

Halton District School Board

Report Number: 22153

Date: December 1, 2022

FOR INFORMATION

TO: The Chair and Members of the Halton District School Board

FROM: R. Negoj, Superintendent of Business Services and Treasurer
C. Ennis, Director of Education

RE: **2023/2024 Budget Development**

Background

This report is intended to present the 2023/2024 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 2023/2024 budget must be submitted prior to the end of June 2023.

Provincial Perspective

The education sector continues to feel the challenges of navigating the landscape during a pandemic. During the 2022/2023 fiscal year, both the Federal and Provincial governments have provided significant financial resources to support school boards in addressing the requirements for additional staffing to support both in person and virtual learning models, student learning recovery, mental health and well being of students, enhanced cleaning and ventilation in schools, provide additional technology to students and staff, and provincially procured personal protective equipment (PPE). During the year, further resources were announced to provide tutoring support to students, delivered through programs within schools and community partners. At this point into the budget development process, it is unknown if these timed investments will continue into the next year.

Over the past two years, enrolment trends have shifted provincially, with families moving from urban centers to rural areas. The Greater Toronto Area boards, including Halton District School Board (HDSB), have experienced declining enrolment or reduced growth trends as a result. Other factors contributing to reduced growth include lower kindergarten registrations, decrease in international students and lower levels of immigration. Looking at 2023/2024, enrolment growth is expected to pick up within urban centers, immigration trends are increasing and there has been more interest from international students to resume their studies within Ontario.

To compound the challenges of planning for next year, the Province, Trustee Associations and school boards are engaged in labour negotiation with all employee groups. To date, only one union has reached an agreement, which is still pending ratification from members. As these negotiations are ongoing, the full impact of the changes is not yet known. Centrally agreed upon terms are funded through a formula within the Grants for Student Needs. While the intent is to fully fund changes resulting from the central table, formulas sometimes fall short of the actual cost. Overall it is expected that these changes will be provincially funded and not impact the school boards budgets in any significant way.

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On October 11, 2022, the Ministry released the 2023/2024 Education Funding Consultation Guide (attached as appendix A), soliciting input into the budgeting process. This year's guide focuses on 3 areas:

- Identifying initiatives and areas where there could be a reduction in the administrative burden or an opportunity for further efficiencies,
- Identifying opportunities to reduce the time to complete major capital projects, and
- Exploring more opportunities for joint use schools.

The Superintendent of Business Services participated in the development of the Council of Senior Business Officials (COSBO) education funding submission, which considered input from all school boards. Trustee representatives on the Ontario Public School Boards Association (OPSBA) also provided input into the association's submission to the Ministry of Education. Further, the Director of Education collaborated on education funding through the Regional Education Council.

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 2022/2023, the HDSB projected to receive approximately 90.0% (\$774 million) of total operating revenue from GSN funding. Specific funding allocation details are normally provided to Boards following the passing of 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.

Given the focus of the Education Funding consultation guide, it is expected that overall, the grants will remain consistent to the current year. The biggest unknown is whether, and to what extent, the timed investment in COVID-19 supports, learning recovery, ventilation and tutoring supports will be renewed. There is also a provincial working group reviewing the transportation allocation and transportation parameters. The Superintendent of Business is part of this provincial group that is expecting to wrap up recommendations that will impact the funding allocation for the 2023/2024 GSN. This will result in a reallocation of the grant provincially, with some boards receiving more and some receiving less than their current allocation.

Some of the challenges with the GSN is that the grants are not keeping up with inflation and other costing pressures, such as regulated increases to contributions for statutory benefits (CPP and EI). Outside of the GSN, rental revenues and community use of schools are anticipated to return to pre-pandemic levels, increasing interest rates will result in higher investment income, Education Development Charges which are dependent on development volumes continue to increase year over year, and school level fundraising is slowly returning to normal levels.

Board Perspective

Objectives of Budget Development Process

The key objective of the Budget Development Process is to align the allocation of resources with the annual Operational Plan of the Board, the 2020-2024 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. The budget development process also considers the corporate risk profile in determining the allocation of resources. Updates to the corporate risk profile are aligned with the development

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of the annual Operational Plan and its progress review. These inform any changes in direction or initiatives required to support the five key strategic commitments, which are then reflected in the Estimates budget and updated in the Revised Estimates budget.

The 2023/2024 budget timelines are attached to this report. A survey will be developed in February, seeking input into the upcoming budget process. Results will be presented to the Board of Trustees in April. A budget presentation will be scheduled for April 2023 at the Committee of the Whole meeting, with a draft budget proposed for May 2023. The final budget will be presented to the Board for final approval in June 2023.

