




Waterloo Region District School Board

Board of Trustees

June 6, 2016 Budget Meeting

Agenda

1. Provincial Context
 2. Grant for Student Needs (GSN)
Highlights 2016-17
 3. Grant for Student Needs Impact on
the WRDSB
 4. Budget Status Update
 5. Next Steps
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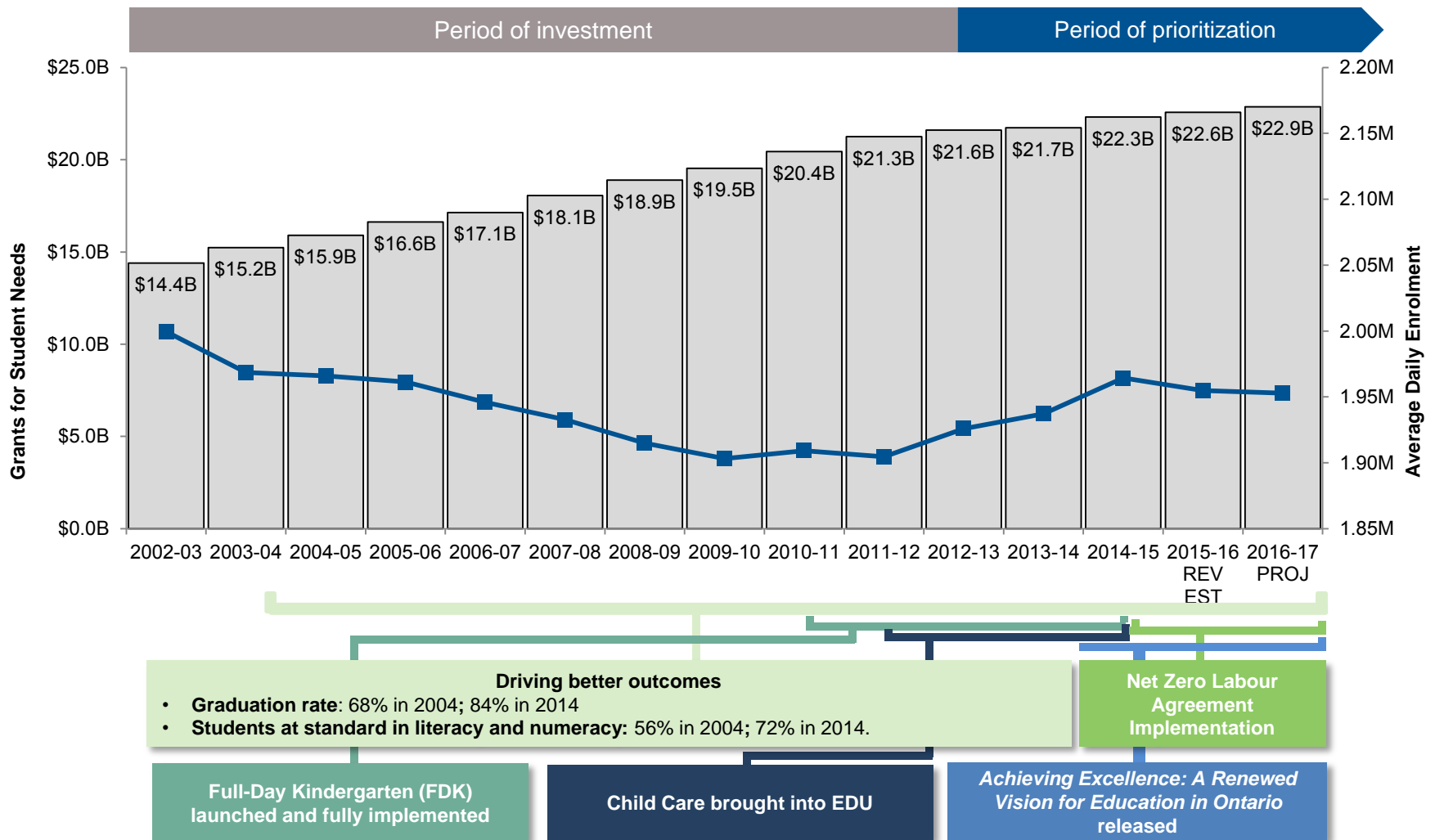


Provincial Context

Strategic Context

- **Investments** in Ontario's publicly funded education system continue to increase
 - 2016–17 GSN projected to be \$22.9 billion
 - an average of \$11,709 per pupil.
- There is renewed focus on funding that supports **equity in education** – an important goal of *Ontario's Renewed Vision for Education*.
- The GSN also continues to identify ways to **improve** the funding mechanisms that support the delivery of education in Ontario.

Fiscal Context



Note: To provide a clear year-over-year comparison, FDK funding and enrolment was added to previous years' funding totals (previously outside GSN).

support every child
reach every student

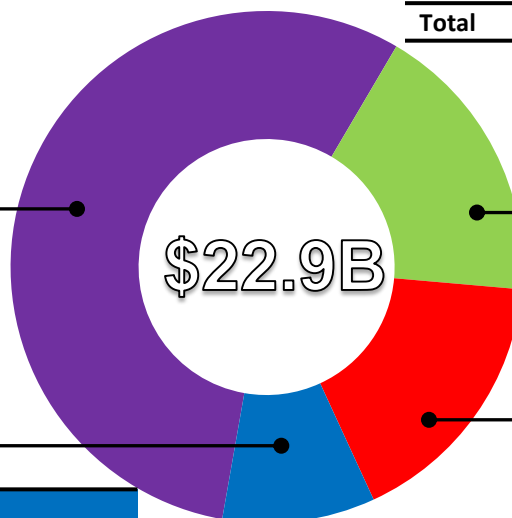
What does the GSN Support?

