



# Waterloo Region District School Board

Board of Trustees

Budget Meeting

June 1, 2015

# Agenda

1. Budget Overview
2. Grant for Student Needs (GSN)  
Highlights 2015-16
3. Budget Status Update
4. Next Steps





# Budget Overview



# Budget Building Blocks

- Enrolment
  - Two thirds of GSN funding is enrolment based
- Grant Revenues
- Expenditures
- Status 2014/15 Financial Position
- Accountability
- Capital Budget



# Enrolment Change

(Resident-Internal Only Excludes Foreign Students)

	2014/15 Budget ADE	2015/16 Budget ADE	Increase/ (Decrease)
Elementary	42,523.50	42,607.40	83.90
Secondary	18,743.73	18,920.26	176.53
Total	61,267.23	61,527.66	260.43



# Enrolment Forecast 2016/17

(Resident-Internal Only Excludes Foreign Students)

	2015/16 Budget ADE	2016/17 Forecasted ADE	Increase/ (Decrease)
Elementary	42,607.40	42,960.72	353.32
Secondary	18,920.26	18,660.57	(259.69)
Total	61,527.66	61,621.29	93.63

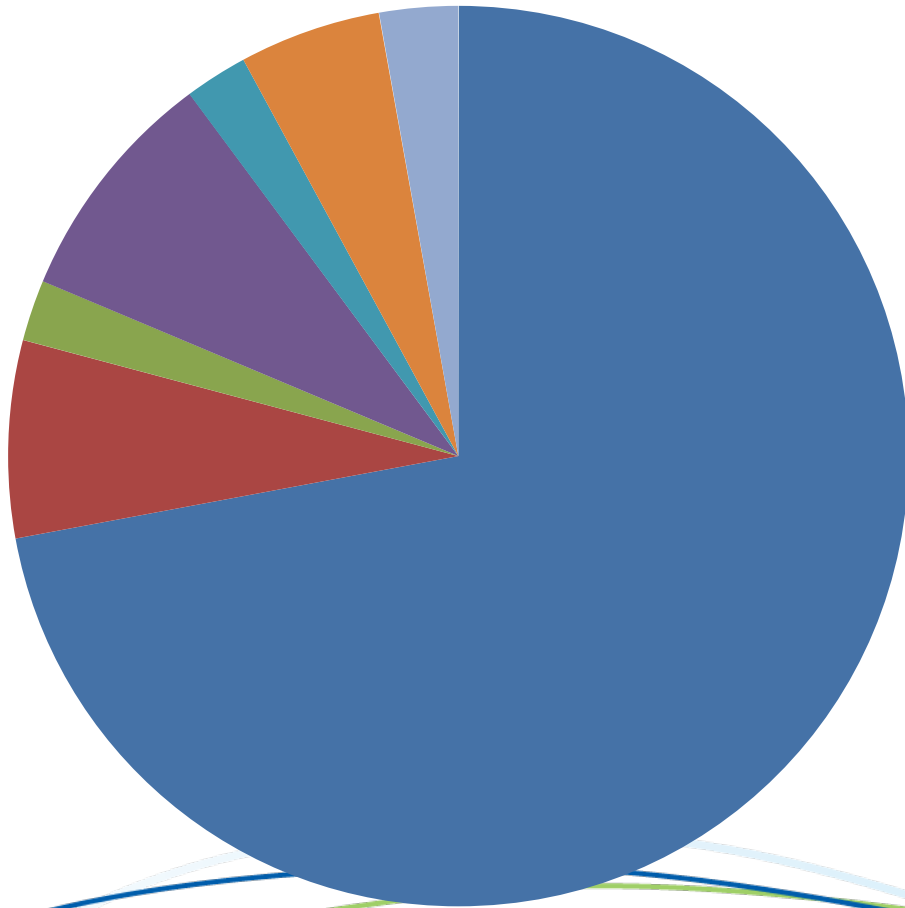


# Grant Revenues

- Grants for student needs represent the majority of revenue received
  - 2 Pupil Grants
  - 12 Special Purpose Grants
- Capital Funding
- Education Program Other Grants
- Other Revenue



