



2019/20 BUDGET UPDATE

PRESENTED TO THE BOARD OF TRUSTEES

JUNE 10, 2019 BUDGET MEETING

Ministry Communication

- March 14, 2019 - [2019:B08 New Vision for Education](#)
- April 3, 2019 - [2019:SB02 Key Planning Details for Attrition Protection](#)
- April 25, 2019 - [2019:B15 2019-20 Priorities and Partnership Fund](#)
- April 26, 2019 - [2019:B14 GSN Funding for 2019-20](#)
- April 26, 2019 - [GSN Projections for 2019-20](#)
- May 3, 2019 - Pupil Foundation Table Amounts
- May 10, 2019 - EFIS working papers
- May 24, 2019 - [GSN Technical Paper](#)

Next Steps

- June 10th - Interim Financial Report & Quarterly Capital Projects Update
- June 12th - Initial budget information to Trustees
- June 14th - Budget report to Trustees
- June 17th - School Renewal & Condition Improvement Updates; Capital Priorities Submission
- June 19th - Budget Delegations, Finalize budget discussions
- June 24th - Board Meeting



2019/20 BUDGET HIGHLIGHTS

PRESENTED TO THE BOARD OF TRUSTEES
JUNE 12, 2019 BUDGET MEETING

Agenda

1. Interim Financial Statements - June 10, 2019
2. WRDSB Budget 2019-2020
3. Grants for Student Needs 2019-2020
4. Revenues and Expenditures
5. Next Steps

