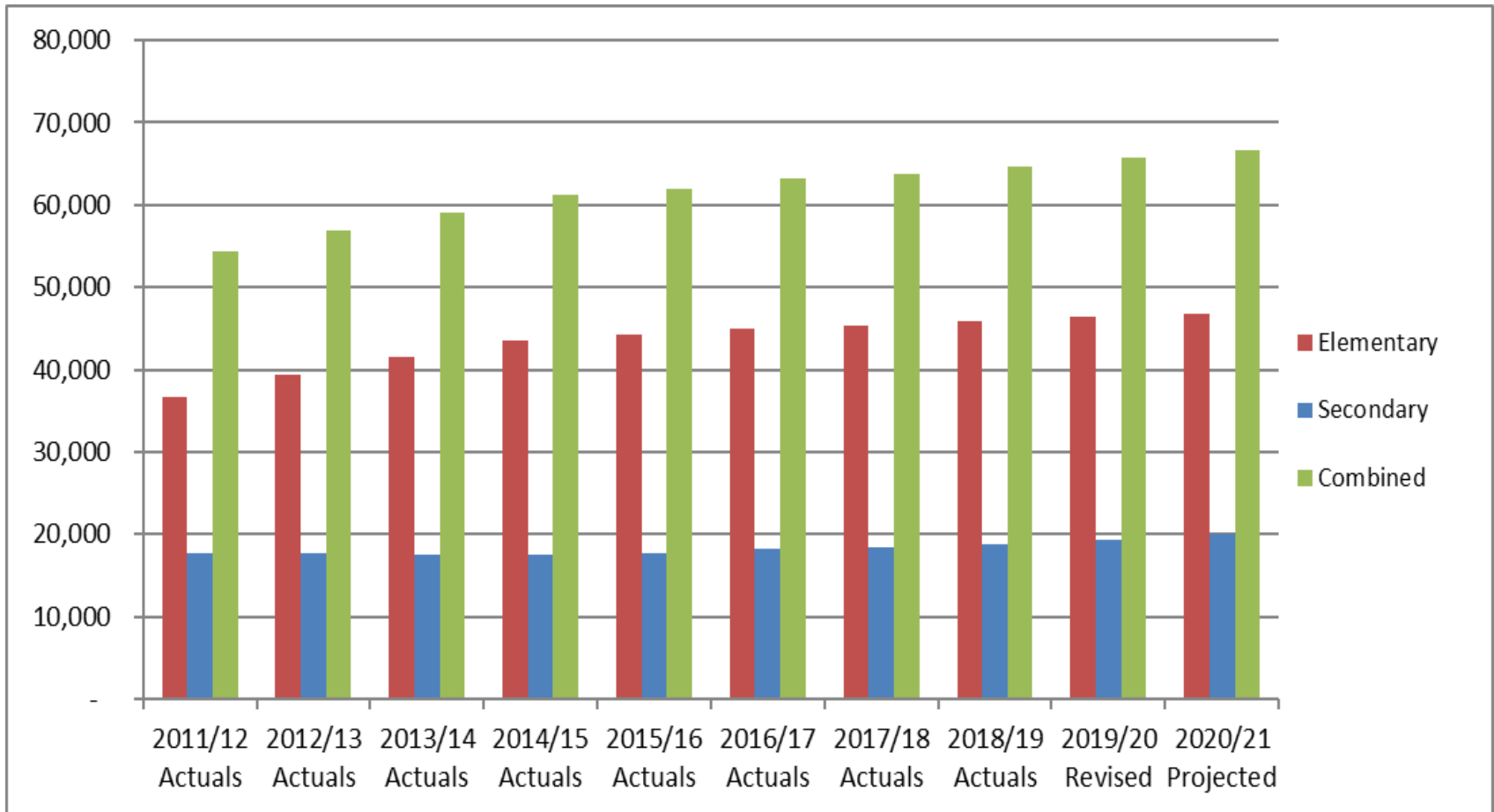
* Enrolment based on **Actual** October 31/19 and **Projected** March 31/20

