

Halton District School Board

Report Number: 21086

Date: May 27, 2021

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: **2021/2022 Draft Budget**

RECOMMENDATION:

Be it resolved that the Board of Trustees approve the 2021/2022 Halton District School Board PSAB Operating Budget in the amount of \$815,938,709 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 2021/2022 Halton District School Board PSAB Capital Budget in the amount of \$87,383,860 and that the Superintendent of Business Services and Treasurer be authorized to proceed with the expenditure of funds as outlined in Appendix C.

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 [2021/2022 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. Consequently, the 2021/2022 budget will be submitted prior to the end of June 2021.

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 2021/2022 Budget:

Appendix A – 2021/2022 Enrolment Statistics

Appendix B – 2021/2022 Operating Budget: Summary of Revenues and Expenditures

Appendix C – 2021/2022 Capital Budget: Summary of Revenues and Expenditures

The Ministry intends to propose amendments to existing regulations to allow school boards to incur an in-year deficit up to 2% of their 2021/2022 operating allocation without requiring Minister's approval. However, pending vaccine distribution and public health advice, school boards are required to budget for half of the amount, or 1%, to support the first half of the school year. As a result, a school board may incur an in-year deficit up to the lower of 1% of the school board's operating revenue or the accumulated surplus for the preceding school year, consistent with the requirements set out in Ontario Regulation 280/19. If a school board anticipates an in-year deficit greater than that, Minister approval will be required. Ontario Regulation 280/19 will also be amended to suspend the requirement for the In-Year Deficit Elimination Plan for the 2021/2022 school year.

Halton District School 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 create learning conditions that elevate student achievement, champion supportive and inclusive practices within safe and carrying environments and provide opportunities to take action for a sustainable world. The budget presented for the 2021/2022 school year continues this approach, while considering strategic priorities outlined within the [2020-24 Multi-Year Plan](#).

In 2021/2022, the Halton District School Board welcomes approximately 66,385 students in 89 elementary, 16 secondary schools and 5 continuing education centres. This enrolment projection results in an overall decrease of 0.5% as compared to the 2020/2021 school year. Enrolment growth will continue to be experienced in Milton (513 students) for the 2021/2022 school year. This is as a result of new residential development and a younger demographic in these communities. Enrolment decline is expected in the remaining municipalities due to enrolment loss at the kindergarten grades, increase in homeschooling, lower international students and overall lower immigration and migration rates. As we move forward, overall enrolment 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 that is based on enrolment and the needs of students in each board. For 2021/2022, the HDSB expects to receive 91.0% (approximately \$748.9 million) of total operating revenue from the Ministry of Education. On May 4, 2021, the Ministry of Education released information with respect to education funding for 2021/2022, building on last year's grants and incorporating the terms of collective agreements reached. The main funding changes for 2021/2022 are:

- Average provincial per pupil funding increased 1.2% to \$12,686
- 1% increase to salary and benefits benchmarks
- 2% increase for the non-salary components of the School Operations Allocation
- A few Priorities and Partnerships Fund (PPF) allocations were transferred to the GSN
- COVID-19 supports for mental health and technology that were provided in the 2020/2021 have been included as ongoing elements within the GSN
- COVID-19 supports in the form of PPFs have been allocated to boards, and
- Time-limited supports were added to the Language Grant in the GSN for the recent decline in immigrant enrolment.

The HDSB allocation for one-time COVID support funding announced to date is as following:

- \$9.1 million for additional staffing to support cohorting, class size and remote learning models
- \$0.9 million for school operations support in recognition of higher costs of running the enhanced ventilation units
- \$1.1 million for enhanced cleaning for school transportation
- \$0.4 million for special education support (staff, resources and assistive tech)
- \$0.5 million for mental health supports, and
- \$0.6 million for student re-engagement and reading assessment supports.

The total COVID PPF allocation for HDSB totals \$12.6 million, however, with the exception of the student re-engagement allocation, all others are only available for the first half of the year. As a result, the 2021/2022 budget include \$6.6 million in COVID PPF support. In addition, personal protective equipment will continue to be centrally procured and distributed.

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 2021. In addition, communication and stakeholder input was requested via

Halton District School Board

HDSB website, and summarized in the April 7, 2021 Board report. All budget development documentation has been posted on the HDSB [website](#).

The 2021/2022 Budget is a compliant budget reflecting a \$5.5 million deficit (or 0.76% of the provincial allocation), and incorporates \$7.6 million in new initiatives and COVID support resources, including the addition of 50 positions. Additional school based positions will be identified once staffing organizations are complete, and information on the uptake on virtual learning is available. The 2021/2022 Budget investments are detailed in the appended 2021/2022 Operating and Capital Budget document.