# Expenditures



- Instruction - Classroom
- Instruction - Administration
- Administration & Governance
- School Operations
- Transportation
- Pupil Accommodation
- Other





# Accountability

- Legislative requirements
  - Balanced budget
- Financial reporting and monitoring controls
  - Forecasting, reviewing variances
- Enveloping
  - Special education, board admin, class size provisions
- Specific reporting requirements
  - Safe schools allocation





# Grants for Student Needs (GSN) Highlights 2015-16

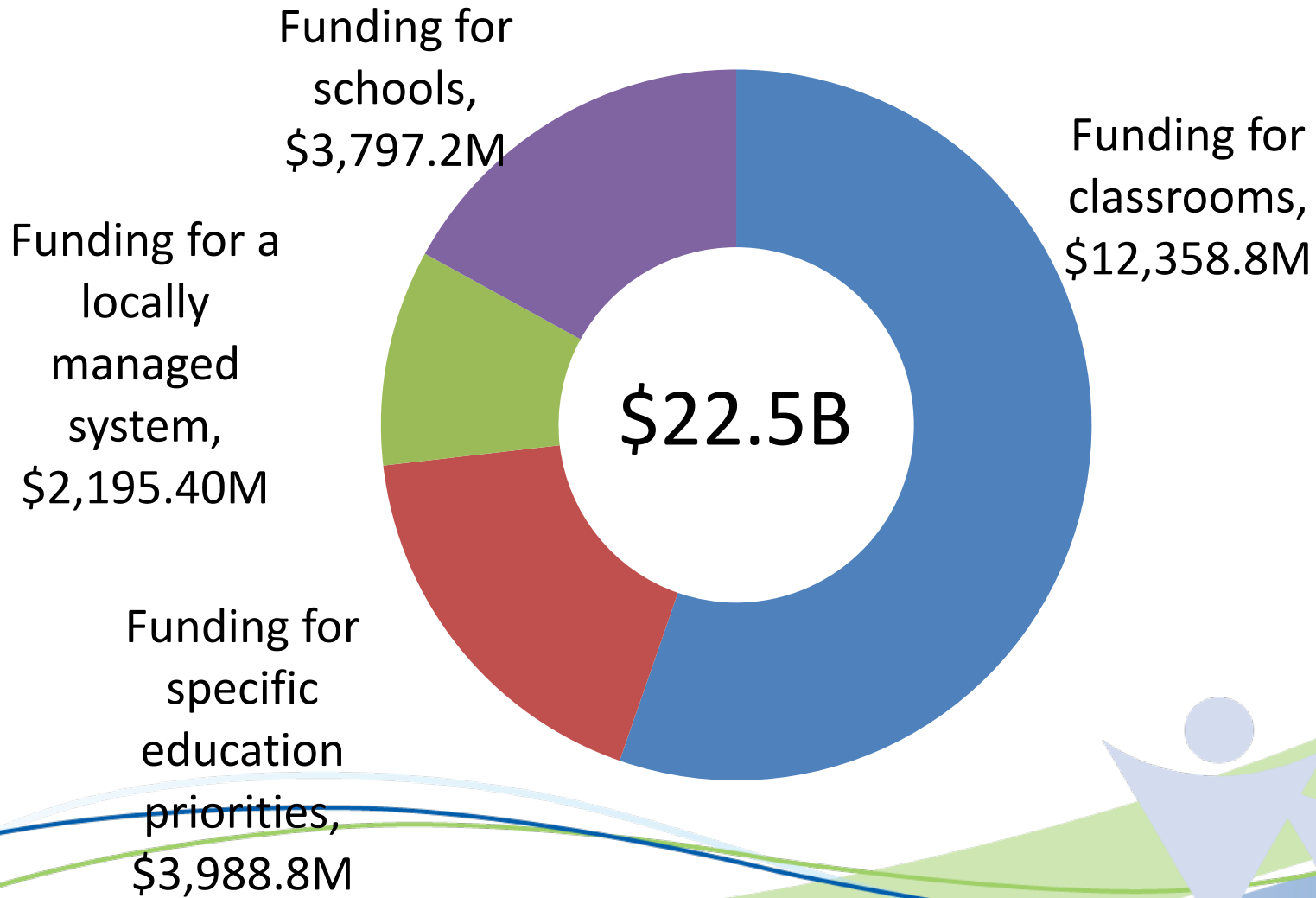


# Provincial Context - 2014-15

- Commitment to the success and well-being of every student
- Funding remains stable year-over-year at \$22.46 billion
  - Average of \$11,451/pupil
- Reflects extensive feedback through Ministry consultations



# What does the GSN Support



# Grant for Student Needs (GSN)

## Highlights 2015-16

### School Board Efficiencies & Modernization (SBEM)

- Top up funding, benchmarks and reinvestment under the School Facility Operations and Renewal Grant (year 1 of phase in)
- School Foundation Grant (year 1 of phase in)
- Geographic Circumstances Grant (year 1 of phase in)
- Declining Enrolment Adjustment



# GSN Highlights 2015-16

## Keeping up with Costs

- Increase to Student Transportation Grant (2% net of surplus)
- 2% Increase to Non-Staff School Operations Benchmark
- 7.3% Increase to School Operations Electricity Benchmark
- Funding to Support Employer Bargaining Agent Fees



# Benchmark Decreases

- Benefits benchmark decrease .167% to continue phase out of retirement gratuities
  - Fourth year of a 12 year phase out plan
  - ~728K annually



# GSN Highlights 2015-16

## Continued Phase In's from 2014-15

- School Board Administration and Governance Changes
- Special Education High Needs Amount Changes

## More Work to do Together

- School Consolidation Experience Studies
- Community Hubs





# Collective Bargaining

- Existing terms and conditions in expired collective agreements will continue in 2015-16 school year
