

JUNE 12, 2019

WATERLOO REGION DISTRICT SCHOOL BOARD

NOTICE AND AGENDA

A **Special Committee of the Whole Budget Meeting** of the Waterloo Region District School Board will be held in the Education Centre Board Room, Building 2, 1st Floor, 51 Ardelt Avenue, Kitchener, Ontario, on **Wednesday, June 12, 2019, at 7:00 p.m.**

AGENDA

Call to Order

O Canada

Approval of Agenda

Declarations of Pecuniary Interest

Announcements

Delegations

Reports

01 Fiscal Task Force Quarterly Update
2019-2020 Budget Overview Presentation**

M. Gerard
M. Gerard

Reports from Board Members

Question Period (*10 minutes*)

Other Business

Future Agenda Items (*to be referred to Agenda Development Committee*)

Adjournment

** The June 10, 2019, Interim Financial Report and Forecast has been included for your reference starting on folio 27.

Questions relating to this agenda should be directed to
Stephanie Reidel, Manager of Corporate Services
519-570-0003, ext. 4336, or Stephanie_reidel@wrdsb.ca



Report to Committee of the Whole

June 12, 2019

Subject: Long Term Fiscal Sustainability and Stability Task Force Quarterly Update

Recommendation

This report is for the information of the Board.

Status

The Long Term Fiscal Sustainability and Stability Task Force (known as Fiscal Task Force) consists of the following members:

- Natalie Waddell, Trustee
- Kathi Smith, Trustee (Sept – Nov)
- Kathleen Woodcock (Dec – Present)
- Sharlene McHolm, WREA Representative
- Cathy Vollmer-Ashley, SSPA Representative
- Siobhan Watters, SSVPA Representative
- Scott Lomax, Coordinating Superintendent, Student Achievement & Well-Being
- Lila Read, Coordinating Superintendent, Student Achievement & Well-Being
- Matthew Gerard, Coordinating Superintendent, Business Services & Treasurer of the Board

The members in attendance at each meeting are as follows:

Member's Name	Apr 9/19	May 15/19
Natalie Waddell, Trustee	X	X
Sharlene McHolm, WREA Rep	X	X
Cathy Vollmer-Ashley, SSPA Rep		X
Siobhan Watters, SSVPA Rep	X	X
Scott Lomax, Coordinating Superintendent, Student Achievement & Well-Being		
Lila Read, Coordinating Superintendent, Student Achievement & Well-Being	X	X
Matthew Gerard, Coordinating Superintendent, Business Services & Treasurer	X	X

X – Present

Others in Attendance

Name	Apr 9/19	May 15/19
Dana Liebermann, Manager of Research	X	X
M. Van Meerbergen, Student	X	
D. Uluk, Student	X	

X – Present

As part of the committee’s work in preparing the Waterloo Region District School Board’s (Board) budget for the 2019-20 school year, the Fiscal Task Force developed a survey which was posted to the Board’s public website for the purpose of soliciting public feedback. The survey was available from February 22nd, 2019 to March 15th, 2019 and received an overwhelming response. With the assistance of the Research Department, the Fiscal Task Force has reviewed the preliminary results of the Budget Survey. Appendix A of this report contains the summary of the review along with next steps.

Background

By way of a Board of Trustees (Board) motion passed on June 23, 2014, the Fiscal Task Force was formed. The Fiscal Task Force was mandated to undertake discussions and consider options and solutions to ensure the long term sustainability and stability of the WRDSB. The Fiscal Task Force’s Terms of Reference require quarterly updates to the Board.

Financial implications

No financial implications.

Communications

The results of the Budget Survey are contained in the Appendix A of this report.

Prepared by: Matthew Gerard, Coordinating Superintendent, Business Services & Treasurer of the Board
in consultation with Coordinating Council.