Funding for classrooms

Pupil Foundation Grant	\$10,546.6M
Continuing Education and Other Programs Grant	\$165.5M
Cost Adjustment & Qualifications and Experience Grant	\$1,966.6M
Total	\$12,678.7M

Funding for specific education priorities

Special Education Grant	\$2,762.0M
Language Grant	\$677.0M
First Nation, Métis, and Inuit Education Supplement	\$64.0M
Learning Opportunities Grant	\$532.1M
Safe & Accepting Schools Supplement	\$47.2M
Total	\$4,082.3M



Funding for a locally managed system

Geographic Circumstances Grant	\$190.6M
Declining Enrolment Adjustment	\$31.1M
School Board Administration and Governance Grant	\$594.3M
Debt Service	\$483.4M
Student Transportation Grant	\$896.6M
Total	\$2,196.1M

Funding for schools

School Foundation Grant	\$1,442.4M
School Facility Operations and Renewal Grant	\$2,369.0M
Total	\$3,811.4M

Note: School authorities funding and funding not yet allocated are included in the total, but not in the pie chart.



Highlights of What's New in the 2016-17 Grant for Student Needs

First Nation, Métis, and Inuit Education

Dedicated leads in each board:

- All boards will receive funding through the Per-Pupil Amount (PPA) Allocation, ensuring a **minimum** base amount of \$165,520 in 2016–17 (equivalent to the Supervisory Officer salary and benefits benchmark) – to support implementation of the Ontario First Nation, Métis, and Inuit Education Policy Framework.
- Boards will be required to spend at least half this amount on the dedicated position. Any remainder must be spent to support other aspects of the Framework.

First Nation, Métis, and Inuit Education

Reporting for 2016-17 Budget

- Designate existing Equity & Inclusion Officer – Aboriginal as the lead position
 - Salary & benefits \$125,600
- Supplies and Professional Development \$39,920

Language Grant

Starting in 2016–17, the following components of the Language Grant will be updated with data from the 2011 Census to better support equitable funding allocations. Updates will be phased in over three years:

- English as a Second Language / English Literacy Development Allocation: Pupils in Canada component; and,
- Actualisation linguistique en français Allocation: Per-Pupil component.

Labour: Changes for 2016-17

Salary Increases:

- Funding through an increase in the salary benchmarks for teaching and non-teaching staff of 1.25% for the entire 2016-17 school year – to reflect negotiated increases of 1% on September 1st and 0.5% on the 98th day.

Accountability: Class Size Compliance

The Ministry will begin to ensure compliance with the Full-Day Kindergarten (FDK) and Primary provisions of the class size regulation (O. Reg. 132/12).

- Boards that are not compliant will be notified, and as a first step will be required to submit a class size compliance management plan.
- If a board does not take successful corrective action, there will be reductions in the GSN envelope for board administration and governance.
- In any year, a board that does not submit its FDK and Primary class size information by the October deadline, will be subject to immediate cash withholdings equivalent to 50% of the boards' monthly transfers from the Ministry.

Accountability: Transfers into GSN

Several existing Ministry transfer payment programs (*Education Programs – Other*) will be transferred into the GSN in 2016–17.

- Funding for **Library staff (\$216,500)** and **Outdoor Education (\$527,508)** will be included in the Learning Opportunities Grant .
- Funding for the **Managing Information for Student Achievement Local Capacity Initiative (\$56,491)** and **Technology Enabled Learning and Teaching Contacts (\$105,000)** will be included in the School Board Administration and Governance Grant.
- **Board Action Plans on First Nation, Métis, and Inuit Education (\$96,684)** will be transferred into the GSN.

Keeping Up With Costs

- Increase to Student Transportation Grant (2% net of surplus)
- 2% Increase to Non-Staff School Operations Benchmark
- 3.5% Increase to School Operations Electricity Benchmark

Continued Phase-In

- **School Board Efficiencies and Modernization**
 - 2nd year of a 3-year phase-in.
- **Differentiated Special Education Needs Amount Allocation** (formerly High Needs Amount)
 - 3rd year of a 4-year phase-in
 - The new name better reflects the variation among boards with respect to students with special education needs and boards' abilities to meet those needs.
- **School Board Administration and Governance Grant**
 - 3rd year of a 4-year phase-in.