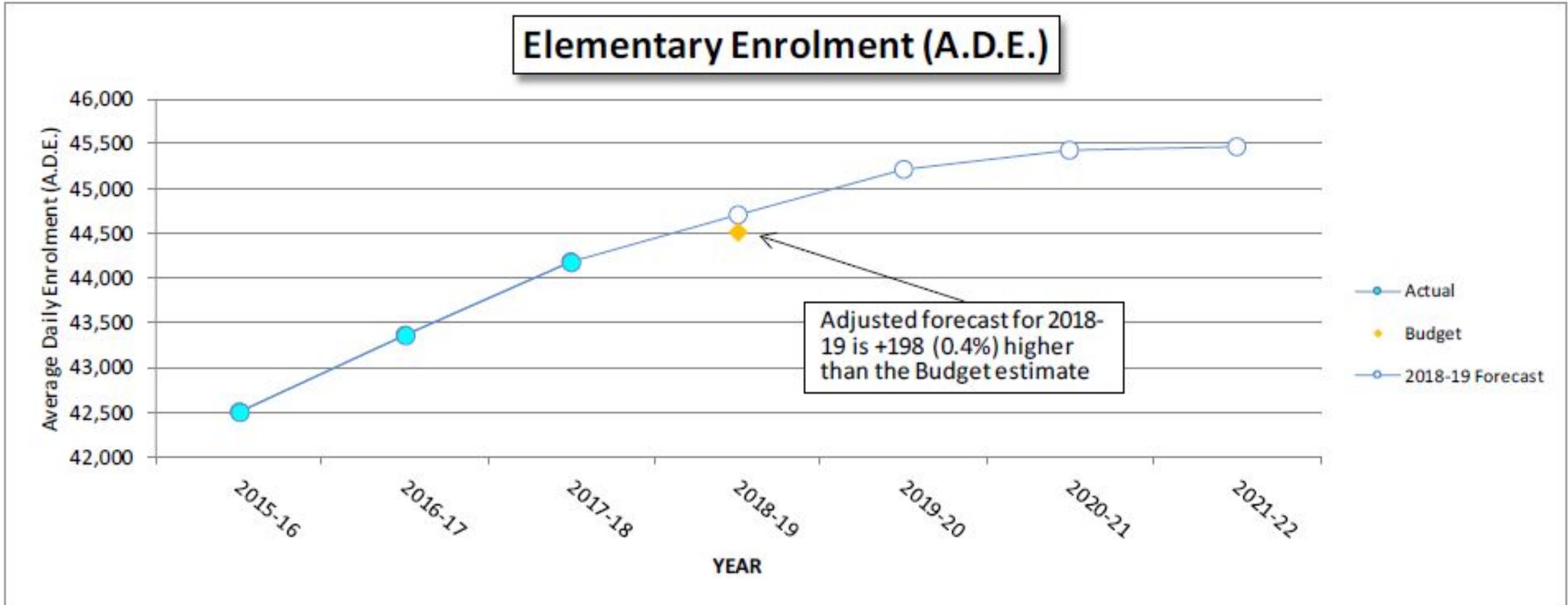


Interim Financial Statements June 10, 2019

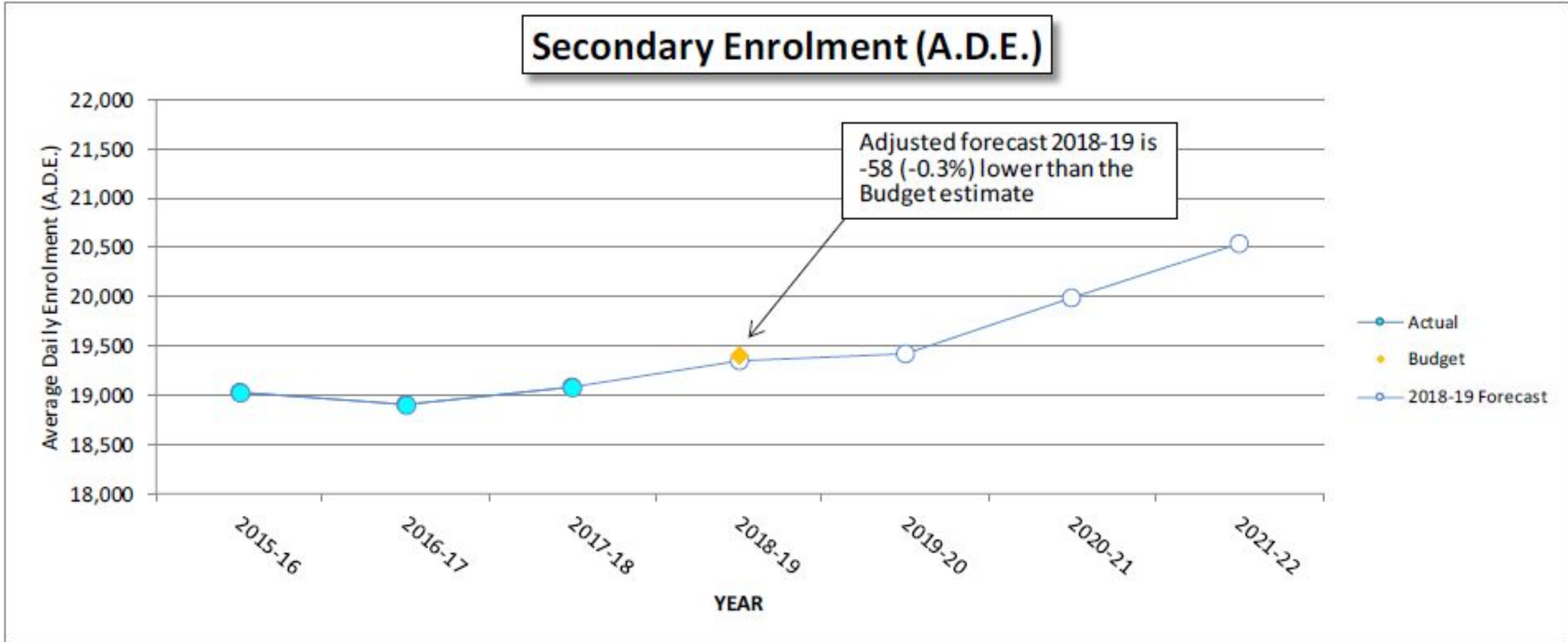
Interim Financial Statements

- Interim Financial Statements presented to the Board quarterly throughout the year.
 - [First Quarter- January 21, 2019](#)
 - [Second Quarter- April 15, 2019](#)
 - [Third Quarter- June 10, 2019](#)
- Expect to finish the year with an operating surplus of approximately \$3.9M; or 0.5% of operating revenues
 - Revenues are up on account of higher enrolment
 - Savings being realized in professional development, staff vacancies, sick leave and utilities.