Multi-Year Plan 2020-2024 and Operational Plan

The budget development process aligns the allocation of resources to the Board's strategic priorities and operating goals identified in the annual operating plan. The 2020-2024 [Multi Year Plan](#) list the Board's key strategic commitments:

- **Equity & Inclusion** -- champion supportive and inclusive practices to ensure equitable access to positive opportunities and outcomes for all
- **Mental Health & Well-Being** -- strengthen safe and caring environments that promote well-being
- **Learning & Achievement** -- create learning conditions to elevate student achievement
- **Environmental Leadership** -- take action for a sustainable world
- **Indigenous Perspectives & Awareness** -- promote knowledge and understanding of Indigenous perspectives and realities

The 2023/2024 Operational Plan and Special Education Plan will be developed and approved in June 2023, and will build on the current year plans. The budget development process will align the allocation of resources in order to support these plans.

Enrolment

The Halton District School Board is projecting a decrease in enrolment in the elementary panel of 264 students and an increase of 446 students in the secondary panel, for a total overall increase of 182 Average Daily Enrolment (ADE) compared to 2022/2023 Revised Estimates budget, and approximately 482 ADE more than the original 2022/2023 Estimates budget. The decrease in elementary panel is as a result of larger grade 8 cohorts moving into the secondary panel, while the entry grades remain relatively consistent. These preliminary numbers do not consider international students, which are expected to also see an uptake as we emerge from the pandemic.

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 champion inclusive and equitable practices, strengthen safe environments, create learning conditions for all, promote knowledge and understanding of Indigenous perspectives and take action for a sustainable world. Staff will update the budget assumptions as information becomes available, and report updates to the Board at future meetings.

Respectfully submitted,

R. Negoi, Superintendent of Business and Treasurer

C. Ennis, Director of Education

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Timelines for 2023/2024 Budget Development

November/December 2022

Education Funding Consultations

- Provide feedback to senior administration and include in the next Board report
- Collaborate with COSBO on GSN Consultation submission
- Provide feedback on Education Funding at the Regional Education Council
- Start Administrative Council budget planning meetings

Budget Development Report

- Budget objectives, schedule, funding, consultation, review of budget assumptions

January/February 2023

Administrative Council budget planning meetings continue

Senior Staff budget meetings

- Individual meetings with budget owners
- Identifying gaps and priorities, aligned to the MYP
- Review corporate risk profile and align to resource allocation

Budget Survey

- Deploy online budget survey
- Staff budget meetings
- Trustee input

March/April 2023

Administrative Council meetings to form recommendations

Trustee Budget Meeting(s)

- Discussion re: Alignment of Financial Resources
 - Multi-Year Plan
 - Annual Operational Plan
 - Special Education Plan
 - Corporate Risk Profile

Review of Budget Parameters

- Preliminary Enrolment
- Revenue Assumptions
- Expenditure Assumptions
- Review ratified agreements implications
- Review details of 2023/2024 GSN
- Overview of Grant Revenue Calculation (based on GSN release)
- Review Expenditures to ensure alignment with GSN
- Discuss restraint measures if required

Review of Accountability and Reporting Requirements

Review Trustee Input

Review Stakeholder Input

Presentation/review with Board of Trustees and SEAC

May/June 2023

Trustee Budget Meeting(s)

- Review of draft budget
- Review Administrative Council recommendations
- 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 and posted on the Board's website

2023-24 Education Funding Consultation Guide

INTRODUCTION

After two years of pandemic disruptions, the government is looking ahead and remains focused on ensuring students receive the best stable learning experience possible. Ontario has launched its [Plan to Catch Up](#), focused on getting students back on track and strengthening the skills they need for the jobs of tomorrow. For the 2022-23 school year, the province will continue to support the learning recovery journey of all students, including those disproportionately affected by learning disruptions.

Ontario is also investing record funding for the 2022-23 school year of over \$26.6 billion – the highest investment in public education in Ontario’s history. This includes a \$683.9 million increase in Grants for Student Needs (GSN) funding, with projected total funding of \$26.1 billion. In addition, over \$500 million is being provided in Priorities and Partnership Funding (PPF).

Finally, as you are aware, the ministry is currently engaging with its education labour partners in the bargaining process for new collective agreements with teachers and education workers in Ontario’s publicly funded education system. The government is committed to a fair and fiscally responsible approach for new collective agreements, while ensuring stability for students and families. Once new collective agreements have been reached and ratified, the GSN will be updated accordingly.

For more information about the current education funding model, please see [Education funding, 2022-23](#) on the Ministry of Education’s website.