** Enrolment based on **Projected** October 31/19 and **Projected** March 31/20

*** Enrolment based on **Projected** October 31/20 and **Projected** March 31/21

Enrolment

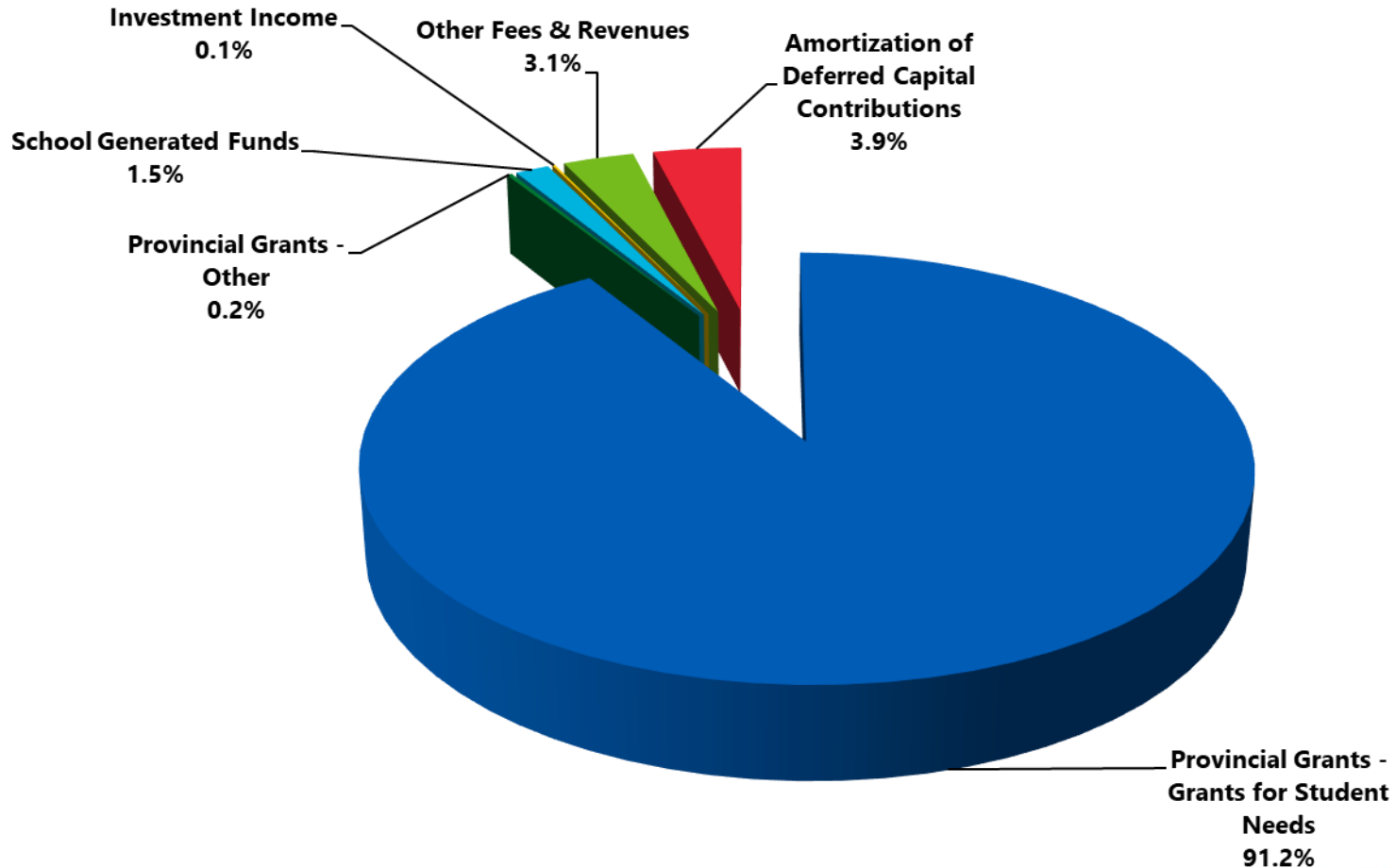
10 Year Enrolment Trend



Revenue

2020/2021 Revenue

Total Revenue \$807M
(Accumulated Surplus - \$4M)



Revenue

Ministry Funding 91.4%

- Grants for Student Needs (GSN) 91.2%
 - ❑ 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
- Other Provincial Grants - Priorities and Partnership Funding (PPF) 0.2%

Other Revenues 7.1%

- Amortization of Deferred Capital Contributions
- Other Government Funding
- Tuition Fees
- Cafeteria/Rental Income
- Investment Income
- Other

School Generated Funds (school level) 1.5%

Transfer to (from) Accumulated Surplus

Grants for Student Needs (GSN)

Main Changes to GSN from prior year:

- Average provincial per pupil funding increased 2% to \$12,525
- 1% increase to salary and benefits benchmarks
- 2% increase for non salary components of school operations allocation
- Secondary class size ratio of 23:1 reflected through the allocations
- Student Transportation Grant maintained at 2019/2020 level, however no cost adjustment as in previous years
- Supports for Students Fund added to Supplemental Grants
- A number of Priorities and Partnerships Fund allocations were transferred to the GSN:
 - Mental Health Workers
 - Experiential Learning
 - Curriculum and Assessment Implementation
 - Executive Compensation
 - Additional Education Software Licensing

Grants for Student Needs (GSN) (Con't)

Main Changes to GSN from prior year:

- Additional funding to assist with Covid expenses (provincially):
 - \$10 million for mental health support
 - \$15 million for technology related supports
 - Additional funding for cleaning (details pending)
 - High Credit Day School Allocation will continue to be funded at Adult Day school rate
- There were a number of funding allocation name changes
- School Condition Improvement and School Renewal funding are based on the 2018 assessment of school facilities

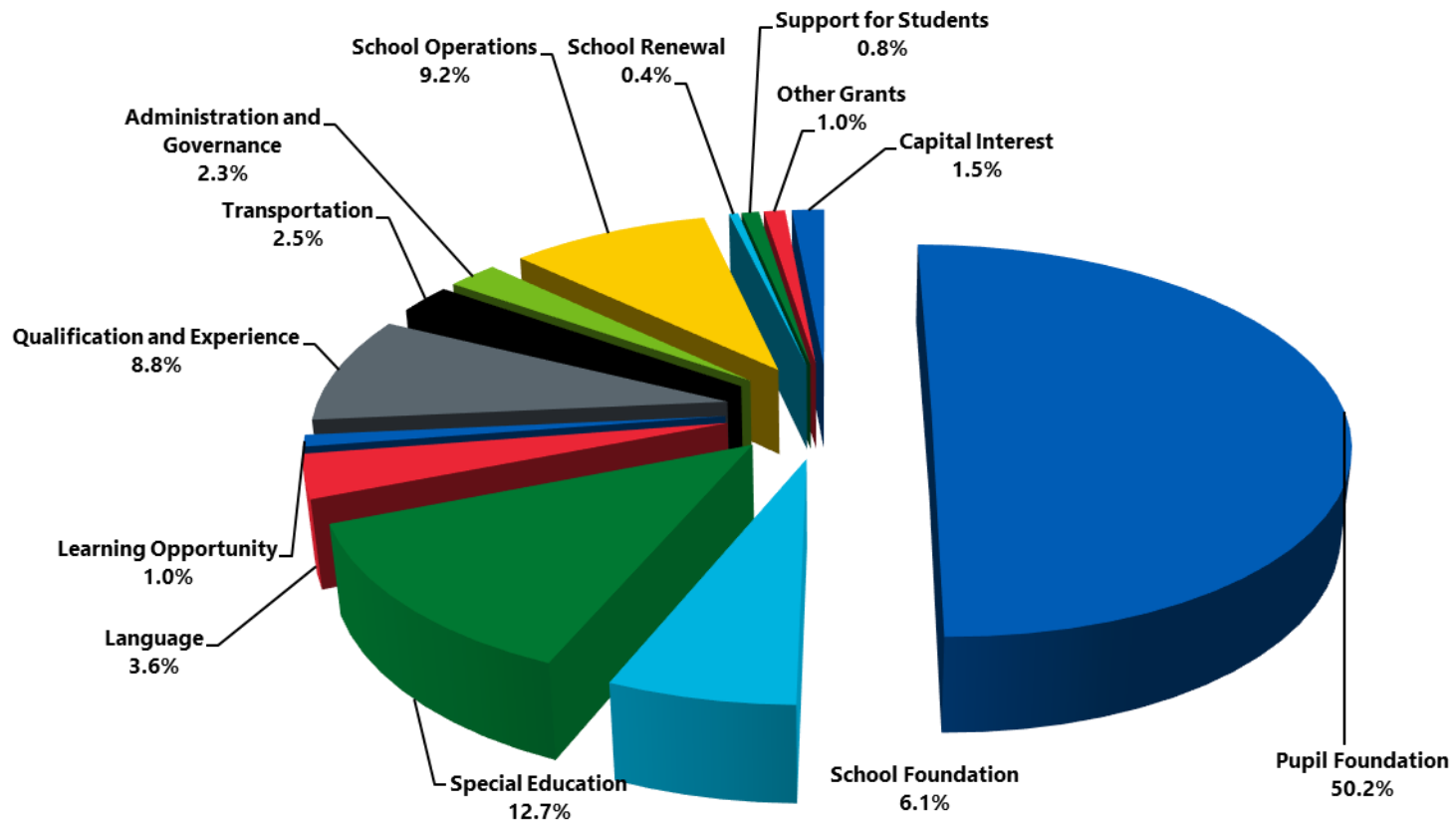
2020/2021 Revenue (cont.)