Enrolment Projections - Elementary



Enrolment Projections - Secondary





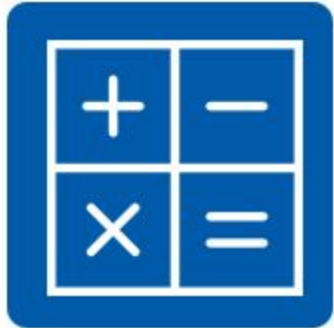
WRDSB BUDGET 2019-2020



Guiding Principles – Strategic Priorities

- Our students are first – each and every one
- Our staff, families and caregivers are partners in every student's learning journey
- Our culture of innovation builds students' confidence and success as they face the future

Guiding Principles – Operational Goals



Guiding Principles – Trustee Direction

- On May 13, 2019, Trustees passed a motion to direct staff to consider the following guiding principles:
 - Maintain a focus on our strategic plan and operational priorities;
 - Maintain our commitment to ensuring our schools and communities are safe, caring, and inclusive spaces where each student, staff member, family and community member feel valued; and
 - Focus on supporting the education of our most vulnerable students.

Budget Process

- Preliminary Planning began in January
 - Budget forms distributed to departments
- Public Engagement (Budget Survey)
 - February 2019 to March 2019
- Budget Review & Analysis
 - January 2019 to June 2019
- Grants for Student Needs
 - May 24, 2019
- Board budget discussions commence June 10, 2019



GRANTS FOR STUDENT NEEDS (GSN) 2019-2020

GSN Components

- The GSN is comprised of a number of different grants, each designed to address a different need within the Education system.
 - Classrooms
 - These grants are intended to fund those aspects of a child's education experience which are common to all students (Teachers, Educational Assistants, Library, Supplies)
 - Schools
 - These grants fund activities and services required to ensure schools have the leadership they need and are clean, well-maintained facilities for learning (Principals, Vice Principals, Office Staff, Custodians, Utilities and Repairs)

GSN Components

- ...Continued
 - Local Management
 - These grants support our underlying back-office functions (Finance, Human Resources, Payroll, ITS), as well as our senior leadership and governance functions. Student Transportation is also included.
 - Specific Government Priorities
 - Funding for specific education priorities speaks mainly to the vision outlined in the Ministry's Achieving Excellence document.

2019-20 Grants for Student Needs (GSN)

Funding for Classrooms	Millions \$
Pupil Foundation Grant	339.4
Continuing Education and Other Programs Grant	1.7
Cost Adjustment & Qualifications and Experience Grant	85.1
Total	426.2

Funding for Specific Education Priorities	Millions \$
Special Education Grant	91.0
Language Grant	21.4
Indigenous Education Grant	1.0
Learning Opportunities Grant	7.3
Safe & Accepting Schools Supplement	1.3
Total	122.0



Funding for Schools	Millions \$
School Foundation Grant	44.8
School Facility Operations	63.0
School Renewal	10.0
Temporary Accommodation	1.9
Total	119.7

Funding for a Locally Managed System	Millions \$
Geographic Circumstances Grant	0.1
Declining Enrolment Adjustment	0.0
School Board Administration & Governance Grant	18.2
Debt Servicing	6.5
Student Transportation Grant	18.9
Total	43.7

Capital

- The Ministry of Education provides capital funding to the Board through a variety of programs.
 - School Renewal Allocation (SRA) and the School Condition Improvement Grant (SCI)
 - Total capital budget for 2019-20 is \$57.2M
- Plans to expend the SRA and SCI grants in 2019-20 will be presented at the June 17, 2019 Committee of the Whole meeting.
- A Capital Priorities process for 2019-20 is forthcoming but has not yet been announced.

