



Halton
District
School
Board

2021/2022 Budget Development

April 27, 2021

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2021/2022 Budget Development

Agenda

- Budget Development Process
- Alignment of Financial Resources
- 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 30th

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 15th

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 15th

Budget Development Process

The Budget development process:

- Starts with Ministry's invitation to education funding consultation
 - 2021/2022 Education Funding Consultation released in December 2020
 - It solicited input into COVID-19 outbreak response & reducing administrative burden and red tape
- Enrolment projections sent to the Ministry in the fall, form the basis for the Grants for Student Needs (GSN)
 - 2021/2022 enrolment projections submitted on November 20, 2020
- Aligns financial resources to strategic priorities, operating plan, special education plan and the corporate risk profile of the Board
- 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 2020 – January 2021 (Complete)

- Participate in Provincial budget and Education Funding consultations

✓ February – March 2021 (Complete)

- Budget holder planning meetings
- COTW Budget discussion February 10th
- Budget survey open February 12th

☐ April 2021 (In progress):

- April 7th Board report – Results of Stakeholder Consultation
- April 27th COTW – Budget presentation, discuss release of GSN

☐ Other key dates:

- May 26th COTW – Draft budget presentation
- June 1st SEAC – Draft budget presentation
- June 2nd Draft Budget Report and June 16th Final Budget Report

Budget Development Process

Enveloping, Flexibility and Other Reporting Requirements

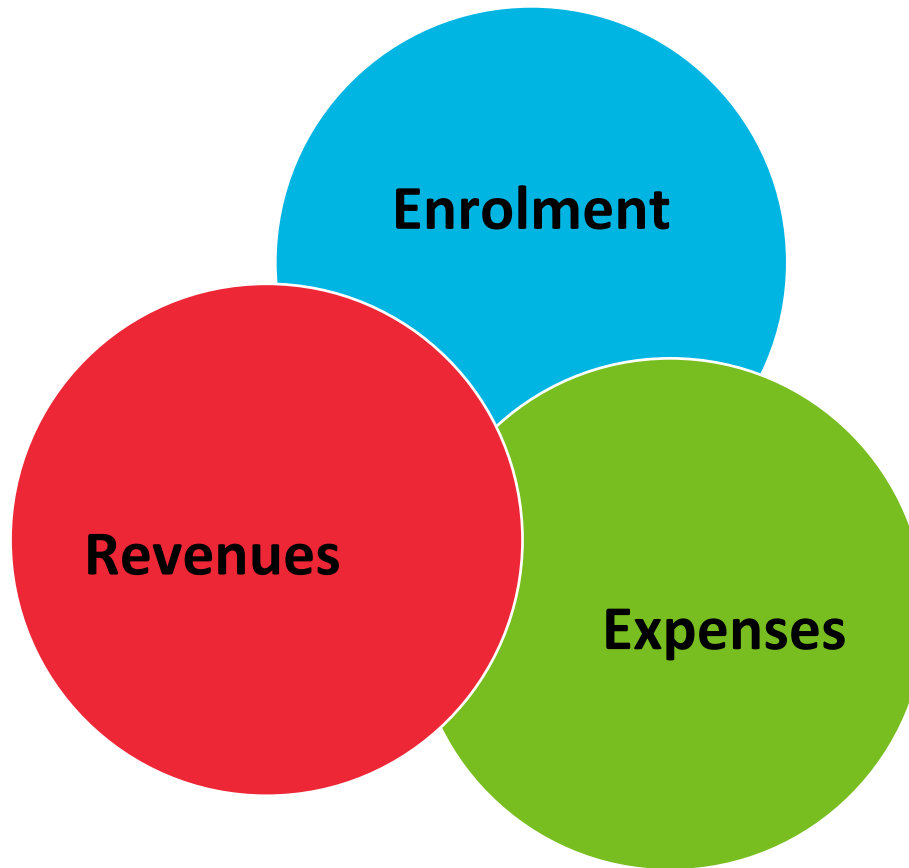
- Budgets must be balanced within 1% of provincial allocation
 - A compliance budget is a deficit budget of up to 1% of the provincial allocation
- Regulated class sizes must be met
- Special Education Grant is limited to special education expenses
- Allocations within the Learning Opportunities Grant 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 2021/2022 budget process is developed with the following key objectives in mind:

- Supporting the 2020-2024 Multi-Year Plan strategic priorities
 - ✓ Equity and Inclusion
 - ✓ Mental Health and Well-Being
 - ✓ Learning and Achievement
 - ✓ Environmental Leadership
 - ✓ Indigenous Perspectives and Awareness
- Alignment of resources to 2021/2022 Annual Operational Plan
- Alignment of resources to 2021/2022 Special Education Plan
- Alignment of resources to address the 2021 Corporate Risk Profile
- Accountability over financial resources
- Regulatory compliance

