

Halton District School Board

Report Number: 19019

Date: January 15, 2019

FOR INFORMATION

TO: The Chair and Members of the Halton District School Board
FROM: L. Veerman, Superintendent of Business Services and Treasurer
RE: 2019/2020 Budget Development

Background

This report is intended to present the 2019/2020 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 2019/2020 budget must be submitted prior to the end of June 2019.

Provincial Perspective

Provincial Economic Statement

On November 15, 2018, Minister of Finance, Victor Fideli presented the **2018 Ontario Economic Outlook and Fiscal Review** to the Legislature. This report provided an update on "**Ontario's Plan for the People**" and the economic assumptions included in the 2018 Ontario Budget based on the most current information available. The impacts of these changes were applied to the government's revenue and expenditure projections, which revised the anticipated financial results for the current fiscal year. The following are excerpts from the document:

The Government for the People is taking immediate action to reduce the Province's deficit, while making Ontario more affordable for individuals, families and businesses, and making Ontario open for business.

The 2018 Ontario Economic Outlook and Fiscal Review is an update to the government's plan to help people make ends meet – and get ahead – while making government more efficient.

Education

Consultations for Parents

The Province is currently engaging in public consultations on education reform. The consultations, which began in September, focus on ways to improve Ontario's education system. Approaches to teaching math, important life skills such as financial literacy, and a new Health and Physical Education curriculum that includes subjects such as mental health, sex-ed and the legalization of cannabis, are being considered. Consultations are conducted across multiple channels, including an online survey and telephone town halls in every region of Ontario.

To ensure that the rights of parents are respected, the Province will also begin drafting a Ministry of Education Parents' Bill of Rights. Parents are being asked what elements they want to see included in the Parents' Bill of Rights as part of the province wide consultation.

College of Teachers' Reform

The government is proposing to amend the Ontario College of Teachers Act, 1996 and Early Childhood Educators Act, 2007 in order to strengthen disciplinary measures so that any member found guilty of sexual abuse by the College's Discipline Committee would be subject to the mandatory revocation of their certificate of registration. This change would protect Ontario's children, ensure that schools and early years and child care settings are safe, and respect the rights of parents.

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Service Animals in Schools

An increasing number of students with special education needs are using service animals (typically a dog) to support them in their daily lives. In some cases, families have had their requests to have a dog accompany their child to school denied. Informed by the advocacy of the Member of Provincial Parliament for Kitchener South-Hespeler, Amy Fee, the government is providing clarity for school boards and families around the appropriate use of service animals in schools, while respecting the rights and needs of other students and staff.

Ending Discovery Math

Math test scores among public elementary school students in Ontario have been steadily declining over the past decade. A comparison of student achievement results for the 2008–09 and 2017–18 school years, as published by the Education Quality and Accountability Office (EQAO), shows the percentage of students who met the Provincial standard in mathematics fell from 70 per cent to 61 per cent among third graders, and from 63 per cent to 49 per cent among sixth graders.³

A discovery-based learning environment does not teach students the fundamentals of basic math. Good math skills are critical for students striving to be scientists and engineers. Recognizing the central role that education systems play in developing foundational math skills, the government has directed school boards to focus on the fundamentals in the delivery of the math curriculum. Beginning in 2020, new teachers will have to pass a math content knowledge test to be certified to teach in Ontario.

Numeracy is an essential skill to succeed in school, the workforce and in everyday life. Early math skills are a strong predictor — even more so than reading skills — of later academic achievement and success in the labour market.⁴

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 2018/2019, the HDSB projected to receive in excess of 92% (approximately \$699 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.

2019/2020 Education Funding Consultation

On November 16, 2018, the Ministry sent an invitation to their education partners to provide input on education funding for the upcoming 2019/2010 school year through written submissions.

The government has announced its intention to seek greater accountability and value for money as part of the line-by-line review of government expenditures. Consistent with this goal, the ministry is seeking feedback from our education partners as a starting point to education funding reform.

Attached is the Education Funding Engagement Guide. This guide is structured around four areas that the ministry has identified as having the potential to make more efficient use of education funding.

