

**To:** The Chair and Members of the Halton District School Board  
**From:** R. Negoi, Superintendent of Business Services and Treasurer  
C. Ennis, Director of Education  
**Re:** **2024-2025 Budget Update: Education Funding Announcement**

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## Background

This report provides an update on the 2024-2025 Budget Development process and details regarding the recently announced education funding, as well as preliminary implications for the Halton District School Board (HDSB).

## Rationale

The Ontario government tabled the 2024 provincial budget on March 26, 2024, which projects a \$9.8 billion deficit in fiscal year 2024-2025, \$4.6 billion in 2025-2026 and positive budget balances thereafter. The province's fiscal year runs April 1st to March 31st, while the school boards fiscal year runs September 1st to August 31st. The 2024 provincial budget focused on building infrastructure and healthy communities, while retaining the path to balance. The increase in the provincial deficit is in large part as a result of the Bill 124 settlements with regards to labour negotiations for the 2019-2022 contracts.

### ***Education Funding: A Provincial Perspective***

Education funding has undergone a significant change, with the intent to simplify the understanding of funding and increase transparency and accountability. The Core Education Funding (CoreEd), formerly known as the Grants for Student Needs (GSN) is projected at \$28.6 billion representing a 2.7% increase over the prior year Revised Estimates funding. It is however important to note that there are labour provisions included in this figure. When excluded, the year over year increase is 2.2% and incorporates a 0.8% increase in provincial enrolment. The CoreEd funding also incorporates a phased-in approach to adjust the data based on the 2021 Statistics Canada census and adjusted student transportation funding to cover the use of special purpose vehicles. The funding has been simplified from 18 grant areas with 77 allocations to 6 grant areas and 28 allocations, with changes to enveloping mapping and the addition of a School Board Financial Transparency Tool with public financial dashboards for each school board.

The Ministry released details about education funding, board by board projections, a guide for the public and a fact sheet for parents and guardians on their [Education Funding webpage](#). Board by board projections for Core Education Funding can be found [here](#), and Responsive Education Programs allocations by board are listed [here](#).

Education funding also contains a number of one-time investments totaling \$402.9 million, renamed as Responsive Education Programs (REP) and Funding to External Partners (FEP), formerly known as Priorities and Partnerships Funding (PPF). The focus of REP funding will be on learning and well-being of students. While there are a few new investment categories, one large investment is discontinuing, which relates to staffing supports to implement the destreaming of curriculum.

Increase in CoreEd funding is a combination of additional funding, compensation benchmark increases, partially accounting for inflation, and enrolment growth. Key highlights include:

- Labour provisions - \$1 per hour for education workers and 1.25% for teachers, plus a provision for the Bill 124 remedy which represents a 4.25% increase to salary base
- Employee Life and Health Trust (ELHT) increase funding for ETFO, CUPE, OCEW and AEFO
- 2021 Census data will be phased in over a 5 year period. A \$13.7 million one-time investment will support school boards negatively impacted by the data updates
- Student Transportation formula changes to include 2024-25 routing simulation, updated benchmarks and a new benchmark for special purpose vehicles, and a recalculated top up (excluding driver bonuses, leading to 3% increase in funding over 2023-24)
- Professional assessments - \$11.5 million was transferred from REP to CoreEd funding into the Special Education Fund at a base amount of \$100,045 plus \$2.05/per pupil
- Special Incidence Portion within the Special Education Fund will receive an interim investment of \$10 million until a new formula is finalized
- New specialized equipment funding approach for students with special needs
- Non-staffing benchmarks in the School Facilities Fund increased 2% to support increasing costs, inflation pressures and increase in utilities. There are no increases to the benchmarks of the textbooks, learning materials, computers or broadband improvements allocations
- The Supports for Students Fund (SSF), also known as Investment in System Priorities is continuing in 2024-2025 as per central agreements
- Updates to online learning, in-person learning and remote learning credit load benchmarks, impacting funding

There continues to be a number of areas where the CoreEd funding falls short, including keeping up with inflation and actual cost pressures, increase in special education needs and supply staff costs, and mandatory statutory increases to CPP/EI which remain unfunded.

### ***Education Funding: A Board Perspective***

Staff are currently reviewing the board level funding and inputting all the information into the Ministry's Education Finance Information System (EFIS). This will contain updated enrolments

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and programming information, and thus will generate updated grants for HDSB. These updates will be provided in the May 22nd budget presentation at the Committee of the Whole (COTW). Therefore, the observations in this report are preliminary and based on the information released by the Ministry in their projections and memos.

Overall, the HDSB is expecting enrolment decline in both elementary and secondary panels. The Ministry's funding projections were based on enrolment estimates from November 2023, which projected a decline of 353 elementary students and 119 secondary students, for a total loss of 471 students, when compared to Revised Estimates for 2023-2024. Based on March 31st data, the budget will be based on 66,866 ADE, which is 271 ADE less than the 2023/24 Revised Estimates and 801 ADE less than the 2023-2024 Estimates.

The projected CoreEd funding for HDSB is expected to increase by 2.1% (compared to 2.7% provincially) and the average per pupil funding will be \$12,663 which is 2.8% higher than the 2023-2024 Revised Estimates. The provincial average per pupil funding increased to \$13,852. It is difficult to compare these amounts to last year's Grants for Student Needs due to the many changes to the funding formula, as well as due to the inclusion of the Bill 124 remedy. The HDSB's per pupil funding ranks 70th out of 72 boards for 2024-2025.

Some preliminary highlights for HDSB funding:

- CoreEd funding projects an increase of \$17.1 million, of which \$3.8 million is mostly for the Bill 124 remedy and other planning provisions to be released later
- Classroom staffing and learning resources funds contain a projected increase of \$8 million, mainly due to compensation benchmark increases
- Special Education funding increase projected at \$1.9 million, including compensation benchmark increases
- Supports for Student Funds (SSF) is provided for all employee groups (except OCTU), even those without a collective agreement (including EAs and non-union)
- Transportation allocation is \$0.7 million higher, as it includes increased benchmarks and funding for special purpose vehicles (such as vans)
- School renewal and school condition improvement funding is similar to the current year (\$10.6 million and \$21.3 million respectively)
- Temporary accommodations funding has been reduced by \$0.5 million
- School Facilities Fund has increased by \$1.2 million, reflecting a 2% increase to non-salary benchmarks, while also including a reduction of \$0.5 million for the sunset of enhanced ventilation measures
- With regards to REP funding:

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- The largest change is the loss of \$3.3 million for destreaming supports
- There are a few new investments, including special education needs transition navigators (\$0.2 million) and critical physical security infrastructure (\$0.25 million)
- The early reading tools and kits (\$0.7 million) are also continuing into 2024/25.

In summary, staff will focus on updating the revised Ministry forms with new enrolment information, programs and updated costs. There remains some uncertainty around the flexibility of the funding and how the new enveloping will work, as well as the impact of the new census data on the HDSB. Additional information will be provided at the May 22nd COTW meeting.

## Multi-Year Plan Alignment

This requirement aligns to the Foundational element of Accountability, and indirectly supports all five strategic priorities of the Multi Year Plan, by facilitating an uninterrupted school and fiscal year for students and staff.

## Financial Impact

The operating and capital budgets of the HDSB are directly impacted by the funding changes, new funding announcements and funding being discontinued. While there is an overall increase in grants, once the changes are unpacked, the concern is that there will be less funding to address the increased compensation benchmarks and cost pressures faced by our system.

### Respectfully submitted,

Roxana Negoï  
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