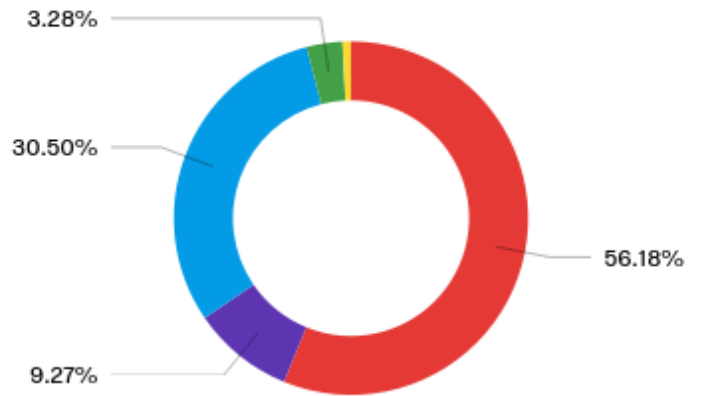
WRDSB 2019-2020 Annual Budget Survey Results

Background Information

In Winter 2019, the Waterloo Region District School Board (WRDSB) invited students, parents/caregivers/guardians, staff, and community members to provide input into WRDSB’s 2019/2020 budget. The survey remained open from February 22 to March 15, 2019. The following is a summary of the feedback received. Over 3200 respondents completed the survey.

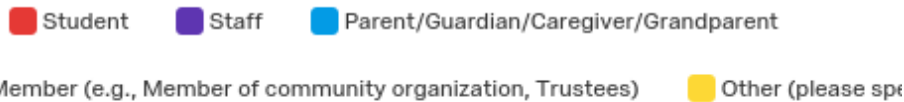
Demographic Questions

Q1 - What group(s) do you belong to? Please select as many as apply to you



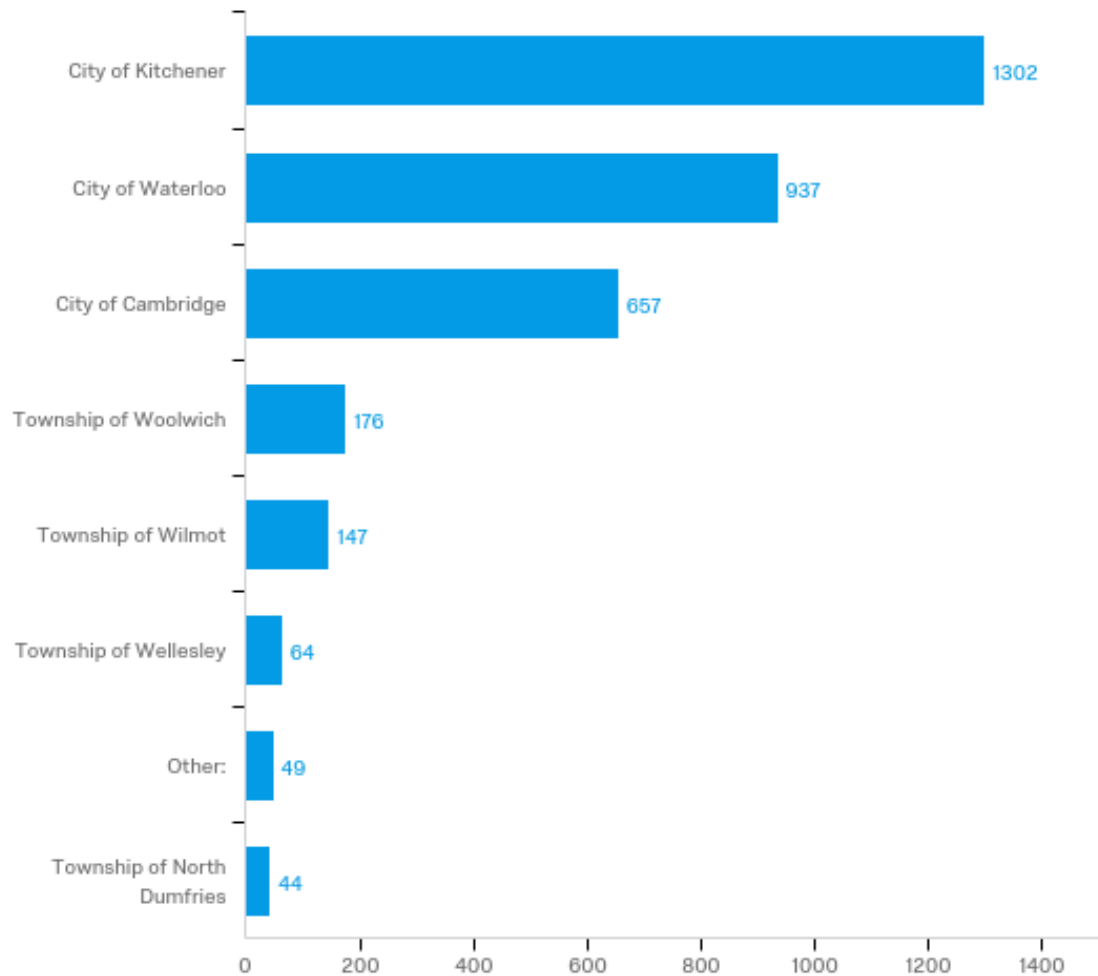
Details about respondents:

Respondents	%	Count
Student	56.18%	2072
Parent/Guardian/Caregiver/Grandparent	30.50%	1125
Staff	9.27%	342
Community Member (e.g., Member of community organization, Trustees)	3.28%	121
Other (e.g., citizen, retired employee)	0.76%	28
Total	100%	3688



Note: Total # of students in WRDSB = 63,924; Total # of staff in WRDSB = 8,200

Q2 - Please select on the City or Township where you live.



Answer	%	Count
City of Kitchener	38.57%	1302
City of Waterloo	27.75%	937
City of Cambridge	19.46%	657
Township of Woolwich	5.21%	176
Township of Wilmot	4.35%	147
Township of Wellesley	1.90%	64
Other (e.g., Oxford, Perth East)	1.45%	49
Township of North Dumfries	1.30%	44
Total	100%	3376

Questions

Q3 - Pathways to Graduation The following questions are about supports in place to support each and every student on their path to graduation. The WRDSB has committed to raising graduation rates by 5 percent through the implementation of a Kindergarten to Grade 12 strategy. Our strategy will employ various approaches to achieve this goal. Please rate the importance of the following supports as they relate to graduation rates.

Question	Not at all important	Slightly important	Moderately important	Very important	Extremely important	Total
Targeted intervention for students with special education needs (e.g., access to technology, access to resources)	2.3% 73	5.6% 179	17.3% 553	36.2% 1160	38.6% 1236	3201
Early identification of learners who are at risk of not graduating and require literacy and/or numeracy intervention (e.g., Early Reading Programs (literacy), Dreambox (mathematics))	2.6% 82	6.2% 199	16.7% 537	36.3% 1166	38.3% 1231	3215
Student Success Resources (e.g., helping students earn credits for previously failed courses)	3.0% 98	7.9% 255	23.5% 764	36.3% 1178	29.3% 951	3246
Cooperative Education (e.g., Ontario Youth Apprenticeship Program, Specialist High Skills Major, Specialized Online Co-op)	2.8% 89	7.4% 240	26.7% 860	38.3% 1235	24.9% 803	3227
Alternative programming to support a variety of student needs (e.g., U-Turn, Section 23, Summer School, Night School, Lang's Farm, Specialty Classrooms)	4.0% 125	10.1% 317	29.2% 916	35.9% 1126	20.8% 651	3135
Support teachers focused on re-engaging students who have left WRDSB, to support them through their final requirements for graduation	5.6% 176	15.2% 474	30.5% 951	30.3% 946	18.4% 574	3121
Online Learning (e.g., Blended Learning, e-Learning) and the use of digital technology	6.0% 193	17.7% 571	35.1% 1132	26.8% 864	14.3% 461	3221
Mobile technology (e.g., Tablets)	8.2% 265	18.1% 586	32.8% 1062	24.6% 797	16.3% 529	3239
Other (see next page)	6.7% 32	2.7% 13	6.7% 32	18.7% 89	65.1% 310	476

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“Other” Themes:

Key themes that emerged with 10 or more comments	Count	% of total themes
Hire more staff to support students (e.g., Educational Assistants, Child and Youth Care Workers, Psychologist)	63	15%
Special Education funding and supports (including behavioral supports)	36	9%
Health and wellness Support (including mental health supports)	36	9%
Ensure schools have Air Conditioning	26	6%
Extra curricular activities (including athletics)	25	6%
Enrichment supports	17	4%
Access, support and maintenance of technology tools (e.g., Chromebooks, WiFi)	15	4%
Smaller class sizes	14	3%
Maintenance of school buildings and properties	11	3%

Q4 - Mathematics The following questions are about supports in place to support each and every student's achievement and well-being in mathematics. The WRDSB has committed to increasing student achievement and learning in mathematics using various strategies. Please rate the importance of the following resources that support student achievement and well-being in mathematics.