ABOUT THIS CONSULTATION

As in previous years, the government remains committed to discussing education funding reform in Ontario with education stakeholders through a consultation process that allows stakeholders to provide the benefit of their expertise, experience, and ideas. This year’s guide focuses on three key priorities:

- Efficiencies and reducing administrative burden
- Capital: Reducing time to completion for capital projects
- Capital: Joint use of schools

You may also submit feedback on education funding topics not outlined in this guide.

To ensure your feedback is considered, please forward your electronic submission by **November 15, 2022** to: EDULABFINANCE@ontario.ca. If your organization would benefit from a virtual meeting to provide feedback on this year’s consultation, please submit a request to the ministry at this same email address, and the ministry would be pleased to

arrange one. If you have questions about this consultation, please send them to the email address noted above.

EFFICIENCIES AND REDUCING ADMINISTRATIVE BURDEN

The ministry continues to look for ways of reducing administrative burden and aligning program implementation with ministry priorities, while ensuring strong accountability and value for money.

To further support the ministry's efforts to streamline reporting while also reducing administrative burden for transfer payment recipients, for 2022-23 the ministry has transferred five Priorities and Partnerships Funding (PPF) and Other Languages in Education (OLE) allocations into the GSN.

For the upcoming school year, the ministry will continue to provide school boards with Integrated (multi-project) Transfer Payment Agreements (TPAs) through Transfer Payment Ontario (TPON), the centralized digital system for government transfer payments.

The ministry is continuing to implement a phased approach in the adoption of TPON, to enable further efficiencies in the administration and management of TPAs. Reporting will be the next phase added to TPON focusing on the reduction and/or streamlining of reporting requirements. School boards will be able to access, complete, and submit PPF reporting requirements through TPON, with further details to be provided in the Fall.

Considerations:

- 1. What other initiatives could support the reduction of administrative burden or further streamline reporting for the education sector?**
- 2. What are the areas where there is potential or opportunities to find new efficiencies?**

CAPITAL: REDUCING TIME TO COMPLETION FOR CAPITAL PROJECTS

Schools and child care centers are crucial in supporting the well-being and positive development of students and children. The Ontario government's education infrastructure plan includes providing \$14 billion over 10 years to support school construction, repair, and renewal. There are over 400 major capital projects at various stages of development worth \$4B.

The time to completion for capital projects, from original funding approval by the Ministry to completion of the project/opening of a school/child care, varies considerably across the province. Some school boards have completed their major capital construction projects in as little as two years while other school boards have taken more than ten years to complete projects.

To ensure needs of communities are met in a timely manner and to deliver good value for Ontario taxpayers, the ministry will be working with school boards to reduce the time to completion for approved projects.

Considerations:

- 1. What are the relevant considerations and opportunities to shorten each phase of planning and construction (planning, design, municipal approvals, approval to proceed (Ministry Approval), procurement, construction, opening)?**

CAPITAL: JOINT USE OF SCHOOLS

The ministry continues to look for ways of optimizing the use of existing educational infrastructure. Overall, school utilization across Ontario is about 90%. On the whole, there is significant surplus school capacity throughout the province.

With student migration and changing demographics, it is an ongoing exercise to try to ensure that school capacity meets the needs of all four school systems at a local level. Where a school board may experience an enrolment decline, there may be a coterminous school board experiencing growth. While new developments often require the construction of new local schools by multiple school boards, there are also areas, both rural and urban areas, with declining enrolments and increasing surplus school capacity. In both circumstances, joint use schools may provide increased program opportunities for students and capital and operating efficiencies through better utilization of school facilities, as currently demonstrated on various arrangements throughout the province. In developing accommodation plans, school boards are encouraged to consider collaborative capital project arrangements between school boards to maximize the opportunities for co-

location. This may include two or more school boards working together to improve the utilization of existing school facilities and reduce surplus space by co-locating into an existing facility, or by exchanging schools to better utilize existing capacity.

Considerations:

- 1. What impediments do school boards face when considering opportunities for Joint-Use schools with their co-terminus school boards?**
- 2. There are a number of successful joint-use arrangements in place. What are the elements of success (governance, administrative practices, conflict resolution, etc.) that be replicated and scaled up across current and potential joint use arrangements?**

CONCLUSION

Each year, the ministry holds discussions with education partners, outside of the annual funding engagements, to discuss both policy and funding mechanisms. As student mental health and well-being will continue to play a critical role in students catching-up, beginning this Fall, the government looks forward to hearing from consultations with parents, students, and experts like children’s hospitals, on how to best strengthen learning to support student mental health and well-being.

As always, we thank you for your continued collaboration and partnership to support Ontario students. We remain committed to working closely with you to facilitate the next school year, with the best interest of Ontario’s students in mind.

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