Resources

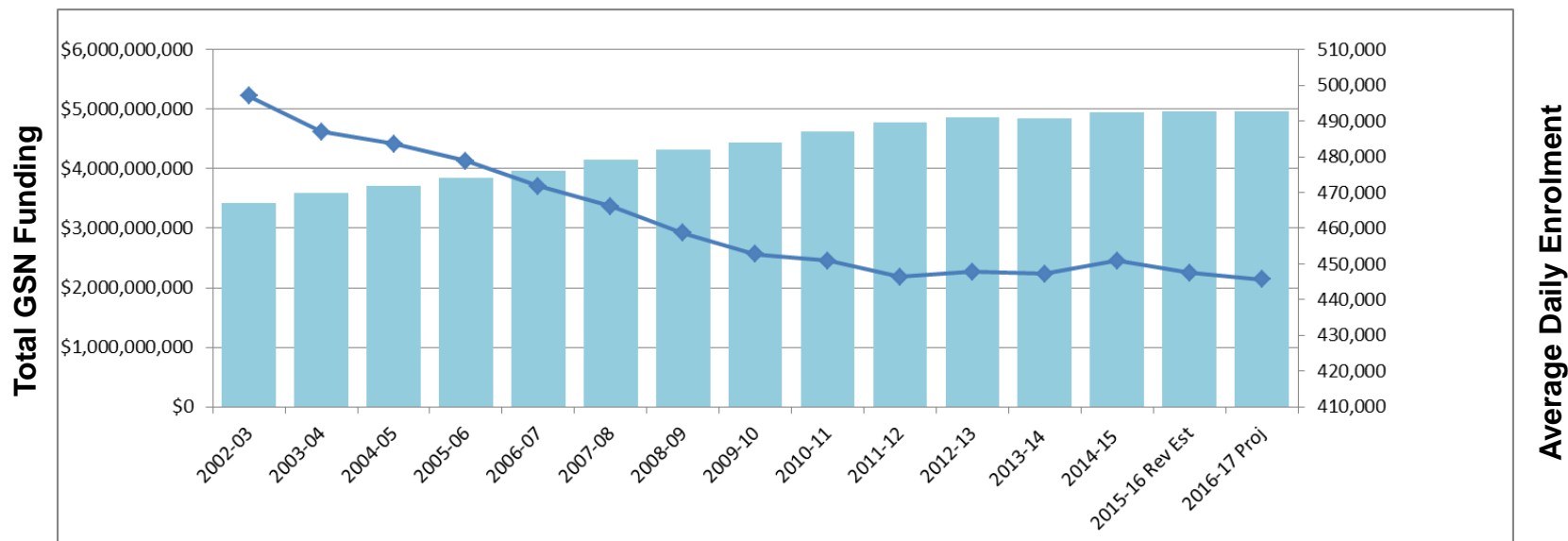
- Ministry's public website – Education Funding
- www.edu.gov.on.ca/eng/funding
 - GSN Technical Paper
 - School Board Funding Projections
 - Grant Regulation
 - “B” and “SB” Memos
 - Memos providing direction on funding policy and other financial matters



Overview of Changes in London Region

Overview of Trends For the London Region

- For the London Region, 2016-17 GSN funding will be
 - \$4.97 billion** in total, an **increase of \$0.67 million** or 0.01% compared with 2015-16.
 - About **\$11,153 per pupil**, an **increase of \$49** or about 0.44% compared with 2015-16.
- Funding for the London Region has increased by **\$1.54 billion** (or 45%) since 2002-03 – an increase of 62% per pupil. Over the same period, enrolment decreased by 10%, compared with 2% provincially.

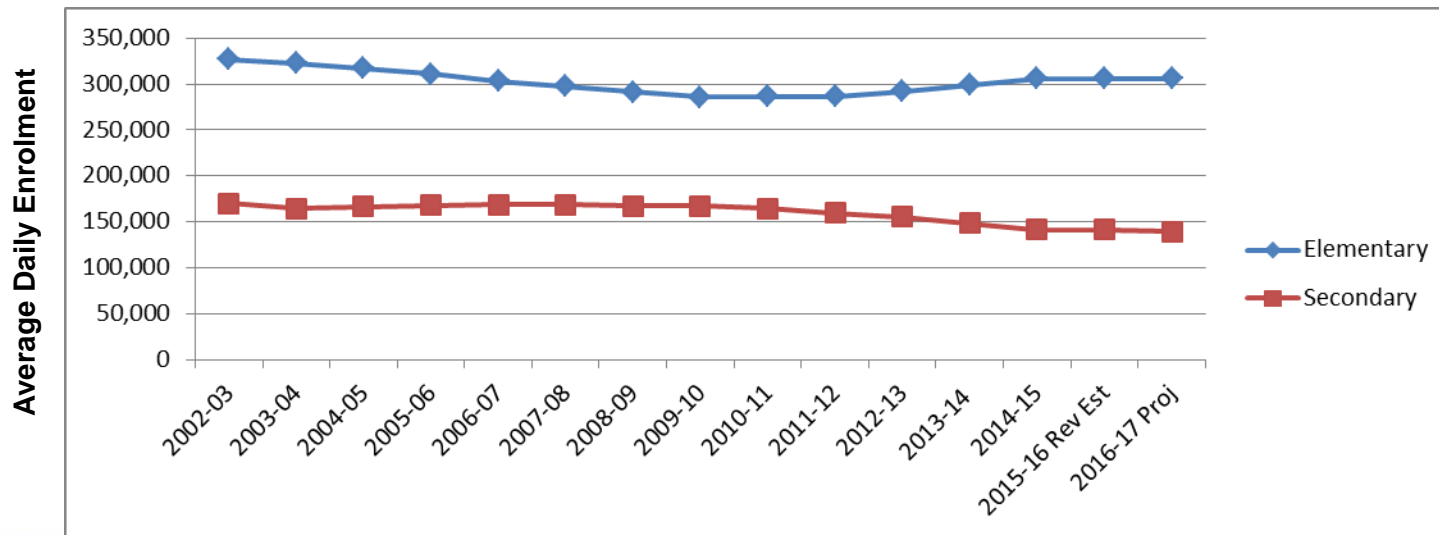


Note: To provide a clear year-over-year comparison, FDK funding, which was previously outside the GSN, has been added.