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

	2021/22 Projection***	2020/21 Revised Estimates*	Enrolment Increase (Decrease)	% Increase (Decrease)
Elementary	45,754.00	45,912.00	(158.00)	-0.34%
Secondary	20,630.59	19,820.44	810.15	4.09%
	<u>66,384.59</u>	<u>65,732.44</u>	<u>652.15</u>	<u>0.99%</u>
	2021/22 Projection***	2020/21 Original Budget**	Enrolment Increase (Decrease)	% Increase (Decrease)
Elementary	45,754.00	46,714.00	(960.00)	-2.06%
Secondary	20,630.59	20,013.73	616.86	3.08%
	<u>66,384.59</u>	<u>66,727.73</u>	<u>(343.14)</u>	<u>-0.51%</u>

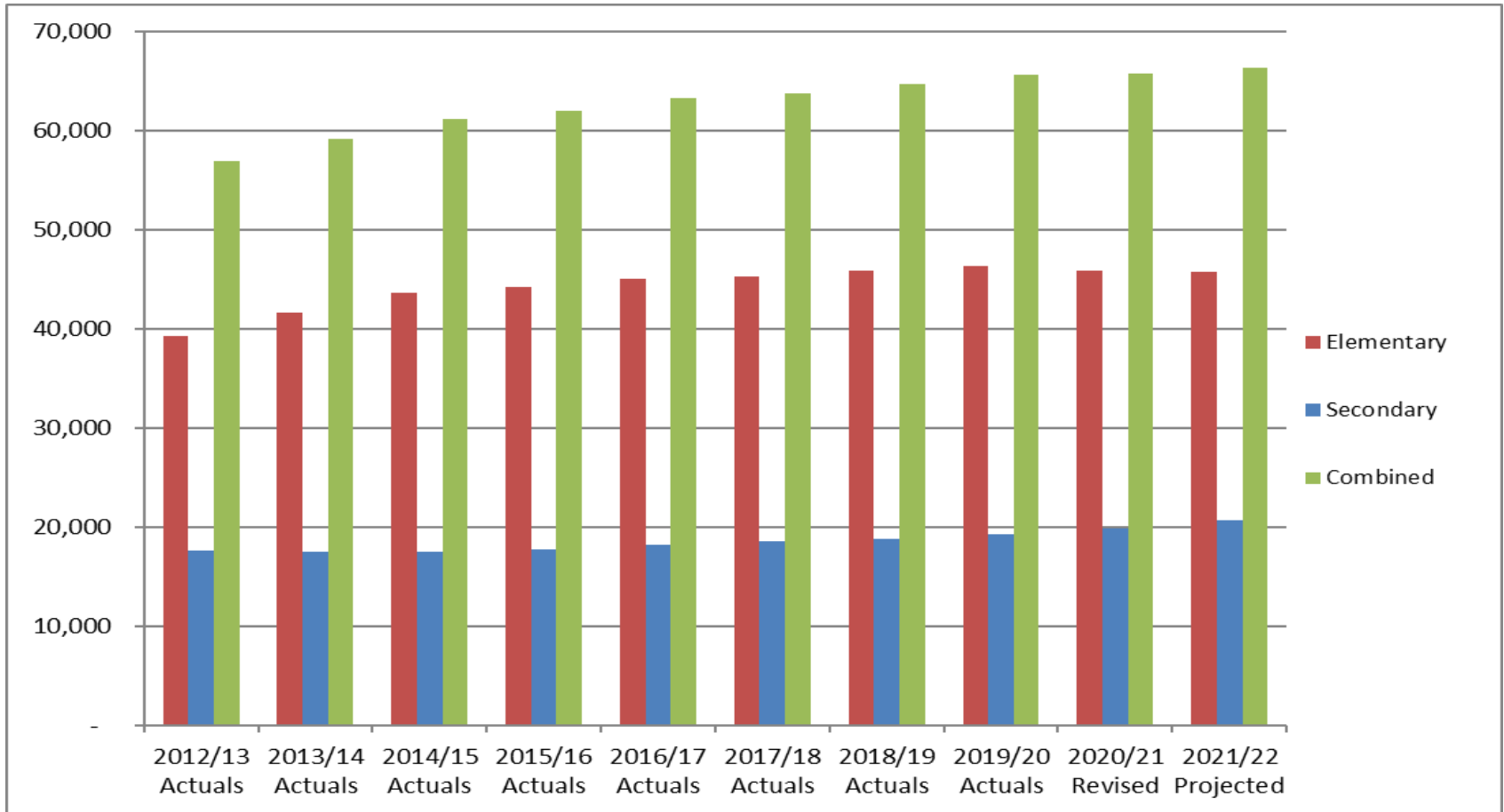
* Enrolment based on **Actual** October 31/20 and **Projected** March 31/21