  - Unless specifically time limited



# Other Capital Investments

- School Condition Improvement (SCI)
  - Funding will double the amount allocated Provincially to boards
  - Intended to help address backlog from data collected through Ministry's 5 year condition assessment program
  - A further \$500M will be allocated in 2016-17
  - 80% of funding is to be directed to key building components and systems
  - 20% can be used to address locally identified needs

# Accountability

- Learning Opportunities Grant
  - Enveloping 6 allocations
- Safe & Accepting Schools Allocation
  - Enhanced reporting requirements
- School Board Administration and Governance
  - Reviewing Board Compliance
- FDK & Primary Class Size Regulations
  - Monitoring board compliance



# Resources

- Ministry's public website – Education Funding
- [www.edu.gov.on.ca/eng/funding](http://www.edu.gov.on.ca/eng/funding)
  - GSN Technical Paper
  - School Board Funding Projections
  - Grant Regulation
  - “B” and “SB” Memos
    - Memos providing direction on funding policy and other financial matters





# Budget Status Update



# Budget Process

- January
  - Guiding Principles set with Executive Council
- February
  - Long Term Fiscal Sustainability and Stability Task Force commenced
  - Budget preparation began
  - Departmental working papers completed
  - New Initiative Requests Submitted
- March to May
  - Budget analysis
  - Program budget discussions
  - Budget discussions with Executive Council



# Guiding Principles

- Technology for student learning and achievement
- Student learning and well-being
- Staff well-being and wellness
- Communication/engagement



# Preliminary Budget Status – May 13<sup>th</sup>

	<b>2015-16 Budget</b>
Grant Revenues	\$691,142,356
Expenses	682,896,660
Compliance Transfers	12,521,386
Amounts from Accumulated Surplus	573,200
Net Budet Surplus/(Deficit)	<b>(\$3,702,490)</b>