** Based on 2015-16 Revised Estimates*

Enrolment Is a Key Driver

- Two-thirds of GSN funding is enrolment based. Any year-over-year declines or increases in enrolment can have a significant impact on GSN funding.
- From 2015-16 to 2016-17, Average Daily Enrolment (ADE) decreased in the London Region by 1899 students or about 0.42% (447,517 to 445,618)
- Enrolment across the province has declined by 0.1% since 2015-16 .
- Since 2002-03, elementary enrolment decreased from 327,066 to 306,189, or 6.38%, while secondary enrolment decreased from 169,938 to 139,429, or 17.95%.



Year-Over-Year Changes in the GSN

	Region 2015-16 GSN (\$M)	Year- Over- Year Change	Region 2016-17 GSN (\$M)	Key Driver
Grants for Student Needs				
Funding for Classrooms				
Pupil Foundation Grant	2386.76	▲	2399.69	Benchmark increases
Cost Adjustment & Teacher Qualifications and Experience Grant	491.29	▼	461.42	2015-16 Lump Sum Payment
Continuing Education & Other Programs Grant	28.17	▼	28.14	Benchmark increases
Funding for Schools				
School Foundation Grant	321.25	▲	321.45	SBEM
School Operations and Renewal Grant	525.29	▼	521.45	SBEM
Funding for a Locally-managed System				
School Board Administration and Governance Grant	125.63	▲	129.00	Board Admin Model & EPO Transfers
Student Transportation Grant	190.19	▲	192.40	2% cost update
Declining Enrolment Adjustment	11.98	▼	9.24	SBEM
Geographic Circumstances Grant	6.40	▼	5.96	SBEM
Debt Service	91.53	▼	88.51	Retirement of Debt
Funding for Specific Priorities				
Learning Opportunities Grant	88.57	▲	95.25	Transfer of EPOs
Special Education Grant	598.48	▲	609.38	New HNA
Language Grant	87.15	▲	89.10	Enrolment
First Nations, Metis, and Inuit Education Supplement	6.42	▲	8.77	Policy Decisions
Safe and Accepting Schools Supplement	10.17	▲	10.20	SBEM & Benchmark Increases
TOTAL	4969.29	0.01%	4969.96	





2016-17 Grant for Student Needs Impacts on the WRDSB

Year-Over-Year Change - Grant for Student Needs

	Change Increase/(Decrease)
Net Enrolment Impact (Net Decrease 80.59 Average Daily Enrolment)	(288,454)
Benchmark Increases	12,292,063
Benchmark Decreases	(41,954)
Changes to Funding Model Calculations:	
School Foundation - School Board Efficiencies & Modernization (SBEM)	(10,466)
Special Education - Differentiated Special Education Needs Amount	(316,836)
Board Administration & Governance	(73,290)
Declining Enrolment - SBEM	(156,964)
School Operations - SBEM	(494,861)
Learning Opportunities	(1,755)
Safe Schools	(2,041)
School Renewal - SBEM	(71,220)
Education Program Other Grants Added to Grants for Student Needs	
Outdoor Education	527,508
Library Staff	216,500
First Nations Board Action Plan	96,684
New Grant Allocations	
Capital Planning Capacity	52,765
MISA Local Capacity	56,490
Technology Enabled Learning	105,000
Funding Increase (Temporary Accommodation)	23,351
Funding Decreases (New Teacher Induction Program, Debt Interest Charges)	(320,270)
Year-Over-Year Change in Grant for Student Needs	11²²,592,250

Capital Funding Changes

- School Condition Improvement allocated in proportion of renewal needs assessed for facilities during the 2011-2015 cycle of the Ministry's Condition Assessment Program

	2016-17	2015-16	2014-15
Provincial Investment	\$500M	\$500M	\$250M
WRDSB portion	\$7.8M	\$9.3M	\$2.3M
% of Provincial Funding	1.56%	1.86%	0.92%



Budget Process Update

Budget Process

- Preliminary Planning began in January
 - Collaboration on Guiding Principles
 - Trustee Workshop – February 1, 2016
 - Budget forms distributed to departments
- Public Engagement
 - January 2016 to March 2016
- Budget Review & Analysis
 - March 2016 to May 2016
- Grants for Student Needs
 - Announcement end of March 2016
- Board budget discussions commence June 6, 2016

Guiding Principles

- Student learning and well-being
- Staff well-being
- Communication and engagement
- Supporting the technology needs of the Waterloo Region District School Board
- Long-term fiscal sustainability and stability of the Waterloo Region District School Board

Public Engagement

- Developed by the Fiscal Task Force
- January 2016 to March 2016
- Budget survey and consultation sessions
- Targeted at internal and external stakeholders
- Results reported back to Trustees



Budget Status Update

Enrolment Projections

- Enrolment is a key driver in revenues generated through the Grant for Student Needs.
- Extensive analysis is performed to project the enrolment for the Board.