	2020/2021 Draft Budget	2019/2020 Budget	\$ Increase (Decrease)
Total Revenue			
Grants for Student Needs	\$ 735,440,302	\$ 696,211,092	\$ 39,229,210
Provincial Grants - Other	1,898,400	766,583	1,131,817
Federal Grants	1,801,595	420,000	1,381,595
School Generated Funds	12,000,000	19,000,000	(7,000,000)
Investment Income	1,000,000	1,700,000	(700,000)
Other Fees & Revenues	23,338,689	21,750,697	1,587,992
Amortization of Deferred Capital Contributions	31,136,978	28,645,245	2,491,733
Total Revenue	806,615,964	768,493,617	38,122,347
Less Transfer To (From) Accumulated Surplus - Per Ministry Compliance	(3,849,241)	(13,536,972)	9,687,731
Revenue Net of Transfer To (From) Accumulated Surplus	\$ 802,766,723	\$ 754,956,645	\$ 47,810,078

2020/2021 Revenue (cont.)

Grant for Student Need Allocations

Total Provincial Grants (GSN) - \$735M



2020/2021 Revenue (cont.)

	2020/2021 Draft Budget	2019/2020 Budget	Increase/ (Decrease)
General Operating Allocation			
Pupil Foundation	\$ 368,895,395	\$ 338,998,738	\$ 29,896,657
School Foundation	44,774,124	43,804,809	969,315
Special Education	93,319,820	89,633,035	3,686,785
Language	26,113,574	23,428,477	2,685,097
Learning Opportunity	7,037,530	6,641,969	395,561
Adult and Continuing Education and Summer School	2,731,181	2,786,381	(55,200)
Qualification and Experience	60,406,666	67,717,697	(7,311,031)
Early Childhood Educator Qualification and Experience	4,082,716	3,767,370	315,346
New Teacher Induction Program (NTIP)	369,944	436,071	(66,127)
Transportation	18,205,941	18,142,565	63,376
Administration and Governance	17,386,258	17,765,095	(378,837)
School Operations	65,025,380	63,051,788	1,973,592
Community Use of Schools	868,512	857,122	11,390
Indigenous Education	1,006,670	958,152	48,518
Mental Health and Well-Being	1,644,065	1,070,441	573,624
Supports for Students Fund	5,957,781	-	5,957,781
Program Leadership	905,864	-	905,864
Temporary Accommodation	1,818,550	1,884,004	(65,454)
School Renewal	10,444,553	10,035,322	409,231
Capital Interest (Debt and Short Term)	10,980,842	11,859,019	(878,177)
Other	291,920	291,905	15
Transferred from Deferred Revenues	501,114	-	501,114
Transferred to Deferred Capital Contribution	(7,328,098)	(6,918,868)	(409,230)
Total Draft Grants for Student Needs (GSN)	\$ 735,440,302	\$ 696,211,092	\$ 39,229,210

2020/2021 Revenue (cont.)

10 Year Trend of Per Pupil Funding:

	Provincial Average*	Halton DSB Average*	Difference
2020/21 Projections	\$ 12,525	\$ 11,281	\$ (1,244)
2019/20 Projections	12,275	10,973	(1,302)
2018/19 Actuals	12,294	11,014	(1,280)
2017/18 Actuals	12,065	10,749	(1,316)
2016/17 Actuals	11,649	10,425	(1,224)
2015/16 Actuals	11,553	10,340	(1,213)
2014/15 Actuals	11,361	10,152	(1,209)
2013/14 Actuals	11,255	9,950	(1,305)
2012/13 Actuals	11,244	9,930	(1,314)
2011/12 Actuals	11,165	9,861	(1,304)

*Source: Ministry of Education School Board Funding Projections for the 2020/21 School Year (Summer 2020)

2020/2021 Revenue (cont.)