- Efficient Price Setting
- Outcomes-Based Funding
- Accountability and Value-for-Money, and
- Other Education Funding Efficiencies.

The ministry is interested in receiving your responses to the questions in the guide and your suggestions about the topics highlighted. You are also welcome to share your insight about other

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topics within the funding formula that you feel deserve consideration for this or future planning cycles.

A summary of the feedback received during the consultation session will be distributed to school boards. A copy of 2019/2020 Education Funding Guide is attached as Appendix A.

In addition, the Ontario Public School Boards' Association (OPSBA) connected with member boards for their input and feedback and worked with the Education Program and Policy Development Work Teams on a submission for the Association.

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.

Multi-Year Plan 2016-2020 and Operational Plan

The Multi-Year Plan Mission, Vision, Values and Goals were approved by Trustees on June 15, 2016 (Board Report 16102). Following an assessment of system priorities and areas for growth, Administrative Council developed targets to measure the success of the goals in the Multi-Year Plan. These targets were incorporated into the 2018/2019 Operational Plan and will be updated/revised to continue into the 2019/2020 school year. 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 with modest enrolment growth into 2019/2020. This will be primarily as a result of new residential development 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,

*L. Veerman,
Superintendent of Business and Treasurer*

*S. Miller,
Director of Education*

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Timelines for 2019/2020 Budget Development

February/March/April 2019

- Budget Development Report
- 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 2019/2020
 - Revenue Assumptions
 - Expenditure Assumptions
 - Salary and Benefits
 - Non-salary expenditures
 - Review details of 2019/2020 GSN
 - Overview of Grant Revenue Calculation (based on GSN release)
 - Review Expenditures to ensure alignment with GSN
 - Review of Accountability and Reporting Requirements
 - Review Trustee Issues/Input
 - Review/Implement process for Stakeholder Input
 - Presentation/review with SEAC
 - Update on status of Special Education Plan

May 2019

- Trustee Budget Meeting(s)
 - Review draft budget
 - Review Administrative Council Recommendations
 - Update on Staffing
 - Update on Trustee Input
 - Update on Stakeholder Input
 - Update on Communication Plan

May/June 2019

- Trustee Budget Meeting(s)
 - On-going review of draft budget; Administrative Council recommendations
 - Update on Staffing
 - 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

2019-20 Education Funding Guide

In June 2018, Ontario elected a government committed to restoring accountability and trust in Ontario's public institutions and finances.

Since coming to office, we have taken a number of positive steps to improve our province's education system. Currently, we are engaging in broad public consultations that will ensure that everyone interested has an opportunity to provide feedback and help shape the future of education in Ontario.

I believe educating our children is the most important job in the world. Here at the Ministry of Education we are committed to working together to achieve student success, while spending taxpayer dollars efficiently and with greater accountability. We are also looking to our education partners to provide input on how we can achieve these efficiencies throughout the sector.

Together, we will prepare Ontario students for success, improve their academic achievement and equip them with the tools they need to face the realities of today and the possibilities of the future.

Sincerely,

The Honourable Lisa Thompson,
Minister of Education

Each year, using the expertise and insight of our partners, the ministry works to address funding challenges and opportunities for Ontario's students and families. Using this engagement guide, we are again requesting feedback that will help us to deliver vital education programs and services efficiently.

Ontario's education system is strong in large part because of the leadership and advocacy of our school boards and education stakeholders. As Deputy Minister, I look forward to further strengthening our partnership and working collaboratively on behalf of students.

Thank you in advance for sharing your valuable insights and ideas as part of this year's education funding engagement.

Sincerely,

Nancy Naylor
Deputy Minister of Education

Introduction

The government recently released a line-by-line review of government spending, [Managing Transformation - A Modernization Action Plan for Ontario](#), undertaken by Ernst & Young LLP. The review reveals rapid expenditure growth across key sectors and public programs under the previous government. The review was based on analysis of government financial and program data, and builds on the work of Ontario's Auditor General and the Financial Accountability Officer.