Enrolment Change

(Total Pupils of the Board)

	2016/17 Budget ADE	2015/16 Budget ADE	Increase/ (Decrease)
Elementary	42,758.88	42,614.40	144.48
Secondary	18,758.30	18,990.38	(232.08)
Total	61,517.18	61,604.78	(87.60)

Enrolment Change

(Total Day School Pupils of the Board)

	2016/17 Budget ADE	2015/16 Budget ADE	Increase/ (Decrease)
Elementary	42,752.88	42,607.40	145.48
Secondary	18,646.45	18,872.52	(226.07)
Total	61,399.33	61,479.92	(80.59)

Excludes high credit, 21 years and over, and foreign students

Enrolment Forecast 2017/18

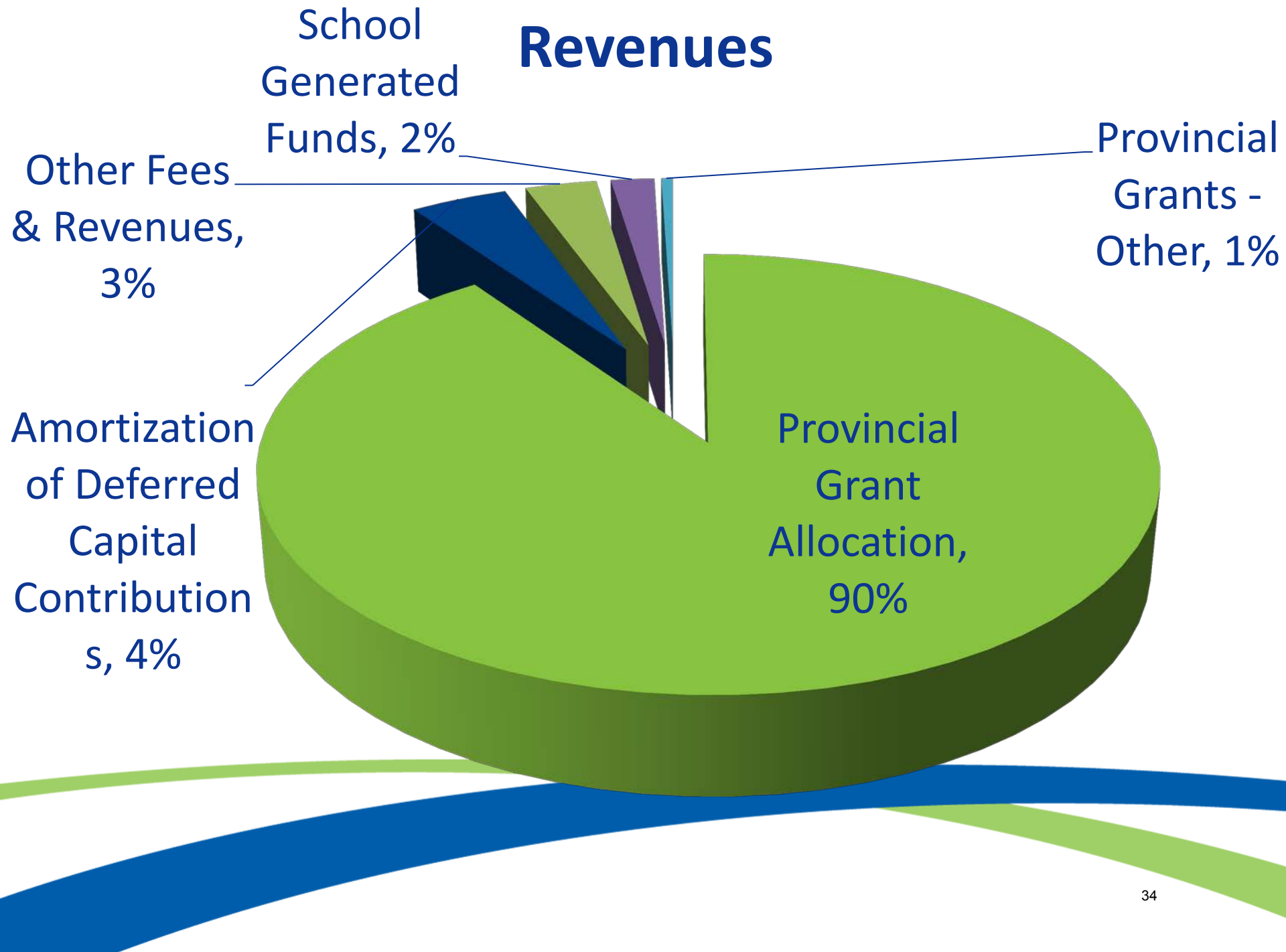
(Pupils of the Board - Only Excludes Foreign Students)

	2017/18 Forecasted ADE	2016/17 Budget ADE	Increase/ (Decrease)
Elementary	42,716.90	42,752.88	(35.98)
Secondary	18,813.39	18,692.43	120.96
Total	61,530.29	61,445.31	84.98

Revenues

	2015/2016	2016/2017	Budget	%
	Budget	Budget	Variance	Change
Provincial Grant Allocation	\$ 626,912,447	\$ 636,574,982	\$ 9,662,535	1.54%
Provincial Grants - Other	4,498,586	3,701,174	-797,412	-17.73%
School Generated Funds	14,000,000	14,000,000	0	0.00%
Investment Income	202,975	302,975	100,000	49.27%
Other Fees & Revenues	14,984,517	23,042,617	8,058,100	53.78%
Amortization of Deferred Capital Contributions	29,722,557	31,208,610	1,486,053	5.00%
Total Revenues	\$ 690,321,082	\$ 708,830,358	\$ 18,509,276	2.68%