# Capital Funding

<b>Funding Source</b>	<b>2014-15 Budget</b>	<b>2015-16 Budget</b>	<b>% Change</b>
New Schools and Additions	\$ 10,460,221	\$ 21,097,080	101.7%
Committed Capital Projects	1,110,000	1,209,327	8.9%
School Condition Improvement	5,731,089	9,354,220	63.2%
Full Day Kindergarten	3,239,526	3,212,846	-0.8%
School Renewal	6,564,658	6,554,000	-0.2%
Education Development Charges (EDC)	6,700,000	9,207,666	37.4%
Proceeds of Disposition (POD)	6,834,212	604,686	-91.2%
Temporary Accomodation	-	-	0.0%
Child Care Retrofit	200,000	-	-100.0%
Minor Tangible Capital Assets	4,700,300	5,863,300	24.7%
<b>Total Capital by Funding Source</b>	<b>\$ 45,540,006</b>	<b>\$ 57,103,125</b>	<b>25.4%</b>

# Capital Budget

<b>Expenditure</b>	<b>2014-15 Budget</b>	<b>2015-16 Budget</b>	<b>% Change</b>
Buildings (new, additions, & renewal)	\$ 32,519,706	\$ 40,932,159	25.9%
Land	6,700,000	9,207,666	37.4%
Land Improvements	-	400,000	100.0%
Portable Structures	-	-	0.0%
Moveable Assets	6,320,300	6,563,300	3.8%
<b>Total Capital by Asset Category</b>	<b>\$ 45,540,006</b>	<b>\$ 57,103,125</b>	<b>25.4%</b>



# Capital Project Highlights

New Capital Priorities	2015-2016 Projects	2014-2015 Completions	Land Purchases
New Vista Hills Public School (\$7.5M)	School Renewal Projects (\$6.6M)	New Westmount Public School (\$1.3M)	Land Acquisitions (\$9.2M)
New Groh Public School (\$7.1M)	School Condition Improvement (\$9.3M)	FDK Projects Various Sites	<b>2015-2016 Minor Tangible Capital Assets</b>
New Riverside Public School (\$6.7M)		Manchester Addition	Vehicle and Equipment (\$6.1M)
New Chicopee Hills Public School (\$3.3M)			

# Expenditure Pressures

Benefits - extended health, dental, statutory	\$	1,644,800
Occasional Teachers		2,344,959
Transportation		484,753
Fees and Contracts		152,200
<b>Total Cost Pressures</b>	<b>\$</b>	<b>4,626,712</b>



# Cost Savings

Retirement Gratuity	\$	117,128
Utilities		817,090
Total Cost Savings	\$	<b>934,218</b>

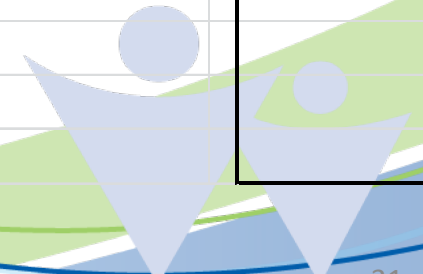


# Proposed Adjustments to Balance Budget

<b>Revenue Increases</b>	
Interest Income	\$ 100,000
<b>Expenditure Reductions</b>	
Elementary School Monitors	\$ 25,000
Non-Occupational Salary & Benefits	128,900
Property & Liability Insurance	50,000
Temporary Hourly Rated (THR) Support Staff	246,426
Program Adjustments to Grant Amounts	6,700
Interest Expense	40,954
Retirement Gratuity re: Compliance	1,058,283
<b>Total Expenditure Reductions</b>	<b>\$ 1,556,263</b>