Priorities and Partnerships Funding

- Formerly referred to Education Program Other (EPO) Grants
- Targeted Ministry investments to support the achievement of key Government priorities that align with its vision for Education in Ontario.
 - Vision outlined in [2019:B08 Education that Works for You](#)
- The Ministry has announced approximately \$330M in funding for the 2019-20 school year

○ Math (\$40.5M)	○ Student Pathways (\$35.7M)
○ Mental Health and Well-Being (\$34.5M)	○ System Support and Efficiencies (\$30.0M)
○ Supporting Student Potential (\$17.9M)	○ Special Education (\$17.1M)

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REVENUES

GSN Inputs

- The Grants for Student Needs are driven by a number of inputs that determine the overall allocation to the Board:
 - Student Enrolment

ADE	2019-20 Budget	2018-19 Budget	Difference
Elementary	45,239	44,510	729
Secondary	19,544	19,373	171
Total	64,783	63,883	900

- The number and size of schools in the board
- The programs offered (French Immersion, Native Studies), as well as by geographic, socio-economic and demographic factors.

Pupil Foundation Grant

- Class Size Changes

Staff Group	FUNDED FTE Per 1,000 ADE (students)		
	2018-19	2019-20	Change
Early Childhood Educators	44.58	39.11	(5.47)
Junior/ Intermediate Teachers*	41.95	40.82	(1.13)
Secondary Teacher*	42.61	33.48	(9.13)
Student Success Teachers and Preparation Time*	15.15	12.10	(3.05)
Secondary Programming*	1.02	0.00	(1.02)