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

*** Enrolment based on **Projected** October 31/21 and **Projected** March 31/22

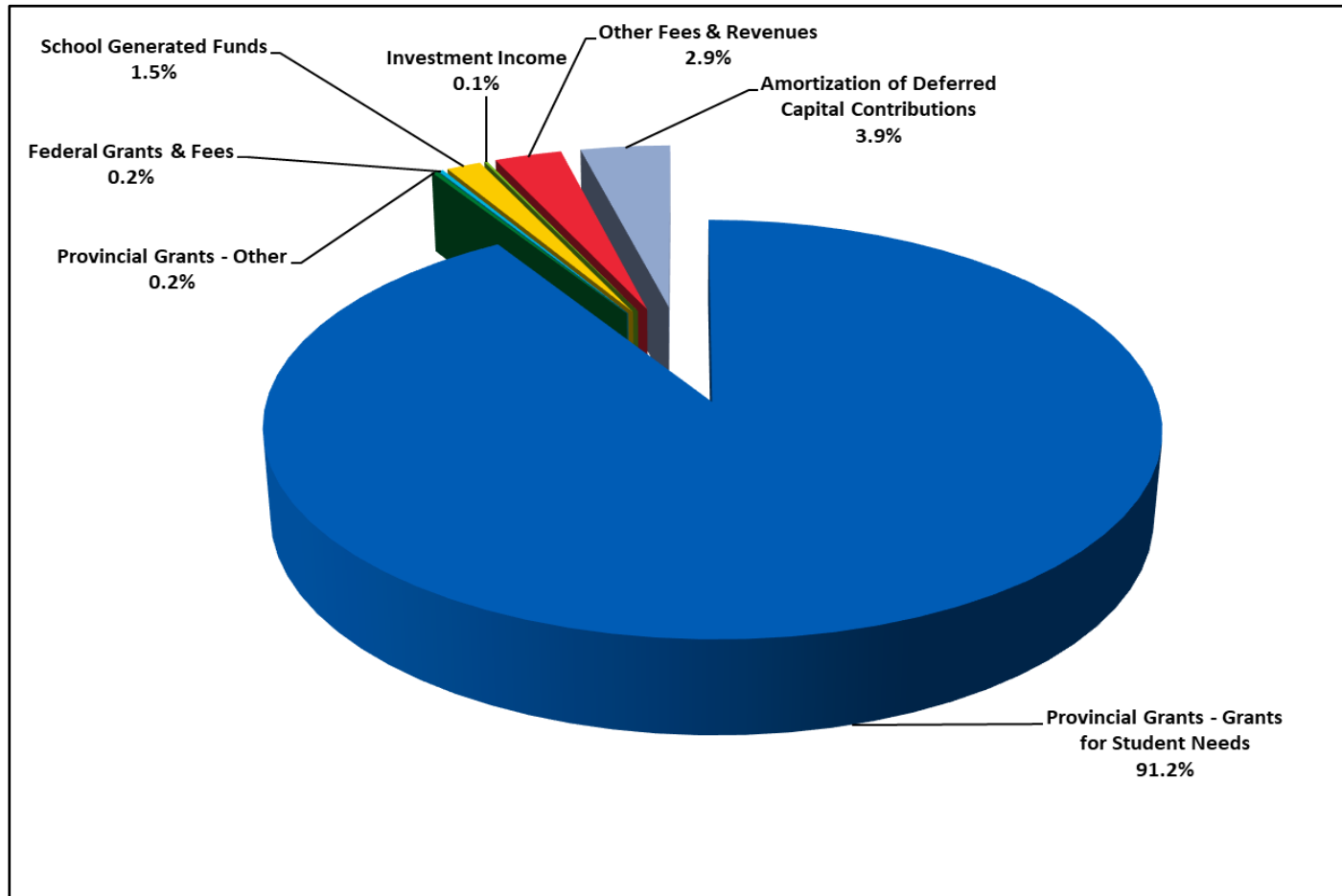
Review of Key Budget Components

10 Year Enrolment Trend



Review of Key Budget Components

2020/2021 Revenues



Review of Key Budget Components

2020/2021 Revenues

➤ Ministry Funding

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

Priorities and Partnerships Fund (PPF) 0.2%

➤ Other Revenues 7.1%

Amortization of Deferred Capital Contributions