Other Fees and Revenues:

	2020/2021 Draft Budget	2019/2020 Budget	\$ Increase (Decrease)
Operating Revenue			
Tuition Fees	\$ 8,596,855	\$ 7,865,500	\$ 731,355
Rental Income	2,252,018	1,925,069	326,949
Cafeteria Income	53,000	53,000	-
Miscellaneous Income	511,947	(92,872)	604,819
Secondments	1,924,869	-	1,924,869
Education Development Charge (EDC)	10,000,000	12,000,000	(2,000,000)
Total Other Fees & Revenues	<u>\$ 23,338,689</u>	<u>\$ 21,750,697</u>	<u>\$ 1,587,992</u>

2020/2021 Revenue (cont.)

International Students Fees:

	2020/21	2019/20	2018/2019	2017/2018	2016/2017
	Draft	2019/20	2018/2019	2017/2018	2016/2017
	<u>Budget</u>	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>
<u>Enrolment</u>					
Elementary	77.00	56.00	63.50	45.50	44.80
Secondary	461.00	483.00	489.25	488.76	430.20
Total	538.00	539.00	552.75	534.26	475.00
<u>Tuition Fees</u>					
Elementary	\$ 14,650	\$ 13,000	\$ 13,000	\$ 13,000	\$ 12,500
Secondary	\$ 15,300	\$ 14,000	\$ 14,000	\$ 14,000	\$ 13,500

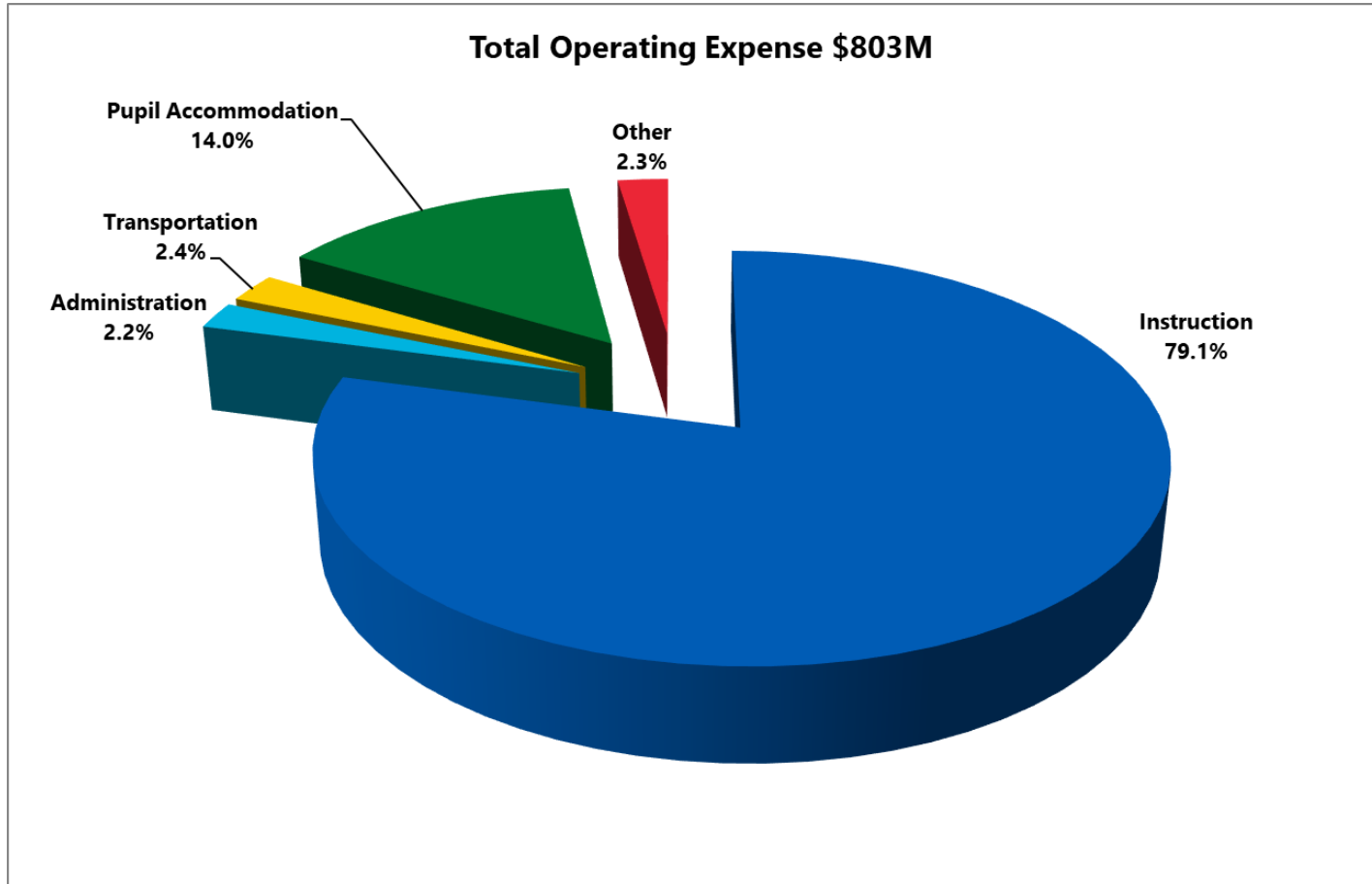
* 2019/2020 Actual Enrolment 529.50

The new International Student Recovery Amount, introduced by the Ministry for 2019/20, will reduce the GSN by \$699,400 (\$1,300 per pupil x 538 ADE).

Expenses

Expenses

Operating Expenses by Ministry Category



Expenses (cont.)

Instruction 79.1%

- Classroom teachers
- Library & Guidance teachers
- Occasional teachers
- Educational Assistants
- Early Childhood Educators
- Professionals & Para-professionals
 - Social workers, child/youth workers, computer technicians, psychologists, psychometrists, speech pathologists, attendance counselors
- School Principals & Vice-principals
- School Office (secretarial & Business Managers at secondary schools)
- Coordinators & Consultants, System Principals and support staff
- Department Heads
- Continuing Education Staff
- Staff Development
- Textbooks & Instructional Supplies
- Instructional Technology/Computers

Expenses (cont.)