*Attrition funding protection applies

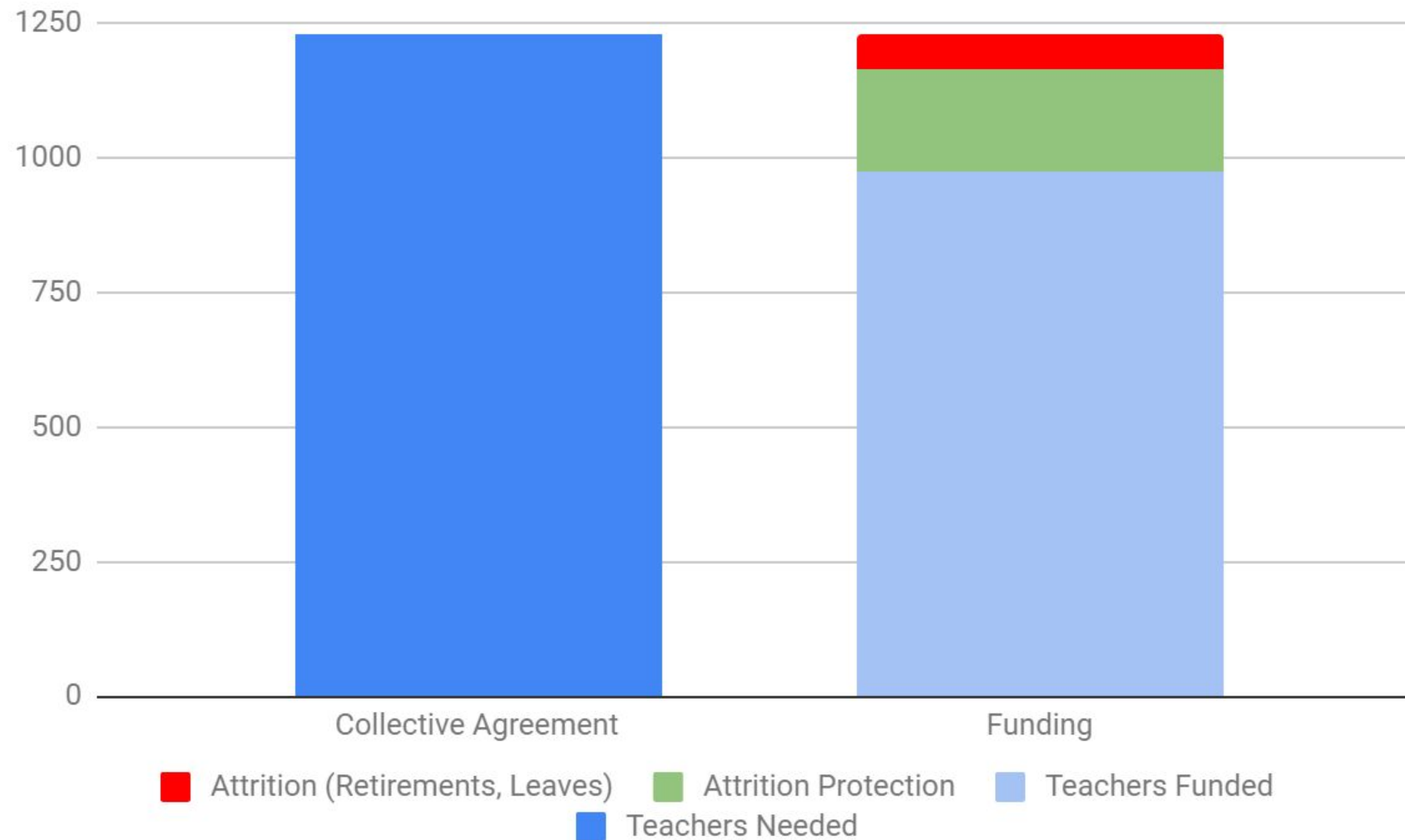
Pupil Foundation Grant

- Elementary
 - Changes to the number of funded teachers and Early Childhood Educators decreases funding by **\$1,738,521.**
- Secondary
 - Changes to the number of funded teachers and the elimination of the Secondary Programming amount reduces funding by **\$20,824,397**

Attrition Protection Funding

- A new allocation within the Cost Adjustment and Qualifications and Experience Grant
- Provided for up to four years to allow school boards to phase in the proposed class sizes through retirements and voluntary leaves
 - “Natural” attrition as opposed to lay-offs
- An additional 5 per cent attrition protection to further support the continuity of STEM and other specialized programming.
- This new allocation increases funding by \$19,557,693.

Attrition Protection Funding



Key Changes- Revenues

- Qualifications and Experience Grant
 - Provides funding to boards for Teachers and ECEs who, because of their qualifications and experience, have average funded salaries above the benchmark level used in the Pupil Foundation Grant.
 - Class size changes and reduced funding for ECEs has decreased the grant by **\$3,809,995**

Key Changes- Revenues

- **Special Education Grant**
 - Special Education Per-Pupil Amount
 - Differentiated Needs Amount
 - Statistical Prediction Model Amount
 - Measures of Variability Amount
 - Collaboration and Integration Amount
 - Multi-disciplinary Supports Amount
 - Special Equipment Amount
 - Special Incidence Portion
 - Behaviour Expertise Amount
- **Key Changes:**
 - Additional funding of \$277,000 through the Behaviour Expertise Amount to allow Boards to hire more professional staff with expertise in ABA and increase training opportunities to build ABA capacity across the board.

Key Changes- Revenues

- Special Education Per Pupil Amount

	2019-20 Budget	2018-19 Budget	Change (%)
JK to Grade 3	\$1015.60	\$988.82	2.71%
Grade 4 to 8	780.12	759.54	2.71%
Grade 9 to 12	515.14	501.47	2.73%

- Financial impact of change to benchmark is \$1,332,000

Key Changes- Revenues

- Local Priority Funding (LPF)
 - Established in 2017-18 as a result of the last round of collective bargaining; expires on August 31, 2019.
 - Approximately 90 Full-Time Equivalent staff hired through LPF.
 - The expiration of the LPF represents a **\$6,518,694** reduction to the board's funding.