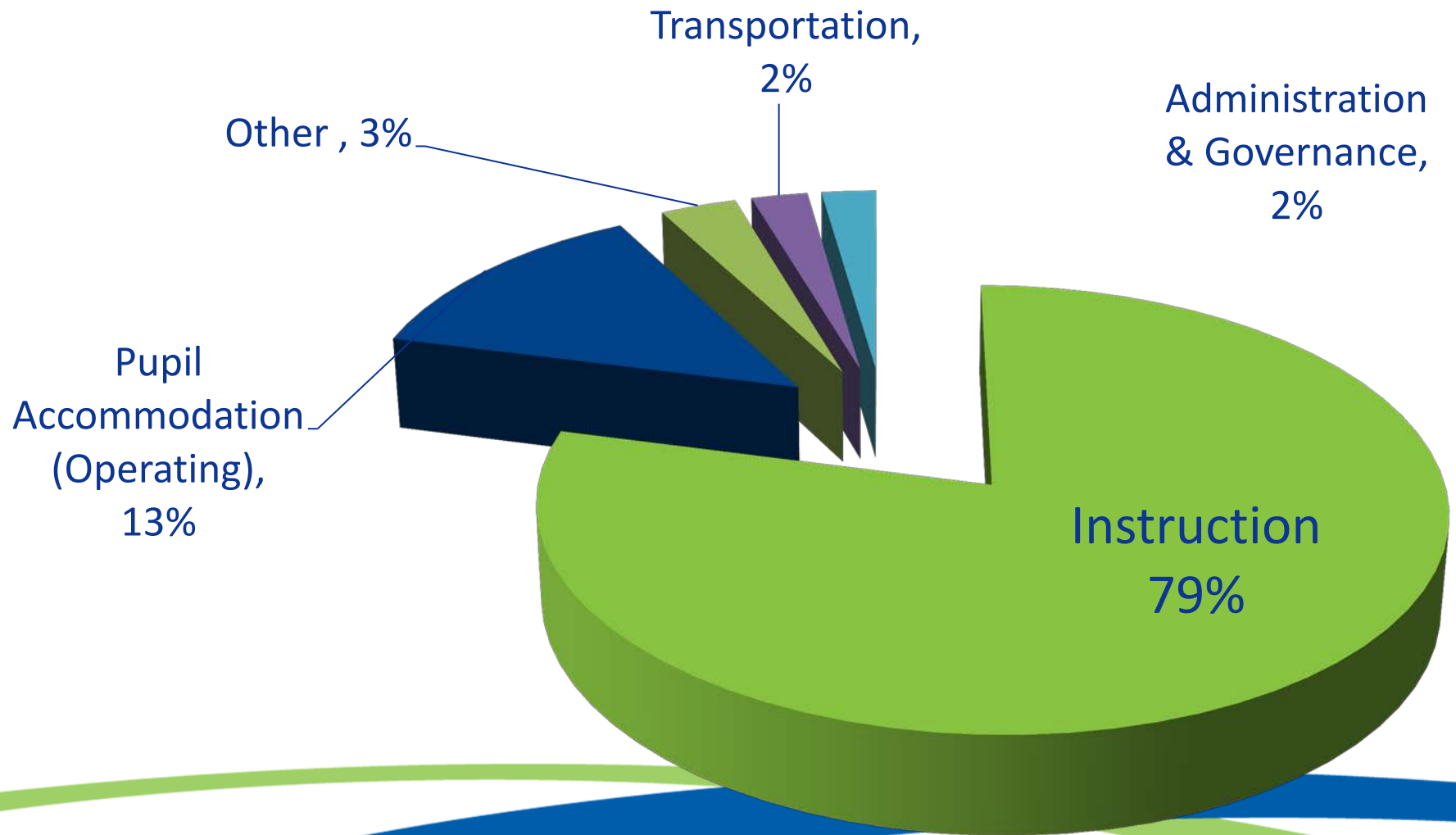
Revenues



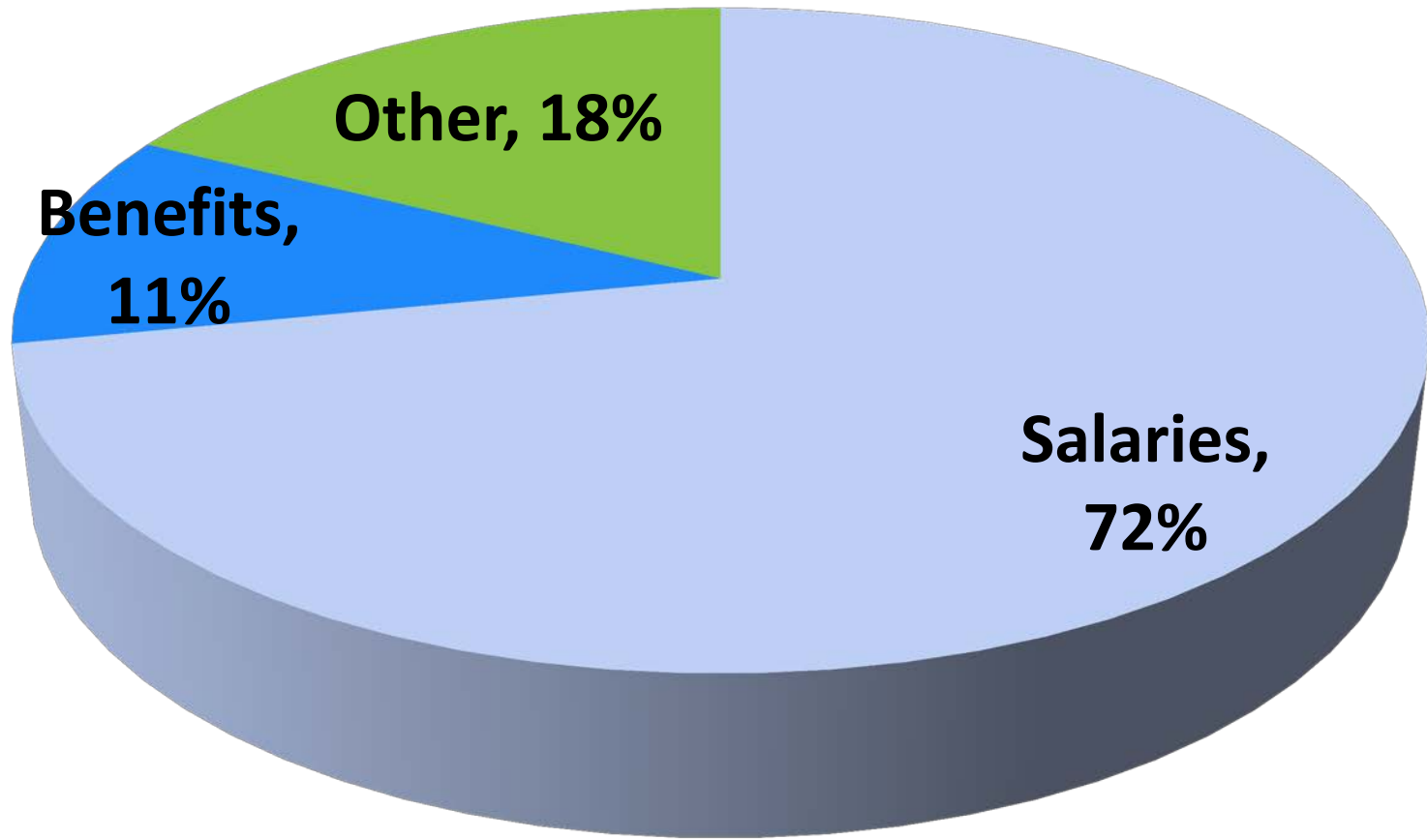
EXPENDITURES

	2015/2016	2016/2017	Budget	%
	Budget	Budget	Variance	Change
Instruction - Classroom	\$ 489,105,542	\$ 501,822,691	\$ 12,717,149	2.60%
Instruction - Administration	47,897,791	48,551,103	\$ 653,312	1.36%
Administration & Governance	15,059,282	15,875,642	\$ 816,360	5.42%
School Operations	56,882,327	56,686,166	\$ (196,161)	-0.34%
Continuing Education	2,285,014	2,061,372	\$ (223,642)	-9.79%
Transportation	15,655,128	16,370,844	\$ 715,716	4.57%
Pupil Accommodation (Operating)	35,291,503	35,766,690	\$ 475,187	1.35%
Other	19,280,372	22,149,572	\$ 2,869,200	14.88%
Total Expenses	\$ 681,456,959	\$699,284,080	\$17,827,121	2.62%

Expenditures by Ministry Category



Expenditures by Type



Additional In-Year Considerations

Other Revenue Increases	
Investment Income	\$ 100,000
Total Revenue Increase	\$ 100,000

Expenditure Pressures	
Transportation (special education, operator costs, Grand River Transit, school travel planner)	\$ 625,716
ITS - liscensing and maintenance service	215,200
Total Cost Pressures	\$ 840,916

Retirement Gratuity

	Ministry Funding			Liability			
	Notional						
	Annual	Cummulative		Unfunded	Funded	Total	Annual