Administration 2.2%

- Trustees
- Director and Supervisory Officers
- Board Administration
 - Staff to support corporate responsibilities including :
 - Business Services
 - Planning Services
 - Human Resources
 - Executive Assistants
 - Communications
 - Research
 - JWS Caretakers
 - Information Technology Management
 - Costs of operating and maintaining board offices
 - Costs of corporate functions such as external audit, legal fees, interest expense, financial and HR/Payroll systems, etc.

Transportation 2.4%

- Student transportation to and from home and school, including students with special needs

Expenses (cont.)

Pupil Accommodation 14.0%

- School Operations
 - Heating, Lighting, Maintaining, Cleaning
- Other Pupil Accommodation
 - Principal and Interest payments on capital debt
- School Renewal
 - Major repairs and renovations
- Amortization
 - Asset write-off over estimated useful life

Other Expense 2.3%

- Priorities and Partnership Funding related expenses
- School Generated Funds
- Permanent Financing of Not Permanently Financed debt
- Provision for Contingencies

Expenses (cont.)

Operating Expenses by Ministry Category

	2020/2021		\$
	Draft	2019/2020	Increase
	Budget	Budget	(Decrease)
Instruction	\$ 635,411,584	593,696,399	41,715,185
Administration	17,554,367	17,044,774	509,593
Transportation	19,049,867	18,135,469	914,398
Pupil Accommodation	112,123,140	105,444,168	6,678,972
School Generated Funds	12,000,000	19,000,000	(7,000,000)
Other	6,627,765	1,635,835	4,991,930
Total Expenditures	\$ 802,766,723	754,956,645	47,810,078

Expenses (cont.)

Operating Expenses by Ministry Category

	2020/2021	2019/2020	\$
	Draft	Budget	Increase
	Budget	Budget	(Decrease)
Instruction			
Classroom Teachers	\$ 419,585,460	392,883,795	26,701,665
Supply Staff	21,963,851	20,535,017	1,428,834
Educational Assistants	49,253,082	46,390,711	2,862,371
Early Childhood Educators	15,375,579	14,621,079	754,500
Professionals, Para-professionals & Technical	24,779,148	22,546,049	2,233,099
Library and Guidance	12,817,647	12,604,867	212,780
Department Heads	831,590	838,185	(6,595)
Principals and Vice-Principals	29,776,742	29,130,265	646,477
School Office Staff	18,441,244	17,261,017	1,180,227
Coordinators and Consultants	7,116,243	6,493,674	622,569
Continuing Education Staff	2,731,988	2,096,574	635,414
Textbooks and Supplies	25,888,777	21,753,152	4,135,625
Computers/Technology	3,533,027	3,498,324	34,703
Staff Development	3,317,206	3,043,690	273,516
Instruction Total	\$ 635,411,584	593,696,399	41,715,185

Expenses (cont.)

Operating Expenses by Ministry Category

	2020/2021 Draft Budget	2019/2020 Budget	\$ Increase (Decrease)
Administration & Governance			
Trustees	335,754	335,251	503
Director and Supervisory Officers	3,095,450	3,082,078	13,372
Board Administration	13,993,491	13,499,757	493,734
Amortization - Administration	129,672	127,688	1,984
Total	17,554,367	17,044,774	509,593
Transportation			
Pupil Transportation	18,748,867	17,925,269	823,598
Transportation - Provincial Schools	301,000	210,200	90,800
Transportation Total	19,049,867	18,135,469	914,398

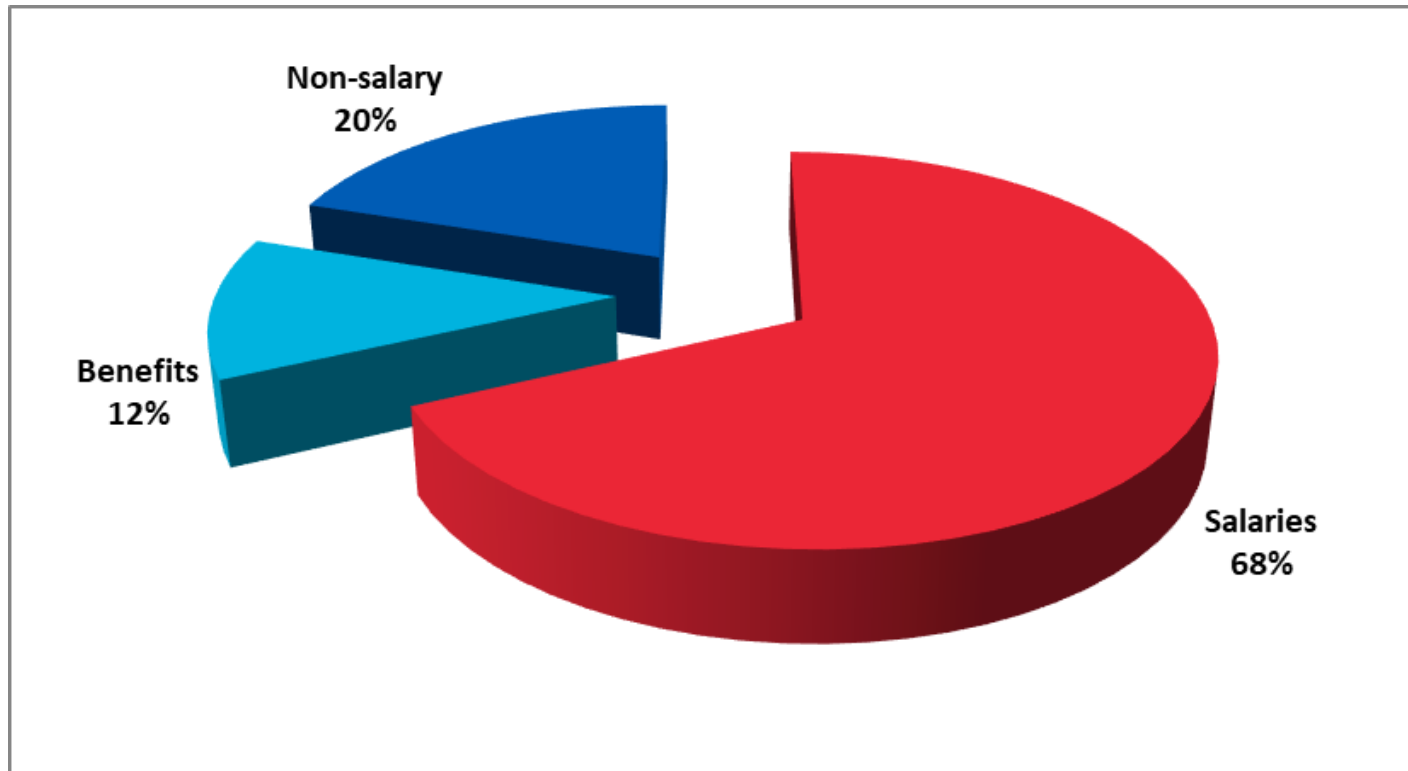
Expenses (cont.)