Other Government Funding

Tuition Fees

Cafeteria/Rental Income

Investment Income

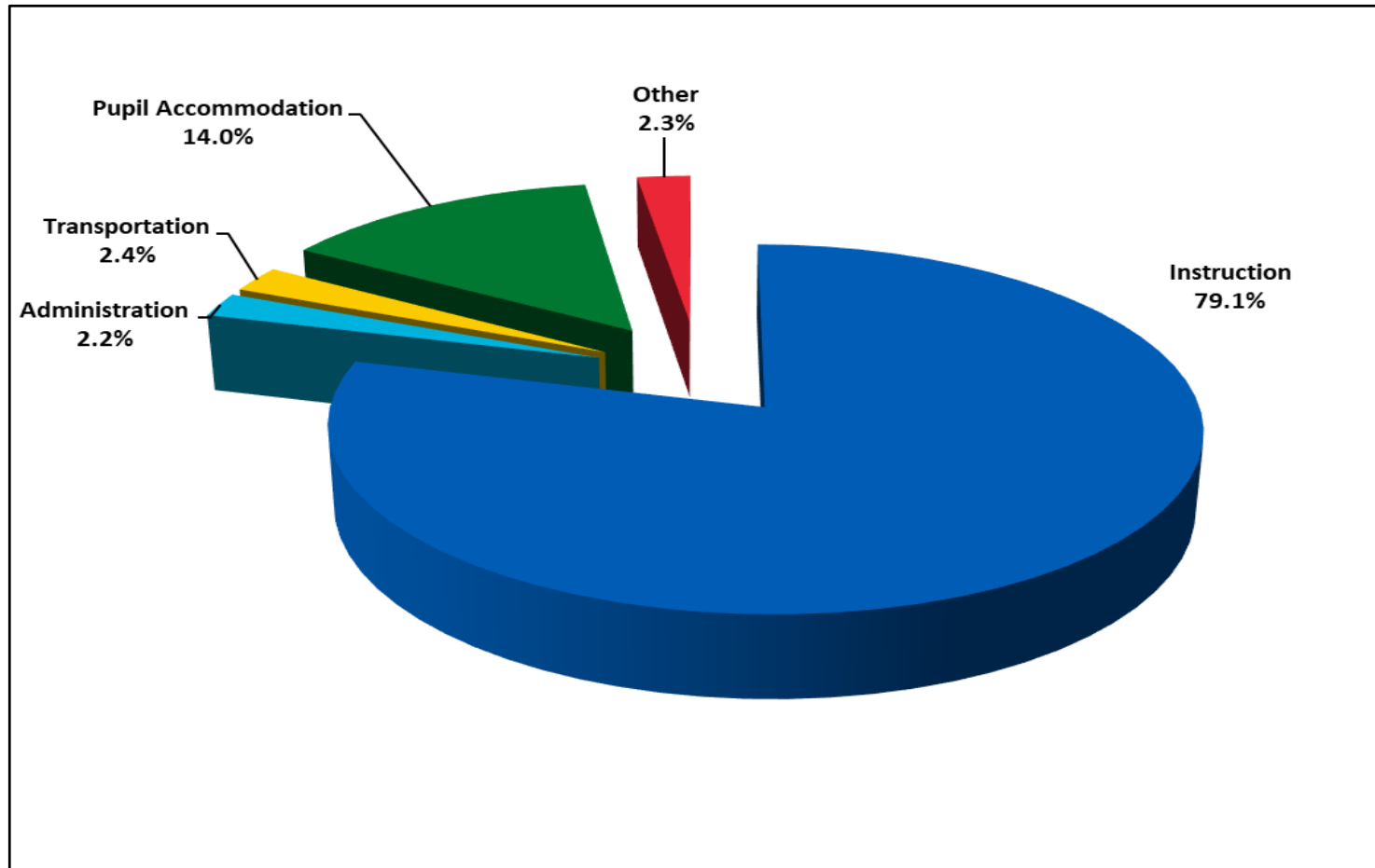
Other

➤ Transfer to (from) Accumulated Surplus

➤ School Generated Funds (school level) 1.5%

Review of Key Budget Components

2020/2021 Expenses



Review of Key Budget Components

2020/2021 Expenses

➤ Instruction 79.1%

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

Review of Key Budget Components

2020/2021 Expenses

- Administration 2.2%
 - Trustees
 - Director and Supervisory Officers
 - Board Administration