# Retirement Gratuity

	Ministry Funding			Liability			Annual Expense
	Notional Annual Funding Reduction	Cummulative Funding Reduction	Notional Grant Amt.	Unfunded Retirement Gratuity	Funded Retirement Gratuity	Total Ret. Grat. Liability	
2011/2012			8,736,000	64,134,909	10,317,525	74,452,434	
2012/2013	728,000	728,000	8,008,000	35,810,117	14,493,381	50,303,498	4,175,856
2013/2014	728,000	1,456,000	7,280,000	30,465,323	19,838,175	50,303,498	5,344,794
2014/2015	728,000	2,184,000	6,552,000	24,247,910	26,055,588	50,303,498	6,217,413
2015/2016	728,000	2,912,000	5,824,000	19,088,780	31,214,718	50,303,498	5,159,130
2016/2017	728,000	3,640,000	5,096,000	13,929,650	36,373,848	50,303,498	5,159,130
2017/2018	728,000	4,368,000	4,368,000	8,770,520	41,532,978	50,303,498	5,159,130
2018/2019	728,000	5,096,000	3,640,000	3,611,390	46,692,108	50,303,498	5,159,130
2019/2020	728,000	5,824,000	2,912,000	-	50,303,498	50,303,498	3,611,390
2020/2021	728,000	6,552,000	2,184,000	-			
2021/2022	728,000	7,280,000	1,456,000				
2022/2023	728,000	8,008,000	728,000				
2023/2024	728,000	8,736,000	-				
	8,736,000						



# Updated Budget Status – May 26<sup>th</sup>

	<b>2015-16 Budget</b>
Grant Revenues	\$690,321,082
Expenses	681,456,959
Compliance Transfers	10,930,443
Amounts from Accumulated Surplus	2,066,320
Net Budget Surplus/(Deficit)	-