	Funding	Funding	Notional	Retirement	Retirement	Ret. Grat.	Expense
	Reduction	Reduction	Grant Amt.	Gratuity	Gratuity	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	19,584,850	30,718,648	50,303,498	10,880,473
2015/2016	728,000	2,912,000	5,824,000	14,430,942	35,872,556	50,303,498	5,153,908
2016/2017	728,000	3,640,000	5,096,000	9,775,799	40,527,699	50,303,498	4,655,143
2017/2018	728,000	4,368,000	4,368,000	4,887,899	45,415,599	50,303,498	4,887,900
2018/2019	728,000	5,096,000	3,640,000	-	50,303,498	50,303,498	4,887,899
2019/2020	728,000	5,824,000	2,912,000	-			
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						

Additional In-Year Considerations

Cost Savings	
Retirement Gratuity	\$ 45,837
Utilities	152,500
Property & Liability Insurance	300,300
Maternity/Paternity Leave	100,000
Interest Expense	112,302
Occassional Teacher	462,259
Literacy Support Librarians	228,800
Total Cost Savings	\$ 1,401,998

Cost Savings – Staffing Implications

- Some cost savings have presented a sustainable source of funding in the base budget to strategically support positions in the Board.
- The following positions align with the Guiding Principles set out at the beginning of the Budget Process.

