

Halton District School Board

Report Number: 20071
Date: July 9, 2010

FOR DECISION

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

RECOMMENDATION:

Be it resolved that the Board of Trustees approve the 2020/2021 Halton District School Board PSAB Operating Budget in the amount of \$802,766,723 and that the Superintendent of Business Services and Treasurer be authorized to proceed with the expenditure of funds as outlined in Appendix B.

Be it resolved that the Board of Trustees approve the 2020/2021 Halton District School Board PSAB Capital Budget in the amount of \$117,075,425 and that the Superintendent of Business Services and Treasurer be authorized to proceed with the expenditure of funds as outlined in Appendix C.

Be it resolved that the Board of Trustees approve the 2020/2021 In-Year Deficit Elimination Plan in the amount of \$5,055,936, and that the Superintendent of Business Services and Treasurer be authorized to action the plan, as outlined in Appendix D.

Background:

The Education Act requires all School Boards in Ontario to approve an annual balanced budget within the definitions set by the Ministry of Education regulations. The [2020/2021 Operating and Capital Budget](#) included in this report meets this requirement.

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. Given the current pandemic, an extension was granted until August 19, 2020. Consequently, the 2020/2021 budget will be submitted prior to the end of July 2020.

Beginning in 2010, all school boards were required to convert to a PSAB (Public Sector Accounting Board) basis of accounting. This results in a new definition of balanced budget including the requirement to approve a capital budget in addition to an operating budget. The PSAB standards follow more closely private sector finance and expenditure principles including, but not limited to, a statement of amortization, deferred capital contributions and future liabilities (retirement gratuities).

The following appendices provide information regarding the 2020/2021 Budget:

- Appendix A – 2020/2021 Enrolment Statistics
- Appendix B – 2020/2021 Operating Budget: Summary of Revenues and Expenditures
- Appendix C – 2020/2021 Capital Budget: Summary of Revenues and Expenditures
- Appendix D – 2020/2021 In-Year Deficit Elimination Plan

A new requirement for Budget approval, introduced in 2019, is for the Board of Trustees to approve an In-Year Deficit Elimination Plan for any in-year deficit, even within the 1% compliance limitations. This In-Year Deficit Elimination Plan should identify the reasons for the deficit and the plan to

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address it within a two-year period. This plan does not include amounts set aside previously for the funding for committed capital projects.

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, equitable and inclusive, healthy and engaging environments; and provide opportunities for challenge and choice. The budget presented for the 2020/2021 school year continues this approach, building on growth and providing flexibility for adaptive learning models that address the challenges of a pandemic and its impact on the school and work environments.

In 2020/2021, the Halton District School Board welcomes approximately 66,728 students in 88 elementary and 16 secondary schools. This enrolment projection results in an overall increase of 2.0% as compared to the 2019/2020 school year. Enrolment growth will continue to be experienced in Milton (722 students) and Oakville (690 students) for the 2020/2021 school year. This is as a result of new residential development and a younger demographic in these communities. Burlington enrolment will stabilize through the year (with an expected additional 11 students) and Halton Hills will experience a decline in growth, with enrolment projected to decrease by 150 students. As we move forward, overall enrolment in HDSB is projected to increase marginally into 2029. This will be primarily as a result of new residential development in Milton and Oakville.

The Ministry of Education allocates funding to School Boards using a model based on enrolment and the needs of students in each board. For 2020/2021, the HDSB expects to receive 91.4% (approximately \$737.3 million) of total operating revenue from the Ministry of Education. On June 19, 2020, the Ministry of Education released information with respect to education funding for 2020/2021, building on last year grants resulting from the New Vision for Education, and incorporating the terms of collective agreements reached. The main funding changes for 2020/2021 are:

- Average provincial per pupil funding increased 2% to \$12,525
- Decrease in secondary class size from 28:1 to 23:1
- 1% increase to salary and benefits benchmarks
- 2% increase for the non-salary components of the School Operations Allocation
- Supports for Students Funds added to Supplemental Grants
- A number of Priorities and Partnerships Fund allocations were transferred to the GSN
- Additional funding to assist with Covid expenses, to be allocated to boards during the year
- School Condition Improvement and School Renewal funding are based on the 2018 assessment of school facilities.

The key objective of the Budget Development Process is to align the allocation of resources with the Multi-Year Plan, Annual Operating Plan and the Special Education Plan, identify school based staffing requirements, identify budget challenges and opportunities, and gather input from the various stakeholder groups. Updates on the Budget Development Process were presented to the Trustees in April and May 2020. In addition, communication and stakeholder input was requested via HDSB website, and summarized in the April 14, 2020 Board report. All budget development documentation has been posted on the HDSB [website](#).

The Halton District School Board continues to be committed to every student. The 2020/2021 Budget Development process included challenges resulting from planning for school reopening during a pandemic and addressing cost pressures to ensure safe and healthy schools and workplaces. The 2020/2021 Budget allowed for additional resources to address growth, support students' needs, increase special education programs and address operating pressures. The 2020/2021 Budget investments and changes are detailed in the appended 2020/2021 Operating and Capital Budget document.

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It is important to note, before factoring in cost pressures as a result of the pandemic, the 2020/2021 budget is in an operating surplus position. The Halton District School Board will be required to use the in-year surplus and existing reserves to cover for the cost pressures arising from the current pandemic, which are further detailed in Appendix D.

Conclusion:

The 2020/2021 Operating and Capital Budget of the Halton District School Board has been developed in keeping with our current vision that every student will explore and enhance their potential, passions, and strengths to thrive as contributing global citizens and with a view to the areas identified as important during the development of our new 2020-2024 Multi-Year Plan. The budget also provides for additional costs to facilitate adaptive learning models, in a safe and healthy environment.