Question	Not at all important	Slightly important	Moderately important	Very important	Extremely important	Total
Physical resources in classrooms to ensure a productive learning environment for staff and students (e.g., Whiteboards)	1.7% 50	3.8% 112	17.3% 503	38.8% 1130	38.4% 1119	2914
Professional development and support for educators	2.5% 72	6.8% 195	21.4% 612	37.0% 1057	32.2% 919	2855
Classroom resources (e.g., algebra tiles)	5.0% 145	13.2% 379	27.5% 792	31.4% 906	22.9% 660	2882
Online math resources (e.g., Dreambox, Prodigy, Homework Help Line)	5.7% 165	13.2% 383	27.8% 806	32.7% 948	20.6% 598	2900
Classroom furniture that can be set up in different ways to promote student collaboration and learning	9.5% 276	16.6% 483	30.8% 899	25.6% 748	17.6% 513	2919
Classroom furniture that allows for various configurations to promote student collaboration and learning at the secondary level	10.8% 313	16.6% 480	30.6% 885	24.8% 716	17.3% 499	2893
Home math programs	11.5% 324	20.4% 577	31.6% 892	24.0% 679	12.5% 354	2826
Mobile technology (e.g., Tablets)	12.1% 353	21.0% 613	31.8% 927	21.4% 622	13.7% 399	2914
Family Math Nights	28.8% 807	27.1% 758	27.0% 755	11.9% 332	5.3% 147	2799
Other (see below)	5.8% 15	3.5% 9	7.7% 20	20.4% 53	62.7% 163	260

“Other” Themes:

Key themes that emerged with 10 or more comments	Count	% of total themes
One-on-one help (e.g., tutoring, after school help)	27	11%
Having textbooks	19	8%
Supporting students' learning based on their needs	14	6%
Focus on fundamental skills	12	5%
Smaller class sizes	11	5%

Q5 - Student Well-being The following questions are about supports in place to support each and every student's well-being. The WRDSB supports and affirms student cognitive, emotional, social and physical well-being. Additional details regarding the Ministry of Education's Well-Being Strategy can be found here. Please rate the importance of the following resources that support student learning and well-being.

Question	Not at all important	Slightly important	Moderately important	Very important	Extremely important	Total
Specialized Support Staff - Child and Youth Workers, Educational Assistants, Learning Support Teachers, Social Workers	1.8% 47	4.3% 112	11.8% 311	27.4% 720	54.8% 1440	2630
Nutrition for Learning	2.7% 66	6.7% 165	19.3% 478	33.3% 824	38.0% 941	2474
Diverse co-curricular programming (e.g., athletics, arts, clubs, Gay-Straight Alliances, student leadership, student activities)	5.0% 132	7.3% 193	16.2% 429	29.4% 777	42.0% 1110	2641
Program supports for students-programs specifically designed to support the social and emotional well-being of students (e.g., HERO Generation Programming, WITS (Walk away, Ignore, Talk it out, Seek Help), Kognito, safeTALK)	3.0% 78	8.0% 207	20.5% 530	34.4% 890	34.2% 886	2591
Safe, Caring and Inclusive School Teams (SCIS) - teams formed to promote a positive school climate for all members of the school community	4.1% 106	8.8% 231	22.9% 598	34.7% 906	29.5% 771	2612
Culturally appropriate and inclusive curriculum and instructional practices. Additional details about the Ministry's Equity Action Plan can be found here.	5.4% 139	8.3% 214	22.2% 569	29.1% 746	35.0% 897	2565
Healthy school planners - student day planners containing wellness ideas and tools for students	13.4% 353	18.4% 483	29.5% 775	22.1% 580	16.6% 435	2626
Other (see below)	7.4% 15	2.5% 5	6.9% 14	13.2% 27	70.1% 143	204

“Other” Themes:

Key themes that emerged with 10 or more comments	Count	% of total themes
Hire more staff to support students (e.g., Educational Assistants, Child and Youth Care Workers, Psychologist, Social Workers)	26	13%
Mental health supports (e.g., programs, Professional Development for staff)	16	8%
Special Education funding and supports (including behavioral supports)	10	5%

Q6 - Staff Well-being The following questions are about supports in place to support staff well-being. The WRDSB supports and affirms staff cognitive, emotional, social and physical well-being. Additional details regarding the Ministry of Education's Well-Being Strategy can be found here. Please rate the importance of the following resources that support staff well-being.