Staff Highlights

2 Full-Time Equivalent Employee Wellness Officers:

- Salaries and benefits \$97,600/Officer
- Responsible for attendance management
- Efficiently managing the return to work process for employees
- Improve over all staff well-being
- Goal of positively impacting student achievement and well-being

Staff Highlights

1 Full-Time Equivalent Human Resources Officer

- Salaries & benefits \$97,400
- Address increased reporting requirements from Ministry related to benefits
- Responsible for all aspects of Designated Early Childhood Educators day-to-day labour relations
- Oversee HR databases

Staff Highlights

- 1 Full-Time Equivalent K to 12 Program System Administrator
 - Salary & benefits \$135,500
 - Funded through elimination of vacant data analyst position (\$87,400) and base budget savings
 - Assessment and data literacy capacity building

Staff Highlights

1 shared Full-Time Equivalent School Travel Planner

- Reports to Student Transportation Services Waterloo Region
- WRDSB Share approximately \$45,000 including budget for supplies and travel
- Additional funding provided by coterminous board and local municipalities
- Further builds upon active and safe routes to school, and assists with overall school travel planning

Capital Funding

Funding Source	2015-16 Budget	2016-17 Budget	% Change
New Schools and Additions	\$ 21,097,080	\$ 30,099,238	42.7%
Committed Capital Projects	\$ 1,209,327	\$ 710,000	-41.3%
School Condition Improvement	\$ 9,354,220	\$ 7,841,720	-16.2%
Full Day Kindergarten	\$ 3,212,846	\$ 1,828,551	-43.1%
School Renewal	\$ 6,554,000	\$ 7,530,524	14.9%
Education Development Charges (EDC)	\$ 9,207,666	\$ 2,462,662	-73.3%
Proceeds of Disposition (POD)	\$ 604,686	\$ 5,651,364	834.6%
Child Care Capital	\$ -	\$ 2,495,650	100.0%
Minor Tangible Capital Assets	\$ 5,863,300	\$ 9,294,300	58.5%
Total Capital by Funding Source	\$ 57,103,125	\$ 67,914,009	18.9%

Capital Budget

Expenditure	2015-16 Budget	2016-17 Budget	% Change
Buildings (new, additions, & renewal)	\$ 40,932,159	\$ 53,718,047	31.2%
Land	\$ 9,207,666	\$ 2,462,662	-73.3%
Land Improvements	\$ 400,000	\$ 1,020,000	100.0%
Moveable Assets	\$ 6,563,300	\$ 10,713,300	63.2%
Total Capital by Asset Category	\$ 57,103,125	\$ 67,914,009	18.9%

Capital Project Highlights

2016-17 Capital Priorities Projects

New Chicopee
Hills Public
School (\$8.3M)

New Groh Public
School (\$7.8M)

New Rosenberg
III Public School
(\$14.8M)

2016-2017 Projects

School Renewal
Projects (\$7.5M)

School Condition
Improvement
(\$7.8M)

Proceeds of
Disposition
(\$5.7M)

Education Centre
Renewal (\$0.7M)

2015-2016 Completions

Vista Hills Public
School (\$1.0M)

Riverside Public
School (\$2.5M)

Land Purchases

Land Acquisitions
(\$2.5M)

2016-2017 Minor Tangible Capital Assets

Vehicle and
Equipment
(\$9.3M)



New Initiatives

New Initiatives

- 6 New Initiatives submitted
- All requests were reviewed by Coordinating Council and Senior Strategy Team
- All 6 New Initiatives have been recognized as priority requests and will be funded out of prior year accumulated surplus
- Accumulated Surplus at August 31, 2015 was \$23.8 M

New Initiatives

Ref #	Request Description	2016-17 Amount	2016-17 FTE
1	Start-Up Resources for New Schools Opening Sept. 1, 2017	\$ 869,400	1.76
2	Support the Board of Trustees in the Strategic Plan	50,000	
3	Web Based Mass Communications Tool	69,000	
4	Wireless Infrastructure	1,900,000	
5	Telecom Systems Replacement	2,354,000	
6	Learning Services Review	80,000	
	Total to be Funded from Prior Year Accumulated Surplus	\$ 5,322,400	1.76

Budget Status – May 24th

	2016-17 Budget
Grant Revenues	\$708,830,358
Expenses	699,284,080
Compliance Transfers	14,868,678
Amounts from Accumulated Surplus	5,322,400
Net Budget Surplus/(Deficit)	\$0

Risks to 2016-17 Budget

- Transition of benefits to trusts - costs, funding and timing
- Orphaned benefit plan - costs and potential transition to one of the trusts
- Benefit cost increases
- Early Payout Retirement Gratuity impacts
- Enrolment fluctuations
- Secondary boundary review
- Provincial government financial position



Next Steps

Next Steps

June 13, 2016 Verbal Update

June 15, 2016 Delegations, Draft Budget Report, and Questions from Trustees

June 20, 2016 Continuation of Any Outstanding Meetings/Items

June 22, 2016 Budget Approval

June 27, 2016 Confirmation of Budget Approval



Thank You!