Key Changes- Revenues

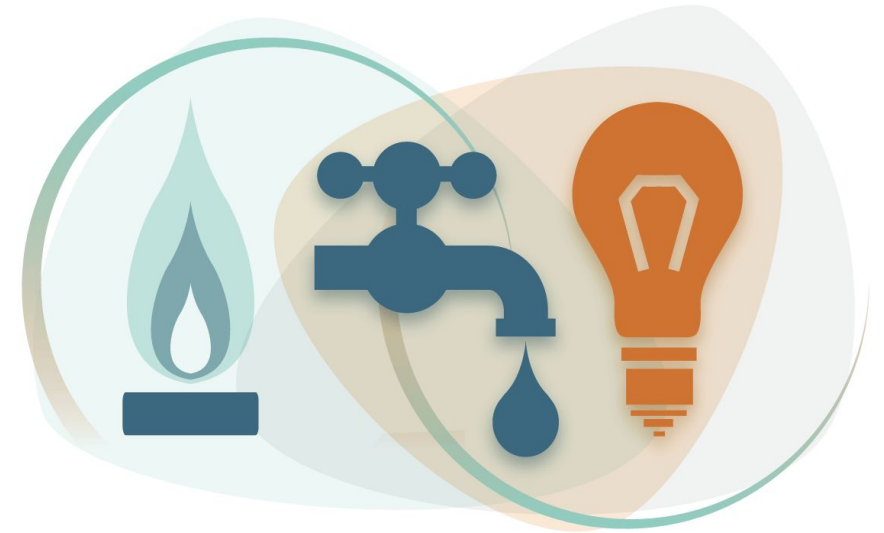
- Cost Adjustment Allocation for Non-Teaching Staff
 - Supported unionized non-teaching staff progression through the salary grid.
 - This reduction decreases funding by **\$718,000.**
- Human Resources Transition Supplement
 - This temporary funding supported the implementation of the 2017-19 labour agreements.
 - This reduction decreases funding by **\$299,000.**

Key Changes- Revenues

- International Student Recovery Amount
 - Operating grants reduced by \$1,300 per international student (fee paying)
 - Prorated where students are not full-time
 - This change is forecast to reduce the Board's revenue by **\$149,500** in 2019-20

Key Changes- Revenues

- Keeping up with Costs
 - School Operations- Utilities
 - 2% increase to the non-staff portion of the benchmark to assist boards with managing increases in commodity prices (electricity, natural gas)
- School Operations Allocation is forecast to increase by \$1,305,000, but this includes other adjustments beyond the 2% non-salary component



Key Changes- Revenues

- Transportation
 - A 4% cost update has been applied to the grant in recognition of higher fuel and operating costs
 - Ministry has also provided stabilization funding to school boards that run efficient operations but for which costs exceed funding.
- These changes are forecast to increase funding by \$1,368,485.



Key Changes- Revenues

- Salary Benchmarks
 - Centrally Negotiated
 - Increasing by 1.0% for non-executive, non-administrator staff
 - This change increases funding by approximately \$6,300,000



Partnerships and Priorities Fund (PPF)

- In December 2018, the Ministry announced changes to various PPF grants, formerly Education Program Other, which would take effect in the 2018-19 or 2019-20 school year
 - Innovation in Learning Fund (Cancelled in 2018-19)
 - Outreach Coordinator (Cancelled for 2019-20)
 - Priority Schools (Cancelled for 2019-20)
- For the 2019-20 school year, the Ministry has indicated that \$330M will be allocated across the province to support Ministry priorities.
 - OYAP, Literacy and Basic Skills amounts received to date

Capital and Maintenance

- The Ministry continues to provide funding to support the ongoing maintenance, renewal and upkeep of our school facilities.
- School Condition Improvement
 - A capital renewal program that allows boards to revitalize and renew aged building components that have exceeded or will exceed their useful life cycle.
- Funding in 2019-20 is forecast to be \$23,198,009
 - 2018-19 funding was \$14,421,650

Capital and Maintenance

- School Renewal Allocation
 - Can be utilized to address capital and/or maintenance related items to revitalize and renew aged building systems and components.
 - Example- accessibility related enhancements such as ramps, elevators, electronic door opening systems.
- Funding in 2019-20 is forecast to be \$10,046,086
 - 2018-19 funding was \$9,932,536