Conclusion:

The 2021/2022 Operating and Capital Budget of the Halton District School Board supports the strategic priorities in our 2020-2024 Multi-Year Plan, as well as the actions identified in the 2021/2022 Annual Operating Plan and 2021/2022 Special Education Plan.

Respectfully submitted,

*R. Negoj,
Superintendent of Business and Treasurer*

*S. Miller,
Director of Education*

**Halton District School Board
2021/2022 Budget
Enrolment Statistics
Average Daily Enrolment (ADE)**

	Budget 2021/2022	Budget 2020/2021	Projected Growth / (Decline)	% Change
Elementary				
Burlington	12,056.00	12,672.00	(616.00)	(4.9%)
Oakville	16,114.00	16,188.00	(74.00)	(0.5%)
Milton	13,580.00	13,607.00	(27.00)	(0.2%)
Halton Hills	4,004.00	4,247.00	(243.00)	(5.7%)
Elementary ADE	45,754.00	46,714.00	(960.00)	(2.1%)
Secondary - pupils less than 21 years				
Burlington	5,899.72	5,728.48	171.24	3.0%
Oakville	9,132.45	9,229.88	(97.43)	(1.1%)
Milton	3,661.35	3,121.06	540.29	17.3%
Halton Hills	1,937.07	1,934.31	2.76	0.1%
Secondary - pupils less than 21 years ADE	20,630.59	20,013.73	616.86	3.1%
Total Day School				
Burlington	17,955.72	18,400.48	(444.76)	(2.4%)
Oakville	25,246.45	25,417.88	(171.43)	(0.7%)
Milton	17,241.35	16,728.06	513.29	3.1%
Halton Hills	5,941.07	6,181.31	(240.24)	(3.9%)
Total Day School ADE	66,384.59	66,727.73	(343.14)	(0.5%)

Notes:

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

Secondary includes ADE for those students exceeding 34 credits.

**Halton District School Board
2021/2022 Budget
Summary of Revenue by Ministry Category**

	Budget 2021/2022	Budget 2020/2021	Increase/ (Decrease)
Revenue			
Provincial Grants - Grants for Student Needs	741,201,636	735,440,302	5,761,334
Provincial Grants - Other	8,291,864	1,898,400	6,393,464
Federal Grants & Fees	2,001,386	1,801,595	199,791
School Generated Funds	12,000,000	12,000,000	-
Investment Income	1,350,000	1,000,000	350,000
Other Fees & Revenues			
Tuition Fees	5,986,375	8,596,855	(2,610,480)
Rental Income	2,563,623	2,252,018	311,605
Cafeteria Income	-	53,000	(53,000)
Miscellaneous Income	1,020,324	511,947	508,377
Secondments to Unions	1,158,996	1,245,613	(86,617)
Secondments to Ministry	740,454	679,256	61,198
Education Development Charge (EDC)	13,500,000	10,000,000	3,500,000 *
Other Fees & Revenues Subtotal	24,969,772	23,338,689	1,631,083
Amortization of Deferred Capital Contributions	33,474,534	31,136,978	2,337,556
Total Revenue	823,289,192	806,615,964	16,673,228
Transfer (to)/from Accumulated Surplus	(7,350,483)	(3,849,241)	(3,501,242) **
Total Revenue Net of Transfer	815,938,709	802,766,723	13,171,986
Total Expense	815,938,709	802,766,723	13,171,986

* Revenue adjustments per PSAB requirement

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

Halton District School Board
2021/2022 Budget
Summary of Operating Expense by Ministry Category