Operating Expenses by Ministry Category

	2020/2021 Draft Budget	2019/2020 Budget	\$ Increase (Decrease)
Pupil Accommodation			
School Operations and Maintenance	65,923,716	61,050,111	4,873,605
School Renewal	3,116,454	3,116,454	-
Other Pupil Accommodation (Interest)	11,517,131	12,201,513	(684,382)
Amortization - Pupil Accommodation	31,565,839	29,076,090	2,489,749
Pupil Accommodation Total	112,123,140	105,444,168	6,678,972
School Generated Funds			
Other Expense			
Priorities and Partnership Fund and Secondments	5,084,376	592,446	4,491,930
Financing Cost (Not Permanently Financed Capital Projects)	543,389	543,389	-
Provision for Contingencies	1,000,000	500,000	500,000
Other Expense Total	6,627,765	1,635,835	4,991,930

Expenses (cont.)

Salary / Non-salary Expenses



Expenses (cont.)

Operating Expenses by Salary/Non-Salary Type

	2020/2021		\$
	Draft	2019/2020	Increase
	Budget	Budget	(Decrease)
Salary	546,727,615	514,550,523	32,177,092
Benefits	95,671,701	87,486,461	8,185,240
Sub-Total	642,399,316	602,036,984	40,362,332
Non-salary	160,367,407	152,919,661	7,447,746
Total Expenditures	802,766,723	754,956,645	47,810,078

Expenses (cont.)

Operating Expenses by Salary/Non-Salary Type

2020/2021 Budget Development Draft Operating Expenditure

Salary & Benefits Increases/(Decreases):

Step increments	8,182,492
Cost of 1% Sep 1, 2019 + 1% Sep 1, 2020 Per Contract agreements	10,874,748
Staff Changes (207.8 FTE)	17,475,778
Increase in Statutory Benefit Rates (CPP,EI)	1,019,456
Increase in Employee Life, Health Trusts	2,265,722
Increase in WSIB	1,502,637
Increase in Supply Staff	970,181
Projected Teacher Retirements	(1,443,575)
Projected Staff turnover, leaves etc.	(485,107)
	<hr/>
	<u>40,362,332</u>

Expenses (cont.)

Operating Expenses by Salary/Non-Salary Type

Non-Salary Increases/(Decreases):

One-times:

Covid Contingency	4,500,000	
New Student Information System Implementation	300,000	
Period Poverty dispensers and supplies	235,000	
Mental Health Strategy	75,000	
Respectful Workplace Training	<u>45,000</u>	5,155,000

Operational Increases/(Decreases):

Amortization on School Buildings	2,489,749	
Capital Interest	(684,382)	
Legal Fees	350,000	
Payroll Fees	(261,000)	
School Operations and Maintenance	985,033	
Software Fees and Licenses	101,739	
Transportation	914,398	
Utilities	218,975	
Other	<u>(313,389)</u>	3,801,123

Expenses (cont.)

Operating Expenses by Salary/Non-Salary Type

Non-Salary Increases/(Decreases) cont'd:

Departmental Investments/(Restrictions):

Autism Support - shifted to Salary	(700,000)	
Decentralized School Budgets	394,341	
Experiential Learning	223,220	
Indigenous Racialized Educators Network	55,000	
Innovation	50,000	
Leadership	50,000	
Library Resource Licenses	278,000	
Professional Development, Research and other related expenses	198,516	
Outdoor Education	207,616	
School Generated Funds	(7,000,000)	
Temporary Accommodation	143,000	
Vandalism	<u>100,000</u>	(6,000,307)

Increase in Priorities and Partnerships Fund and Secondments: 4,491,930

Total Increase in Non-Salary Expenditures **7,447,746**

Expenses (cont.) Staffing – Full Time Equivalents

2020/2021 Budget Development					
Draft Operating Expenditures - Staffing Positions					
	A	B=C+D	C	D	A-B
	2020/2021	2019/2020	2019/2020	2019/2020	
	Budget	Revised	Inc (Dec)	Budget	Variance
INSTRUCTION					
Teachers	4,063.0	3,921.5	9.8	3,911.7	141.5
Early Childhood Educators	276.0	276.0	(1.0)	277.0	0.0
Educational Assistants	870.2	855.0	8.0	847.0	15.2
Professionals, Paraprofessionals and Technical	288.6	269.6		269.6	19.0
Library and Guidance	138.7	140.7	0.5	140.2	(2.0)
Principals and Vice-Principals	211.6	210.6		210.6	1.0
School Office	275.7	268.6	(0.7)	269.3	7.1
Coordinators and Consultants	59.2	55.2	0.6	54.6	4.0
Continuing Education	2.0	2.0		2.0	0.0
INSTRUCTION TOTAL	6,185.0	5,999.2	17.2	5,982.0	185.8
ADMINISTRATION					
Trustees (including Student Trustees)	13.0	13.0		13.0	0.0
Director and Supervisory Officers	13.0	13.0		13.0	0.0
Board Administration	98.5	94.5	(1.0)	95.5	4.0
ADMINISTRATION TOTAL	124.5	120.5	(1.0)	121.5	4.0
PUPIL ACCOMMODATION					
School Operations and Maintenance	382.5	365.5	0.0	365.5	17.0
OTHER	1.0	0.0	0.0	0.0	1.0
GRAND TOTAL	6,693.0	6,485.2	16.2	6,469.0	207.8