Respectfully submitted,

*R. Negoj,
Superintendent of Business and Treasurer*

*S. Miller,
Director of Education*

**Halton District School Board
2020/2021 Budget
Enrolment Statistics
Average Daily Enrolment (ADE)**

	Budget 2020/2021	Budget 2019/2020	Projected Growth	% Change
Elementary				
Burlington	12,672.00	12,655.00	17.00	0.1%
Oakville	16,188.00	15,925.00	263.00	1.7%
Milton	13,607.00	13,104.00	503.00	3.8%
Halton Hills	4,247.00	4,410.00	(163.00)	(3.7%)
Elementary ADE	46,714.00	46,094.00	620.00	1.4%
Secondary - pupils less than 21 years				
Burlington	5,728.48	5,734.10	(5.62)	(0.1%)
Oakville	9,229.88	8,802.77	427.11	4.9%
Milton	3,121.06	2,901.60	219.46	7.6%
Halton Hills	1,934.31	1,920.98	13.33	0.7%
Secondary - pupils less than 21 years ADE	20,013.73	19,359.45	654.28	3.4%
Total Day School				
Burlington	18,400.48	18,389.10	11.38	0.1%
Oakville	25,417.88	24,727.77	690.11	2.8%
Milton	16,728.06	16,005.60	722.46	4.5%
Halton Hills	6,181.31	6,330.98	(149.67)	(2.4%)
Total Day School ADE	66,727.73	65,453.45	1,274.28	2.0%
Students 21 years and over - ADE	-	196.00	(196.00)	(100.0%)

Notes:

ADE calculations are based on 50% of the October 31 Full Time Equivalent and 50% of the March 31 Full Time Equivalent.

Full Day Kindergarten (FDK) students are counted as 1.0 Full Time Equivalent.

Secondary includes ADE for those students exceeding 34 credits.

Students 21 years and over were moved to the Continuing Education enrolment register.

**Halton District School Board
2020/2021 Budget
Summary of Revenue by Ministry Category**

	Budget 2020/2021	Budget 2019/2020	Increase/ (Decrease)
Revenue			
Provincial Grants - 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 & Fees	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			
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 to Unions and Other	1,245,613	-	1,245,613
Secondments to Ministry	679,256	-	679,256
Education Development Charge (EDC)	10,000,000	12,000,000	(2,000,000) *
Other Fees & Revenues Subtotal	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
Transfer (to)/from Accumulated Surplus	(3,849,241)	(13,536,972)	9,687,731 **
Total Revenue Net of Transfer	802,766,723	754,956,645	47,810,078
Total Expense	802,766,723	754,956,645	47,810,078

* Revenue adjustments per PSAB requirement

** Additional information included on *Transfer to/(from) Accumulated Surplus per Ministry Compliance Definition*

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2020/2021 Budget
Summary of Operating Expense by Ministry Category

	Budget 2020/2021	Budget 2019/2020	Increase/ (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
Textbooks and Supplies	25,888,777	21,753,152	4,135,625
Computers	3,533,027	3,498,324	34,703
Professionals, Paraprofessionals & Technical	24,779,148	22,546,049	2,233,099
Library and Guidance	12,817,647	12,604,867	212,780
Staff Development	3,317,206	3,043,690	273,516
Department Heads	831,590	838,185	(6,595)
Principals and Vice-Principals	29,776,742	29,130,265	646,477
School Office	18,441,244	17,261,017	1,180,227
Coordinators and Consultants	7,116,243	6,493,674	622,569
Continuing Education	2,731,988	2,096,574	635,414
INSTRUCTION Total	635,411,584	593,696,399	41,715,185
ADMINISTRATION			
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
ADMINISTRATION 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
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	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
OTHER EXPENSE			
Priorities and Partnerships Fund and Secondments	5,084,376	592,446	4,491,930
Permanent Financing of NPF	543,389	543,389	-
Provision for Contingencies	1,000,000	500,000	500,000
School Generated Funds	12,000,000	19,000,000	(7,000,000)
OTHER EXPENSE Total	18,627,765	20,635,835	(2,008,070)
Grand Total	802,766,723	754,956,645	47,810,078

**Halton District School Board
2020/2021 Budget
Transfer to/(from) Accumulated Surplus per Ministry Compliance**

	Budget 2020/2021	Budget 2019/2020	Increase/ (Decrease)
Available for Compliance - Unappropriated			
Operating Accumulated Surplus/(Deficit)	(3,762,190)	(816,614)	(2,945,576)
Total 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 Externally Appropriated	9,952,964	16,045,119	(6,092,155)
Total Transfer to/(from) Accumulated Surplus	3,849,241	13,536,972	(9,687,731)

* Operating Accumulated Deficit includes budgeting for Covid expenses; and would otherwise be a Surplus of \$1,194,810.

**Halton District School Board
2020/2021 Budget
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

**Halton District School Board
2020/2021 Budget
In-Year Deficit Elimination Plan**

Funded through Accumulated Surplus:		To be Eliminated by
Retirement Gratuities - Amortized over next two years		1,133,000 2021/2022
Unappropriated In-Year Deficit - To cover one-time expenses		
Operating (Surplus)/Deficit	(1,194,810)	
Covid Cleaning Costs	800,000	2021/2022
Contingency for Covid	4,000,000	2021/2022
Retainment of staff beyond attrition numbers	<u>157,000</u>	2021/2022
		3,762,190
Internally Appropriated - To cover one-time expenses		
Student Information System Implementation 2020/2021	300,000	
One-time Initiatives	<u>350,000</u>	
		650,000 2021/2022
Employee Future Benefits		(489,254) 2021/2022
Total Accumulated In-Year (Surplus)/Deficit for Compliance		5,055,936