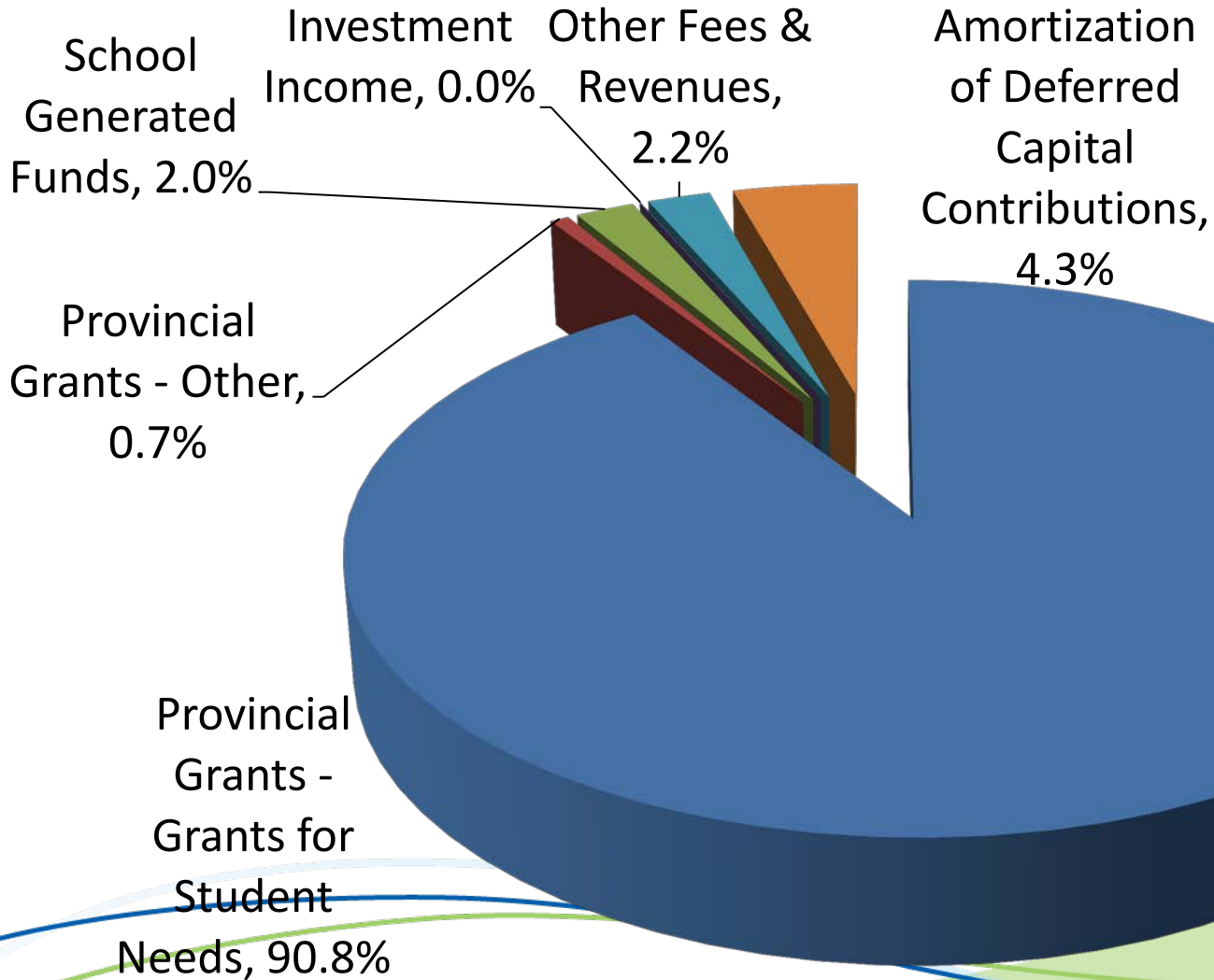




# Revenues

	Expressed in \$				%
	2014/2015	2015/2016	Budget		
	Budget	Budget	Variance	Change	
Provincial Grant Allocation	\$ 626,244,400	\$ 626,912,447	\$ 668,047	0.11%	
Provincial Grants - Other	3,821,499	4,498,586	677,087	17.72%	
School Generated Funds	12,000,000	14,000,000	2,000,000	16.67%	
Investment Income	102,975	202,975	100,000	97.11%	
Other Fees & Revenues	11,678,161	14,984,517	3,306,356	28.31%	
Amortization of Deferred Capital Contributions	27,814,838	29,722,557	1,907,719	6.86%	
<b>Total Revenues</b>	<b>\$681,661,873</b>	<b>\$690,321,082</b>	<b>\$ 8,659,209</b>	<b>1.27%</b>	