Capital Budget

2020/2021 Capital Budget

	Capital Expense	Ministry Approved Capital Financing				Board Allocated Capital Funding	Total Financing
		Ministry Funded	Education Development Charges	Proceeds of Disposition	Total Financing per EFIS	Accumulated Surplus	
New and Existing Schools (Additions) Building, Equipment and Land Prep*	87,563,603	44,779,603	40,509,000	2,275,000	87,563,603	-	87,563,603
Child Care/Child and Family Centre **	1,625,000	1,625,000	-	-	1,625,000	-	1,625,000
School Renewal	7,328,098	7,328,098	-	-	7,328,098	-	7,328,098
School Condition Improvement	20,558,724	20,558,724	-	-	20,558,724	-	20,558,724
	117,075,425	74,291,425	40,509,000	2,275,000	117,075,425	-	117,075,425

Budget Considerations and Priorities

2020/2021 Budget Considerations

Budget Highlights:

- ***2020/2021 Budget is balanced, in a \$1.2 million surplus position, excluding Covid contingencies***
 - Includes the addition of 207.8 FTE staffing positions
 - ✓ 117.9 FTEs directly as a result of growth
 - ✓ 84.9 FTEs directly as a result of Supports for Student funding
 - ✓ 5.0 FTE addition as a result of program changes and new initiatives
 - Includes \$1.18 million in additional permanent new initiatives (excluding one time initiatives funded through accumulated surplus)

- ***2020/2021 Budget, including Covid contingencies is a compliant budget of \$6.1 million deficit (0.85% of provincial allocation)***

- ***Subject to unexpected Covid expenses, 2020/2021 Revised Budget may be in a non-compliant position, requiring Ministry approval***

2020/2021 Budget Additions

Staffing additions to the draft budget:

Growth & Program Support

Elementary Classroom Teachers	31.1	
Secondary Classroom Teachers	78.7	
Principal	1.0	
Clerical & Secretarial	0.4	
Management & Support Staff	0.7	
Mental Health Support Workers	4.0	
Deficit Elimination Plan - 0.5 SLP and 0.5 CYC	(1.0)	
Caretakers	3.0	117.9 FTE

New Initiatives / Program Changes - Staffing

Support Teachers (Shift Coaches Elem & Sec)	2.0	
Support Teachers (Shift Coach - eLearning)*	1.0	
Instructional Program Leaders (Equity)	1.0	
Educational Assistants	(9.0)	
Behaviour Support Workers	10.0	5.0 FTE

* Represents one time initiative position

2020/2021 Budget Additions (cont.)

Staffing additions to the draft budget:

Support for Students Fund

Elementary Special Education Teachers	7.7	
Communication Classes Teachers	3.0	
Student Services LD Reading Support	5.0	
Elementary ESL/ELD Elementary Teachers	2.0	
Secondary Special Education Teachers	8.0	
Secondary ESL/ELD Teachers	2.0	
Educational Assistants	27.2	
Instructional Program Leaders (Equity & Well Being)	3.0	
ABA Facilitators	2.0	
Clerical & Secretarial	8.0	
Management & Support Staff *	5.0	
Caretakers	12.0	84.9 FTE

Total Full Time Equivalent

207.8 FTE

**Includes Regulatory Compliance Officer, Payroll and HR Analysts, Abilities Specialist and Health and Wellness Assistant*

2020/2021 Budget Additions (cont.)

Non-staffing additions to the draft budget:

New Initiatives - Non-staffing

School based technology	\$ 550,000
Library resource licenses	\$ 278,000
Period poverty dispensers & supplies *	\$ 235,000
Mental Health strategy *	\$ 75,000
Print translation services	\$ 50,000
Indigenous Racialized Educators Network	\$ 55,000
Innovation	\$ 50,000
Leadership	\$ 50,000
Respectful workplace training *	\$ 45,000
Research survey software	\$ 40,000

Total New Initiatives - Non-staffing **

\$ 1,428,000

Covid-Related Resources

Additional cleaning support	\$ 800,000
Personal Protective Equipment (PPE) & supplies	\$ 4,000,000
Contingency	\$ 1,000,000

Total Covid-Related Resources

\$ 5,800,000

Total Non-staffing

\$ 7,228,000

* \$250,000 represent one time non-staffing initiatives

** In addition, there is \$300,000 remaining for the SIS implementation

2020/2021 Budget Considerations (cont.)

Covid Considerations:

- Covid related pressures to consider:
 - Space modifications, physical distancing measures and Personal Protective Equipment (PPE) requirements are recommended by public health and the Ministry of Education
 - These continue to evolve
 - School Bus capacity may require students to wear a mask or revisiting eligibility walking distances
 - HDSB currently provides transportation based on the following distances:
 - Grades JK to 8 – 1.6 km; Grades 9 to 12 – 3.2 km.; Rural areas Grade JK to 12 – 1.6 km
 - As per Education Act, transportation should be provided as follows:
 - Grades JK to 2 – 1.6 km; Grades 3 to 5 – 3.2 km; Grades 6 to 12 – 4.8 km
 - Cost of PPE has increased significantly, and supply is not guaranteed long term
- Additional funding to support Covid expenses only partially offsets the costing pressures
 - \$25 million identified provincially, to be distributed amongst 72 boards
 - No amount has been included in the budget at this time

2020/2021 Budget Considerations (cont.)