	Budget 2021/2022	Budget 2020/2021	Increase/ (Decrease)
INSTRUCTION			
Classroom Teachers	424,507,583	419,585,460	4,922,123
Supply Staff	21,956,234	21,963,851	(7,617)
Educational Assistants	50,344,484	50,071,254	273,230
Early Childhood Educators	15,404,496	15,375,579	28,917
Textbooks and Supplies	22,032,706	25,888,777	(3,856,071)
Computers	3,448,961	3,533,027	(84,066)
Professionals, Paraprofessionals & Technical	24,819,795	23,960,976	858,819
Library and Guidance	14,146,113	12,817,647	1,328,466
Staff Development	3,684,926	3,317,206	367,720
Department Heads	875,875	831,590	44,285
Principals and Vice-Principals	29,680,242	29,836,742	(156,500)
School Office	19,025,794	18,441,244	584,550
Coordinators and Consultants	7,124,978	7,116,243	8,735
Continuing Education	2,594,847	2,731,988	(137,141)
INSTRUCTION Total	639,647,034	635,471,584	4,175,450
ADMINISTRATION			
Trustees	338,476	335,754	2,722
Director and Supervisory Officers	3,123,409	3,095,450	27,959
Board Administration	13,821,163	13,933,491	(112,328)
Amortization - Administration	129,672	129,672	-
ADMINISTRATION Total	17,412,720	17,494,367	(81,647)
TRANSPORTATION			
Pupil Transportation	19,477,951	18,748,867	729,084
Transportation - Provincial Schools	270,000	301,000	(31,000)
TRANSPORTATION Total	19,747,951	19,049,867	698,084
PUPIL ACCOMMODATION			
School Operations and Maintenance	65,679,000	65,923,716	(244,716)
School Renewal	3,116,454	3,116,454	-
Other Pupil Accommodation	10,415,798	11,517,131	(1,101,333)
Amortization - Pupil Accommodation	34,183,663	31,565,839	2,617,824
PUPIL ACCOMMODATION Total	113,394,915	112,123,140	1,271,775
OTHER EXPENSE			
PPFs and Secondments	12,192,700	5,084,376	7,108,324
Permanent Financing of NPF	543,389	543,389	-
Provision for Contingencies	1,000,000	1,000,000	-
School Generated Funds	12,000,000	12,000,000	-
OTHER EXPENSE Total	25,736,089	18,627,765	7,108,324
Grand Total	815,938,709	802,766,723	13,171,986

**Halton District School Board
2021/2022 Budget**

Appendix B-3

Transfer to/(from) Accumulated Surplus per Ministry Compliance

	Budget 2021/2022	Budget 2020/2021	Increase/ (Decrease)
Available for Compliance - Unappropriated			
Operating Accumulated Surplus/(Deficit)	(3,638,488)	(3,762,190)	123,702
Total Unappropriated	(3,638,488)	(3,762,190)	123,702
Available for Compliance - Internally Appropriated			
Operating			
Retirement Gratuities	-	(1,133,000)	1,133,000
Student Achievement	(1,361,000)	(350,000)	(1,011,000)
Technology	-	(300,000)	300,000
Closing the Gap	(240,000)	-	(240,000)
Capital			
Committed Capital Projects - Non-Ministry Funded	(280,268)	(335,942)	55,674
Committed Sinking fund interest earned	-	(222,591)	222,591.00
Total Internally Appropriated	(1,881,268)	(2,341,533)	460,265
Total Accumulated In-Year Surplus/(Deficit) for Compliance	(5,519,756)	(6,103,723)	583,967
Unavailable for Compliance - Externally Appropriated			
Employee Future Benefits - Retirement Gratuities	-	433,151	(433,151)
Retirement Health, Dental	56,102	56,102	-
Capital			
Interest to be Accrued	192,670	163,711	28,959
Committed Capital Projects - Non-Ministry Funded	(335,942)	-	(335,942)
Committed Sinking fund interest earned	(222,591)	-	(222,591)
Revenues recognized for land - EDC	13,180,000	9,300,000	3,880,000
Total Externally Appropriated	12,870,239	9,952,964	2,917,275
Total Transfer to/(from) Accumulated Surplus	7,350,483	3,849,241	3,501,242

**Halton District School Board
2021/2022 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 Schools - Land	23,376,444	-	23,376,444	-	23,376,444	-	23,376,444
New and Existing Schools (Additions) Building, Equipment and Land Prep*	25,900,894	23,500,894		2,400,000	25,900,894	-	25,900,894
Child Care/Child and Family Centre**	2,533,275	2,533,275	-	-	2,533,275	-	2,533,275
School Renewal	7,367,229	7,367,229	-	-	7,367,229	-	7,367,229
School Condition Improvement	17,206,018	17,206,018	-	-	17,206,018	-	17,206,018
Covid-19 Resilience Infrastructure Stream (CVRIS)	11,000,000	11,000,000	-	-	11,000,000	-	11,000,000
	87,383,860	61,607,416	23,376,444	2,400,000	87,383,860	-	87,383,860

* Includes expenditures for Ministry approved projects - Milton SW #1 secondary, Milton #11 elementary and Milton #12 elementary.

** This represents the Ministry funding provided for the approved Child Care Centre projects at Milton #11 elementary and Milton #12 elementary.