Capital and Maintenance

- Temporary Accommodation
 - Can be used for portable moves, leases and purchases, as well as for lease costs for permanent instructional space.
 - Allocation is based on a boards' share of temporary accommodation activity across the province.
- Funding in 2019-20 is forecast to be \$1,868,727
 - 2018-19 funding was \$1,930,500

Summary- Revenues

SOURCE	2019/20	2018/19	VARIANCE
Grants for Student Needs (GSN)	\$695,730,699	\$695,707,042	\$23,657
Other Grants- Priorities and Partnerships Fund (PPF)	625,334	3,741,569	-3,116,235
School Generated Funds	14,000,000	14,000,000	0
Investment Income	589,360	475,264	114,096
Other Revenue	29,012,007	25,471,813	3,540,194
Amortization of Deferred Capital Contributions	35,617,847	35,197,975	419,872
Total	\$775,575,247	\$774,593,663	\$981,584

A background image showing a pair of hands drawing on a piece of paper with a green pencil. The scene is dimly lit with a blue tint, and the hands and pencil are reflected on a surface below. The word "EXPENDITURES" is overlaid in large white letters.

EXPENDITURES

Expenditures

- Fiscal Strategy = Matching of our expenses to the available revenue on an annual basis.
- When a change to funding is announced, offsetting expense adjustments are made whenever possible.



Key Changes- Expenditures

- **Instructional Salaries and Benefits**
 - Includes Principals and Vice-Principals, Classroom Teachers, Early Childhood Educators, Library and Guidance, Educational Assistants, Professionals and Paraprofessionals
 - \$3,234,200 decrease; 0.56%
- **Rationale**
 - Class Size Impacts
 - Elimination of positions funded through Local Priorities
 - 1.0% salary benchmark increase
 - Additional staff to accommodate growth
 - Movement through the salary grid

Key Changes- Expenditures

- Instructional Supplies and Services
 - \$1,626,800 decrease; -6.93%
- Rationale
 - Removal of one-time initiatives approved as part of the 2018-19 Budget
 - Program Enhancement- Aviation Program- \$337,000
 - Collaborative Furniture for Secondary Schools- \$1,120,000

Key Changes- Expenditures

- Board Administration- Supplies and Services
 - \$966,766 decrease; -37.4%
- Rationale
 - Removal of one-time initiatives approved as part of the 2018-19 Budget
 - Enterprise Resource Planning (ERP) Consultant- \$150,000
 - ERP Software- \$1,000,000

Key Changes- Expenditures

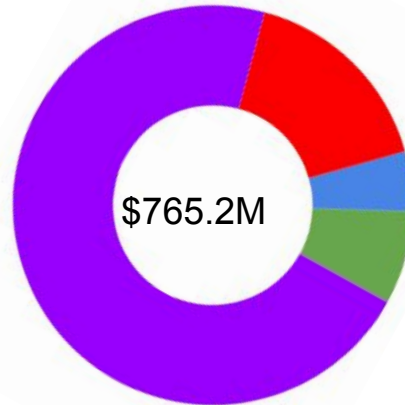
- Student Transportation
 - \$463,870 increase; 2.55%
- Rationale:
 - Inflationary increases for operators
 - Additional routes required to support our student population (enrolment growth)

Key Changes- Expenditures

- School Operations (Custodial, Maintenance, Supplies)
 - \$894,303 increase; 1.43%
- Rationale:
 - Includes \$1,248,000 increase to support preventative maintenance; offset reduction of \$2,027,700 of school renewal allocation previously used for this purpose.
 - Utilities savings of \$791,500 based on consumption and market trends;
 - Includes increase of \$187,000 to account for loss of Community Outreach and Priority Schools PPF

Summary- Expenditures

Classroom Expenditures	Millions \$
Instructional	544.3
School Administration	54.2
Continuing Education	2.1
Total	600.6



Locally Managed System Expenditures	Millions \$
School Board Administration & Governance	18.4
Student Transportation	18.6
Total	37.0

School Expenditures	Millions \$
School Operations	63.3
Pupil Accommodation (Operating Component)	37.5
Total	100.8

Other Expense Categories	Millions \$
School Generated Funds	14.0
Non-Operating (Extended Day Program; Recoveries)	12.8
Total	26.8

Capital

- The Ministry of Education provides capital funding to the Board through a variety of programs.
 - School Renewal Allocation (SRA) and the School Condition Improvement Grant (SCI)
 - Total capital budget for 2019-20 is \$57,234,000
- Plans to expend these funds will be presented during the Committee of the Whole meeting on June 17, 2019.