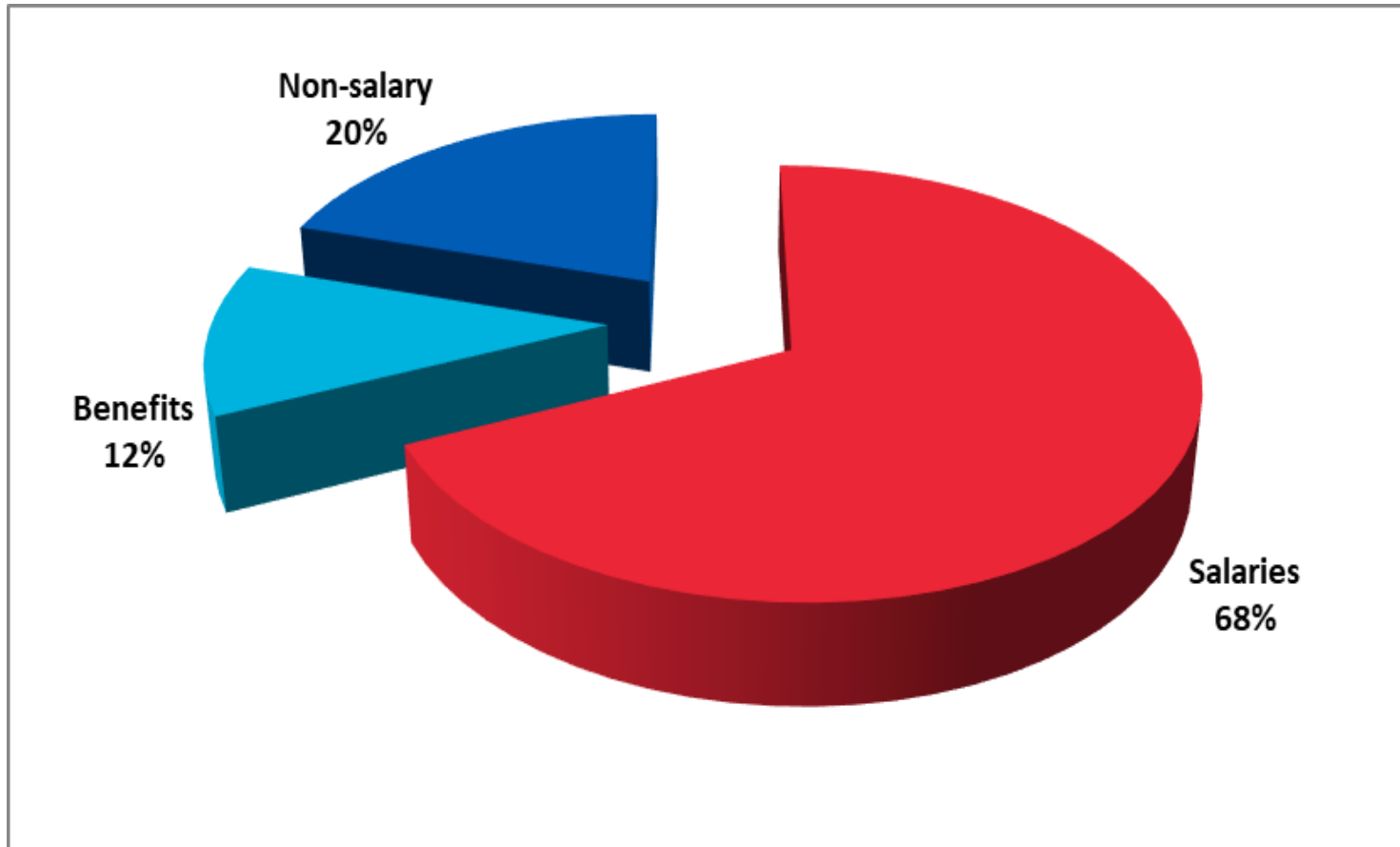
- Transportation 2.4%

- Pupil Accommodation 14.0%
 - School Operations and Maintenance
 - School Renewal
 - Debt Interest Expense
 - Amortization

- Other Expense 2.3%
 - Priorities and Partnerships Fund
 - Secondments
 - Other Recoverable Projects
 - School Generated Funds
 - Permanent Financing of Not Permanently Financed Debt
 - Provision for Contingencies