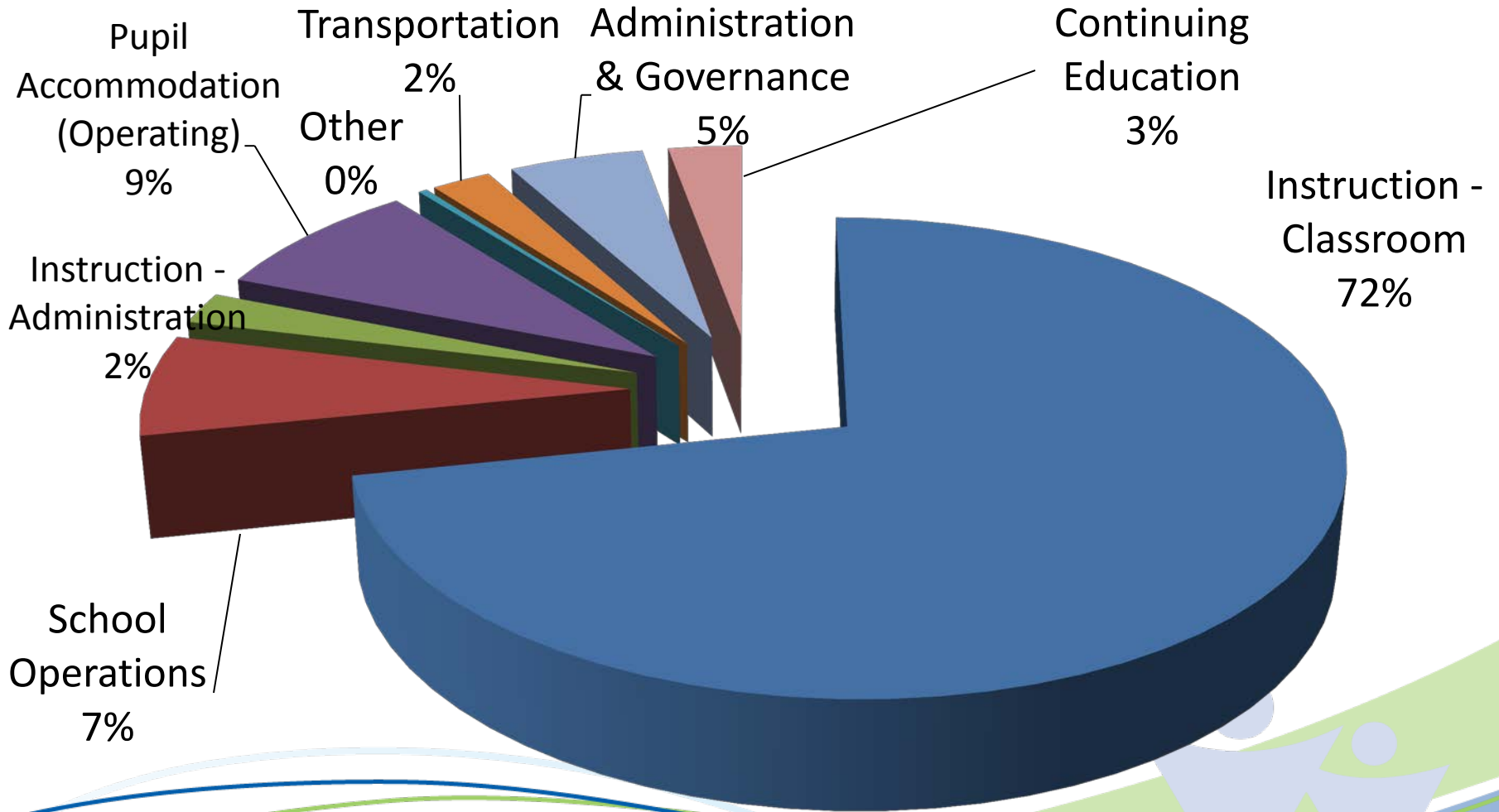
# Revenues



# Expenditures

	Expressed in \$				% Change
	2014/2015 Budget		2015/2016 Budget	Budget Variance	
Instruction - Classroom	\$ 483,045,580		\$ 489,105,542	\$ 5,905,303	1.22%
Instruction - Administration	47,441,034		47,897,791	456,757	0.96%
Administration & Governance	14,647,368		15,059,282	411,914	2.81%
School Operations	56,987,362		56,882,327	-105,035	-0.18%
Continuing Education	2,386,073		2,285,014	-101,059	-4.24%
Transportation	15,124,771		15,655,128	530,357	3.51%
Pupil Accommodation (Operating)	34,031,201		35,291,503	1,260,302	3.70%
Other	16,581,272		19,280,372	2,699,100	16.28%
<b>Total Expenses</b>	<b>\$ 670,244,661</b>		<b>\$681,456,959</b>	<b>\$ 11,057,639</b>	<b>1.65%</b>

# Expenditures



# New Initiatives

- 21 New Initiatives submitted for budget discussions
  - 6 recognized as priority requests and will be funded out of prior year accumulated surplus
  - 9 requests have alternate funding solutions to be discussed with departments in July 2015
  - 6 requests deferred to 2016-17 budget discussions