The government is committed to improving accountability and making efficient and effective use of taxpayer dollars. The EY review outlined an objective of efficiency gains in the order of four cents on the dollar to be found in the governments' expenditures. As such, the government will be looking to our partners in the education sector to find efficiencies and improve accountability.

As Ontario's deficit has ballooned to \$15-billion, the line-by-line review recommends a number of large-scale opportunities to transform programs and services to ensure sustainability and value for money. This discussion guide will ask questions about how to start thinking about education funding reform in Ontario, including more efficient price setting and outcomes-based funding.

For more information about the current education funding model, please see the [2018-19 Education Funding](#) page of the Ministry of Education's website.

About this Engagement

Education partners are being provided with an opportunity to submit feedback about education funding, through written electronic submissions, on the following four topics:

- Efficient Price Setting;
- Outcomes-Based Funding;
- Accountability and Value-for-Money; and
- Other Education Funding Efficiencies.

You may also submit feedback on education funding topics not outlined in this guide. In order to ensure your feedback is considered, please forward your electronic submission by **Friday, December 14, 2018** to: EDULABFINANCE@ontario.ca arranged by topic.

Should you have any questions about this engagement guide, please send them to: EDULABFINANCE@ontario.ca.

Other Education Engagements

The government has recently embarked on the largest education consultation in Ontario's history and is inviting everyone – parents, students, educators and interested individuals or organizations – to provide feedback on the education system in Ontario. The consultation includes open submissions, an online survey and telephone town halls.

For more information, please visit the consultation [website](#).

Efficient Price Setting

The modern role of the ministry is as a system funder and steward. One of the best ways to ensure strong delivery of service and return on investment is to set efficient prices. Parts of the Grants for Student Needs (GSN) are already consistent with the concept of efficient price, for example, class size funding based on averages and funding based on the efficient use of space.

Considerations

- 1. Are there areas of the GSN which currently use efficient price setting which could be re-evaluated for further efficiencies?**
- 2. Are there allocations of the GSN which currently do not use efficient price setting, but should be considered for reform?**

Outcomes-Based Funding

Outcomes-based funding is intended to aid students by encouraging schools to focus more on providing supports and clearing the obstacles that prevent some students from achieving their full potential and graduating.

Although the GSN was not designed as an outcomes-based model, portions of it could be targeted to reducing gaps in student outcomes, which could result in better and more equitable results for students and their families.

Considerations

- 1. Are there areas of the GSN which could be reformed to an outcomes-based model (e.g. Learning Opportunities Grant)? How would the outcome be measured?**
- 2. How can the funding model do a better job of indicating whether the investments made have maximized returns in achievement?**

Accountability and Value-For-Money

The ministry is focused on ensuring that taxpayers get the best possible service for their money. It is also focused on ensuring that funding is being used for its intended purpose. With limited resources, it means keeping the focus on key priorities and making strategic choices about how best to use resources to improve student achievement.

Considerations

- 1. Are there parts of the funding formula that are not core to the delivery of education in Ontario? If so, what are they?**
- 2. Should the government explore ways for alternative access to non-core programming?**
- 3. Should the ministry undertake a review of targeted areas of the funding formula to increase accountability and value-for-money? If so, what are they?**

Other Education Funding Efficiencies

The ministry continues to evaluate opportunities to streamline, review and strategically bundle education funding – both in the GSN and through other transfer payments – that support the delivery of education in Ontario.

Considerations

- 1. Are there areas of overlap or duplication within the GSN? If so, what are they?**
- 2. Are there areas of overlap or duplication with other funding streams (e.g. Education Programs – Other, other ministries, other levels of government)? If so, what are they?**

Conclusion

As all effective organizations do, we must continue to look for best practices in managing resources and continue to work collaboratively to develop future strategies for achieving greater efficiencies. Going forward, program funding in the education sector will need to be managed carefully with the goal of preparing Ontario students for success, improving their academic achievement and equipping them with the tools needed to enter the working world.

Thank you for taking the time to read this guide, and we look forward to receiving your submission.