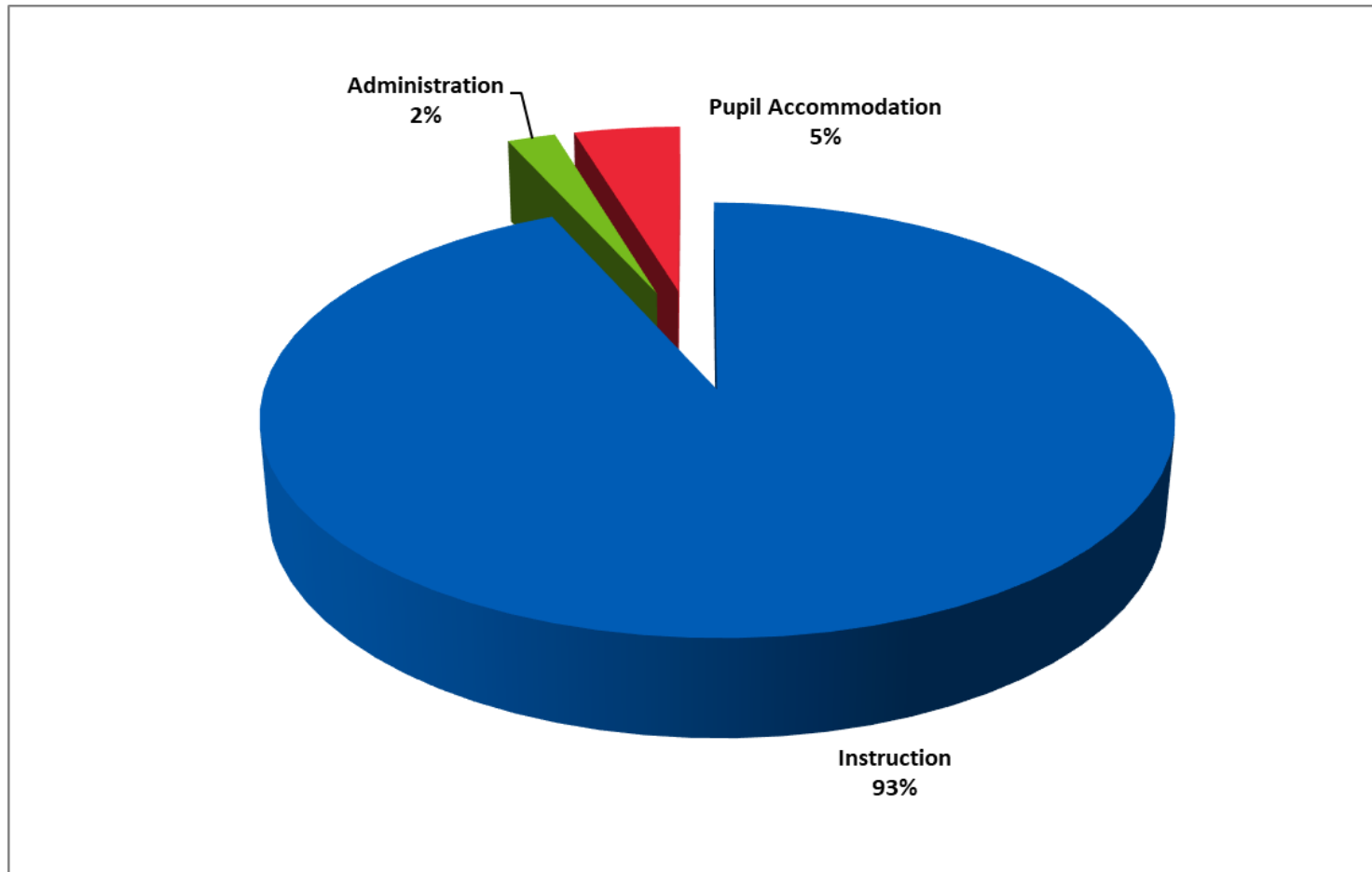
Review of Key Budget Components

2020/2021 Salary/Non-Salary Expenses



Review of Key Budget Components

2020/2021 Salary Expenses



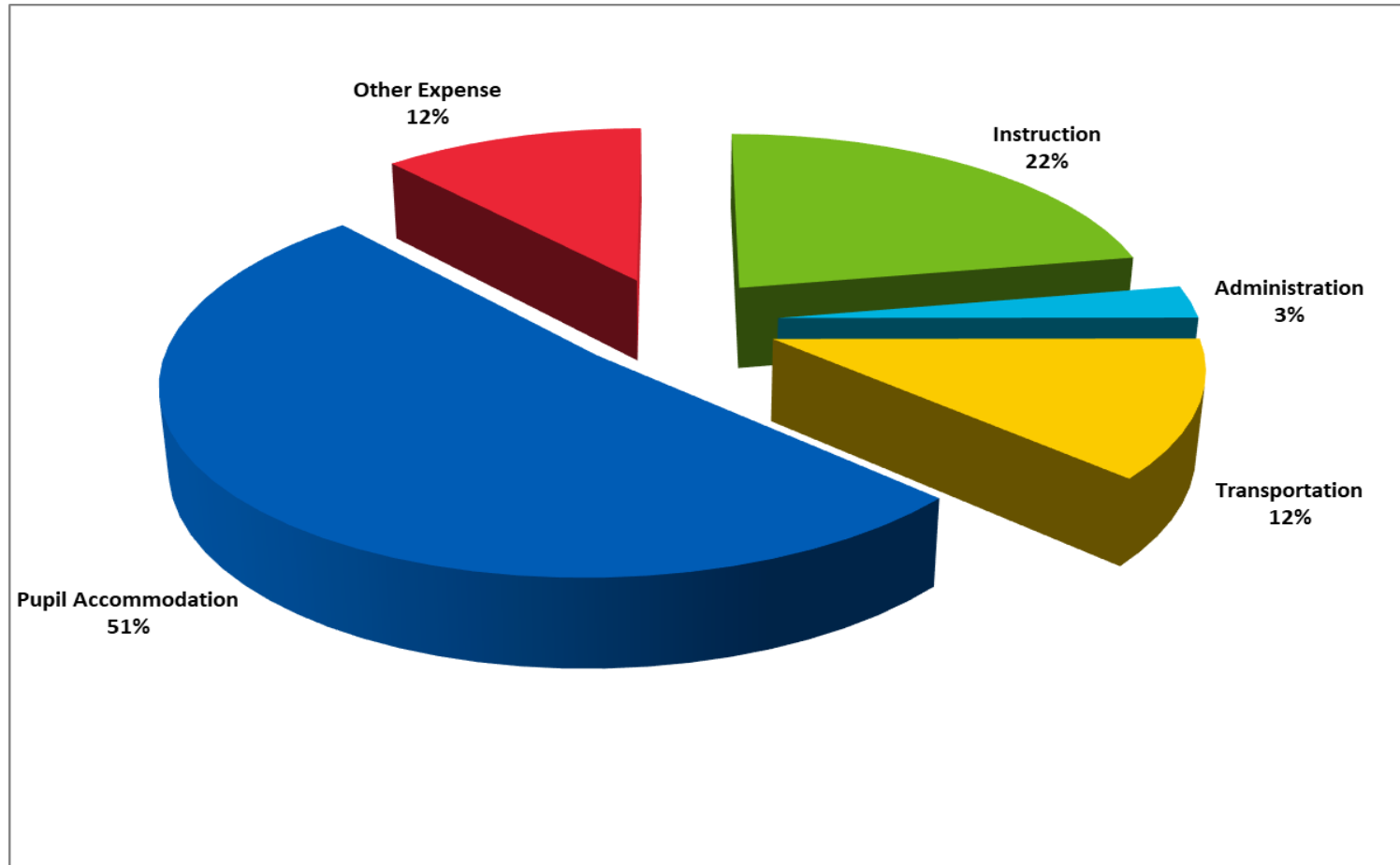
Review of Key Budget Components

2020/2021 Salary Expenses

- Instruction 93%
 - Classroom Teachers, Library, Guidance
 - Educational Assistants
 - Early Childhood Educators
 - Professionals, Paraprofessionals, Technical staff
 - School Office staff
 - Principals & Vice-Principals
 - Instructional Program Leads and Itinerants
 - Continuing Education
- Board Administration and Governance 2%
 - Trustees
 - Director and Supervisory Officers
 - Board Administration
- Pupil Accommodation 5%
 - Facility Services staff
 - Caretakers and Cleaning staff

Review of Key Budget Components

2020/2021 Non-Salary Expenses



Review of Key Budget Components

2020/2021 Non-Salary Expenses

➤ Instruction 22%

- 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

2020/2021 Non-Salary Expenses

➤ Transportation 12%

- Home to School
- Program Specific
- Special Education

➤ Pupil Accommodation 51%

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

➤ Other 12%

- School Generated Funds
- Priorities and Partnerships Fund
- Contingency

Budget Stakeholder Input

- The budget survey was available to the public from February 12 to March 5, 2021.
- The survey was promoted via the HDSB website, Facebook, Twitter, Instagram, SEAC, PIC, Student Senate and through a media release.
- There were 1791 respondents and 1976 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 investments to be considered for each strategic priority identified in the 2020-2024 Multi-Year Plan.

Budget Stakeholder Input

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

- ✓ **Equity and Inclusion**
 - Diversify books and resources to include diverse authors and perspectives