# New Initiatives - Funded

Ref. #	Details	<u>2015-16 Original Request Amount</u>	<u>2015-16 FTE</u>
<b>A.</b>	<b><u>PRIORITY REQUESTS TO BE INCLUDED IN THE 2015-16 BUDGET</u></b>		
<b>A1.</b>	<b>Start-Up Resources for New Schools Opening September 1, 2016:</b> Staffing and supplies will provide supports for Groh Drive and Vista Hills. Technology resources will support Groh Drive, Vista Hills and Riverside (Elmira).	<b>\$ 948,200</b>	<b>1.68</b>
<b>A4.</b>	<b>Replacement of the financial accounting (BAS) software (K212 Financials):</b> The supports include additional compensation of extra hours worked & temporary help to back-fill during the pilot testing period. Professional development funding is required for staff training and for developing training materials and tools for system users.	<b>75,000</b>	
<b>A5.</b>	<b>Purchase/replacement of sixteen autoscrubbers:</b> Purchase of autoscrubbers for schools that do not have an autoscrubber or replacement cycle of autoscrubbers that are 20 plus years old.	<b>128,000</b>	
<b>A9.</b>	<b>Implement Web based attendance tracking:</b> Convert the paper based attendance system to a web based online system using computers by the end of 2015-16.	<b>690,000</b>	
<b>A18.</b>	<b>Chemical safety audits of the Visual Arts departments in secondary schools:</b>	<b>27,120</b>	
<b>A21.</b>	<b>Dreambox licenses for grade 1 and 2 students:</b>	<b>198,000</b>	
	<b>GRAND TOTAL</b>	<b>\$ 2,066,320</b>	<b>1.68</b>

# New Initiatives - Deferred

Ref. #	Details	2015-16 Original Request Amount
<b>C.</b>	<b><u>REQUESTS DEFERRED TO FUTURE BUDGET DISCUSSIONS</u></b>	
A2.	<b>Current Laserfiche Infrastructure Maintenance:</b> This request addresses the need for ongoing support for the existing Laserfiche infrastructure currently in place.	\$ 25,000
A3.	<b>Expansion of Laserfiche Project:</b> Integrate EDM as a cornerstone business tool. The supports required for expansion would cover the costs for licensing and training for school staff to access records within Laserfiche, provide a public portal for access to public Board minutes and provide for consultative services and hardware (e.g. scanner)	563,000
A6.	<b>Expand and Enhance the Communication System:</b> Purchase of a unified messaging system that will be used by all staff. Voice mail messages will be converted to email and housed in an individual's e-mail inbox. This initiative deals with the telecom infrastructure only; replacement handsets are not factored into this	250,000
A7.	<b>Consulting and THR funding for ITS Department:</b> This request addresses the shortfall of people resources within ITS.	100,000
A10.	<b>Web based mass communications tool:</b> Tool to send voice and electronic messages.	250,000
A13.	<b>Google Apps for Education (GAFE) enhancements:</b> Move file storage for student and staff work into the GAFE space in the cloud.	25,000
	<b>GRAND TOTAL</b>	<b>\$ 1,213,000</b>

# Looking forward to 2016/17

- Increased pressure on the budget:
  - Continued phase in of funding model changes
  - Anticipate secondary enrolment decline ~300ADE
  - Outstanding labour negotiations
- Provincial government financial position
- Establish collaborative working groups to address new initiatives deferred to future budget discussions







# Next Steps



# Next Steps

June 10, 2015 Delegations, Fiscal Task Force Update,  
Draft Budget Report, and Questions from Trustees

June 15, 2015 Follow-up from June 10<sup>th</sup>, Revised Budget Report,  
and Questions from Trustees

June 17, 2015 Continuation of Any Outstanding Meetings/Items

June 22, 2015 Follow-up from June 17<sup>th</sup>, Budget Approval

June 24, 2015 Continuation of Approval (As Required)





**Thank You!**