A close-up photograph of two hands holding a green pencil over a document, with a blue overlay. The hands are positioned as if about to write or sign. The background is a blurred document with some text and a small graphic.

BALANCING THE BUDGET

Balancing the Board's Budget

- Changes to the Grants for Student Needs created a shortfall in the WRDSB's budgeted revenue driven by Secondary Class Size Changes and the elimination of the Local Priorities Funding.
- To address the shortfall, we have re-deployed approximately 33 central staff back in to schools. This will help to minimize impacts on the classroom.
- Other savings have been identified in service departments.

Balancing the Board's Budget

- The objective of our approach was to provide staff with Enrolment Transfer opportunities and maximize possible reinvestment of funds to support revised class sizes.
- These staffing changes are largely accommodated through retirements and transfers back to schools.
- Savings will reduce service levels to the system. We will continue to explore how to best address these changes and examine alternative service delivery models.

Balancing the Board's Budget

- Why are we able to balance the budget?
 - Enrolment Growth
 - Attrition Protection Funding
 - Departmental Savings
 - Prudent Fiscal Planning (Retirement Gratuity)
- As longer term funding and expense frameworks stabilize, we will be in a position to reassess any restraint measures that have been enacted for 2019-20.

Deficit Budget Implications

- The Ministry has made changes to the use of accumulated surplus to allow for in-year deficits.
- Additional reporting requirements have been instituted including a deficit recovery plan showing the elimination of the budget deficit within two years.

2019-2020 Budget Risks

- Outcome of collective bargaining
- Teacher attrition
- Political environment and economy
- Enrolment volatility



Minister's Task Force on School Boards

- The Government of Ontario is committed to ensuring that every dollar spent in the classroom is having the greatest impact on student achievement.
- The Ministry of Education is undertaking a review of the four (4) publicly funded education systems in Ontario.
- The Ministry will review school board operations to assess their efficiency and sustainability.
- On May 31, 2019, the government established an *Audit and Accountability Fund* with funding to undertake a line-by-line review of operations and service delivery with the goal of finding administrative efficiencies.

A close-up photograph of two hands holding a green pencil and drawing on a whiteboard. The scene is overlaid with a semi-transparent blue filter. The text "SPECIAL PROJECTS" is centered over the image.

SPECIAL PROJECTS

Special Projects

- Moving forward, New Initiatives will be referred to as Special Projects.
- As we improve our project management rigour, the process of approval for Special Projects will change.
- More frequent Special Project requests will come to Trustees as business needs arise.
- The 2019-20 budget will not contain Special Project requests as they have in the past.

Special Projects

- Online Communications Development
 - Approved \$250 K on November 19, 2019
 - Supports the recommendations stemming from the Communications Review.
 - The project will include upgrades to both internal and external websites.

Special Projects

- Enterprise Resource Planning
 - Approved \$2.3 M on February 11, 2019
 - Project includes implementation costs to support upgrades to various systems.
 - Human Resource Information System
 - Payroll System
 - Financial System

A close-up photograph of a person's hands using a green pencil to draw on a piece of paper. The scene is dimly lit with a blue tint, and the hands and pencil are reflected on a surface below. The text "NEXT STEPS" is overlaid on the left side of the image.

NEXT STEPS

Next Steps

- June 14th - Budget report to Trustees (via agenda package)
- June 17th - School Renewal & Condition Improvement Updates; Capital Priorities Submission
- June 19th - Budget Delegations, Finalize budget discussions
- June 24th - Board Meeting



INNOVATING TOMORROW BY EDUCATING TODAY

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