 - Provide additional supports for students with special education needs
 - Focus professional development and programs towards equity and inclusion
 - Increase staffing capacity and ability to nurture cultural and racial representation throughout the system
- ✓ **Mental Health and Well-Being**
 - Increase learning opportunities for students and staff
 - Increase mental health supports for students
 - Consider specialty spaces within schools

Budget Stakeholder Input

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

- ✓ **Learning and Achievement**
 - Provide more courses to enhance students' essential life skills
 - Prioritize math and literacy support
 - Increase instructional focus on LGBTQ2S+, Canadian history (including history of racism, women rights and disabilities), Indigenous education and climate change
 - Technology, textbooks and arts investments
 - Focus on learning gaps and supports
 - Provide advanced learning programs / STEM
- ✓ **Environmental Leadership**
 - Increase instructional focus on climate change, threats and solutions
 - Provide more bike racks and outdoor learning areas

Budget Stakeholder Input

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

- ✓ **Indigenous Perspectives and Awareness**
 - Diversify instructional materials to include Indigenous authors
 - Involvement in Indigenous communities
 - Encourage discussions in the classroom to raise awareness of Indigenous history, realities and perspectives
- ✓ **Other considerations**
 - Enhance physical education and extracurriculars
 - Consider the opportunity for online learning
 - Increase accessibility to buildings
 - Improve air quality / ventilation

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 secondary teachers
- Increase in school administration and school support staff
- Increase in custodial staff