Covid Considerations:

➤ Covid19 expenses could range from \$11 to 23 million

- Personal Protective Equipment (PPE) could amount to \$7 to 10 million
- Additional cleaning and sanitation - \$3 to 6 million, depending on cohorting
- Additional costs for replacement of sick leave, transportation, technology and minor modifications to interior spaces - \$1 to 3 million
- Reduced International Students fees could impact revenues by up to \$2 million
- Reduced Rental fees could impact revenues by up to \$2 million

Covid Cost Pressure	(\$11-23) million
Operating Contingency	\$1.0 million
Covid Contingency	\$4.0 million
Covid Cleaning Costs	\$0.8 million
Technology budget increase	\$0.5 million
2019-2020 Budget Savings (to compliance)	\$6.5 million
Addition Ministry Funding to be announced by Board	\$TBD million
Total budget to address Covid Pressures (plus Ministry Funding)	\$12.8 million

2020/2021 Budget Considerations (cont.)

Budget risk assessment:

- Staff recommends a compliant budget, which addresses the lower cost estimate range of Covid cost pressures, in the absence of Ministry funding
- The Ministry of Education has engaged in discussions to understand these cost pressures in order to determine additional funding allocations
- Should cost of PPE increase significantly, and in absence of offsetting Ministry funding, the board may be looking at:
 - An uncompliant revised budget (deficit beyond 1% of provincial allocation), which required Ministry approval
 - Changing the school delivery model accordingly
- A school board in a strong financial position should maintain an unencumbered surplus of 2% of provincial allocation (or \$14.4 mil)
 - An important budget objective is to be diligent and fiscally responsible such that recommendations do not jeopardize the financial position of the board

2020/2021 Budget Considerations (cont.)

Budget risk assessment (continued):

- Current accumulated surplus of \$59.9 million is made up of the following:

2020/2021 In- Year Acc. Deficit	\$6.1 million
2019/2020 Additional Covid Expenses to compliance	\$2.9 million
Committed Capital, Sinking Fund and Retirement Gratuities	\$6.5 million
Student Achievement and MYP support	\$5.4 million
Facilities Closing the Gap	\$6.9 million
Various other projects and roll overs	\$6.7 million
Administrative Facility	\$25.4 million
Accumulated Surplus – Opening Balance	\$59.9 million

\$44.4
mil
6.2%

** Previously appropriated amounts for temporary accommodations, vandalism and inclement weather were embedded into the operating budget on an ongoing basis.*

- 6.2% or \$44.4 million is internally allocated to various projects and priorities (but could be reallocated by the Board of Trustees) and the balance is previously committed and cannot be reallocated
- Therefore, any additional direction of reserves to cover for Covid expenses will directly impact approved allocations to student achievement, closing the gap and administrative facility

Financial Position

2020/2021 Financial Position

	2020/2021 Draft Budget
Draft Operating Budget	
Total Revenue, Net of Transfer (to)/from Accumulated Surplus	806,615,964
Transfer (to)/from Accumulated Surplus	(3,849,241)
Total Expenditures	802,766,723
Operating Budget Balance	-

2020/2021 Financial Position (cont.)

Revenues – Transfer To/(From) Acc. Surplus - Draft Budget Per Ministry Compliance

	2020/2021 Budget	2019/2020 Budget	Increase (Decrease)
Available for Compliance - Unappropriated	(3,762,190)	(816,614)	(2,945,576)
Available for Compliance - Internally Appropriated			
Operating:			
Retirement Gratuities	\$ (1,133,000)	(1,133,000)	-
Student Achievement	(350,000)	-	(350,000)
Technology	(300,000)	-	(300,000)
Capital:			
Committed Capital Projects - Non-Ministry Funded	(335,942)	(335,942)	-
Committed Sinking fund interest earned	(222,591)	(222,591)	-
Total Internally Appropriated	(2,341,533)	(1,691,533)	(650,000)
Total Accumulated In-Year Surplus/(Deficit) for Compliance	(6,103,723)	(2,508,147)	(3,595,576)
Unavailable for Compliance - Externally Appropriated			
Employee Future Benefits - Retirement Gratuities	433,151	4,331,510	(3,898,359)
Retirement Health, Dental	56,102	56,102	-
Interest to be Accrued	163,711	182,507	(18,796)
Revenues recognized for land - EDC	9,300,000	11,475,000	(2,175,000)
Total Unavailable for Compliance - Externally Appropriated	9,952,964	16,045,119	(6,092,155)
Total Transfer To (From) Accumulated Surplus - Per Ministry Compliance	\$ 3,849,241	13,536,972	(9,687,731)

2020/2021 Financial Position (cont.)

- Boards are allowed to submit a budget within 1% compliance (\$7.2 million for 2020/2021), accompanied by a Board approved 2-year deficit elimination plan
- Draft financial position shows an in-year deficit of \$6.1 million or 0.85%:

- Retirement Gratuities of \$1,133,000
- Amortization of Committed Capital and Sinking Fund of \$558,533
- Unappropriated in-year deficit of \$3,762,190 (or 0.52%) made up of:

Unappropriated in-year surplus	(1,194,810)
Covid Cleaning Costs	800,000
Covid Contingency Costs	4,000,000
Retainment of Staff Beyond Attrition (Year 2)	157,000
Unappropriated in-year deficit	3,762,190

2020/2021 Financial Position (cont.)

➤ Internally appropriated of \$650,000 (or 0.09%), are covering the following one-time initiatives:

One-Time Initiatives

New Student Information System Implementation	300,000
Mental Health Strategy	75,000
SHIFT Coach - E-Learning	100,000
Respectful Workplace Training	45,000
Period Poverty Dispensers	130,000
Total One-Time Initiatives	650,000

Questions?