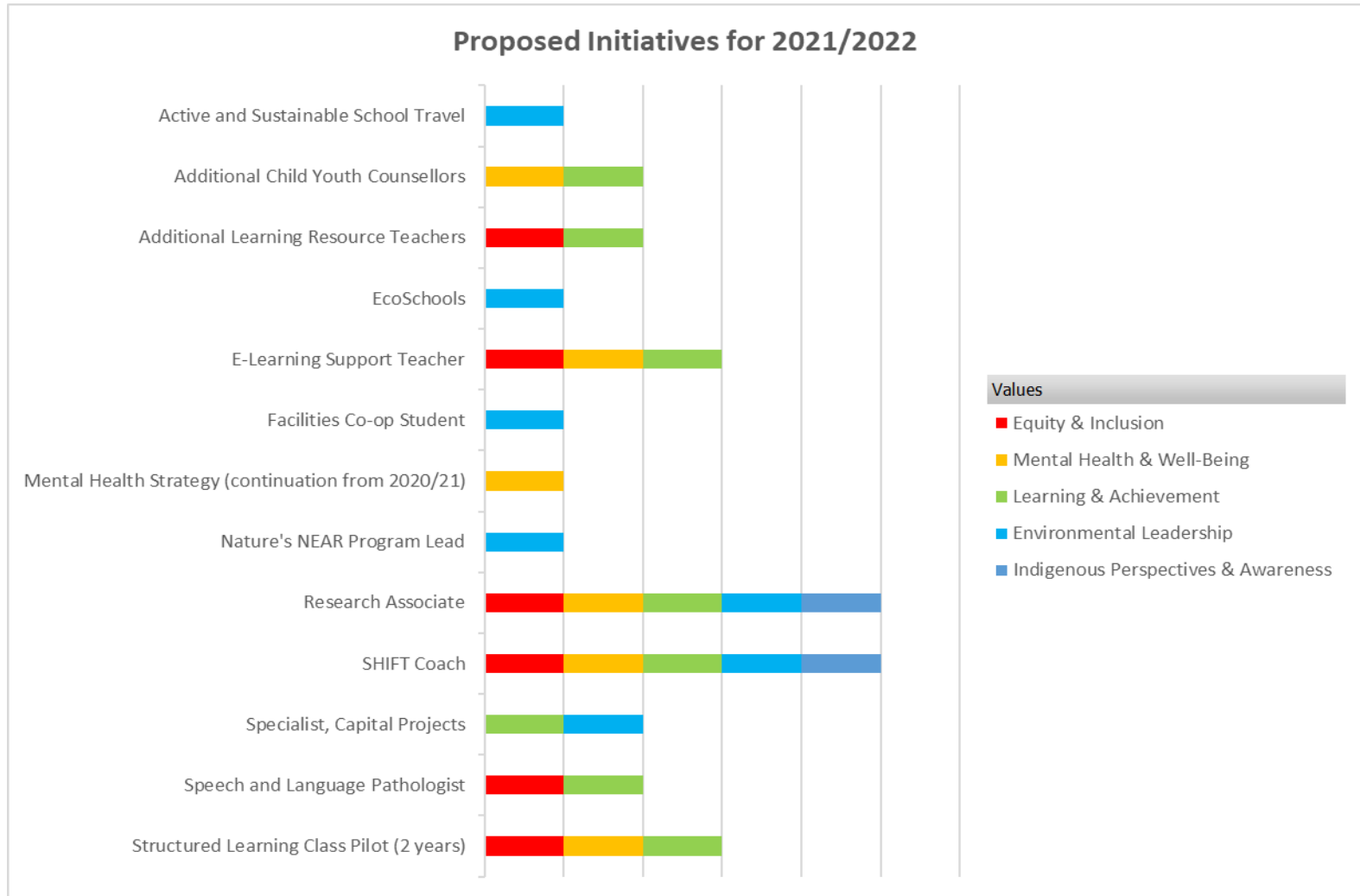
Additional areas of budget increase to address growth or operating pressures:

- Increase software maintenance fees for the new student information system
- Increase in operating costs for schools, school maintenance and outdoor spaces
- Increase in benefit costs
- Continued focus on building new schools in Milton

Proposed Budget Investments

- The proposed initiatives for 2021/2022 on the next slide are listed in alphabetical order, and not in prioritized order
- Additional initiatives and reallocation of resources are contemplated by the September 2021 Steering Committee, which considers:
 - In-school vs. Virtual learning
 - Student Well-Being
 - Staff Well-Being
 - Student Learning
 - The way forward - 2021/2022 system and academic priorities
 - COVID measures into next year

Proposed Budget Investments



Budget Challenges

With lower enrolment growth and loss of one time COVID funding, the budget falls short in a number of areas:

- Significant increases in operational costs and statutory and insured benefits
 - May not be covered by increases in the GSN cost benchmarks
- Needs identified in the new initiatives / survey require ongoing support
 - May need to look at a short term solution / temporary additions, from Board reserves
- One time COVID funding provided much needed support to the system, addressing local needs, \$26.5 million in additional funding through the year
 - Many positions and resources have been covered through these funds
 - Based on public health direction, some additional in year funds may be available
- Virtual schools – no direction or funding if these will continue
- Learning gap and mental health and well being areas requiring additional resources and focus

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
- Investing in energy efficient projects that reduce future operating costs
- Dedicating an annual amount of surplus reserves to support priorities of the Multi-Year Plan, in order to alleviate pressure on in-year resources

Next Steps

- GSN announcements expected by the end of April 2021
- Development of draft budget during May 2021
- Draft budget presented on May 26, 2021 at the Committee of the Whole
- Special Education Advisory Committee presentation on June 1, 2021
- Budget report presented at June 2, 2021 Board of Trustees public meeting for information
- Budget report presented at June 16, 2021 Board of Trustees public meeting for approval

Questions?