Question	Not at all important	Slightly important	Moderately important	Very important	Extremely important	Total
Mental Health Leadership Training - training principals, vice-principals, and managers to support the mental health needs of their teams	5.0% 16	9.7% 31	22.3% 71	32.3% 103	30.7% 98	319
Employee & Family Assistance Program - promoting resilience; nutrition; advice on child care, elder care, and financial advice; through 24/7 counseling service available to staff	5.0% 16	10.3% 33	22.9% 73	34.8% 111	27.0% 86	319
Stay at work programs - assistance and supports for staff to allow them to remain at work while coping with mental health challenges	2.6% 8	11.5% 36	29.3% 92	37.9% 119	18.8% 59	314
Professional development for staff supporting a mindset of mindfulness and gratitude (e.g., workshop series)	8.2% 26	16.7% 53	28.7% 91	23.7% 75	22.7% 72	317
Wellness Speaker Series - engaging external presenters that are experts in their respective fields (including mindfulness, professional organizers, and health practitioners)	13.3% 42	23.1% 73	30.4% 96	23.1% 73	10.1% 32	316
Employee Wellness Bulletin Boards at sites to promote information about the Employee & Family Assistance Program and other wellness initiatives	15.3% 49	30.2% 97	31.5% 101	15.3% 49	7.8% 25	321
Other (see below)	5.7% 2	2.9% 1	2.86% 1	8.6% 3	80.0% 28	35

“Other” Themes:

Key themes that emerged with 10 or more comments	Count	% of total themes
Mental health and wellness supports	12	30%

10

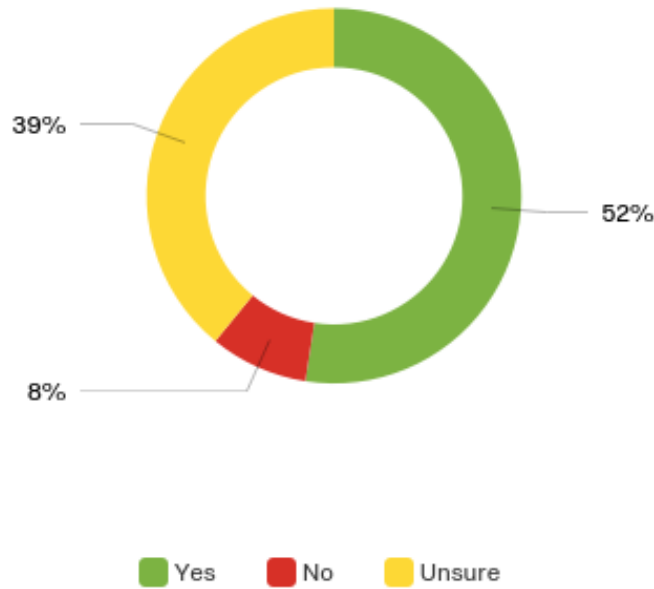
Q7 - Of the list below, what are your top 3 choices of how these funds should be used to support school renewal in 2019-2020?

Answer	Count	% of total responses
Mechanical and electrical upgrades (including Air Conditioning)	1598	21%
Program upgrades and renovations (e.g., library, music room, science room, office)	1544	20%
Other (e.g., special education, computer infrastructure, health and safety upgrades, energy conservation)	1119	15%
Environmental upgrades (e.g., asbestos containment, removal and maintenance)	794	10%
Interior finishes (e.g., ceilings, floors, paint, lockers, doors and door hardware)	680	9%
Accessibility upgrades (e.g., elevators, washrooms)	638	8%
Site improvements (e.g., paving, grounds, fields, concrete)	499	7%
Building envelope (e.g., roofs, doors, walls, windows)	289	4%
Building and Fire Code upgrades and studies	255	3%
Other (see below)	186	2%

“Other” Themes:

Key themes that emerged with 10 or more comments	Count	% of total themes
Update schools	16	8%
Air conditioning	15	8%
Athletic improvements	11	6%
Property maintenance	10	5%

Q8 - Schools are allocated financial and staff resources on the basis of both the number of students enrolled at the school, and the school community's needs (based on information from Statistics Canada). Are you supportive of an allocation model that places an increased emphasis on a school community's social and economic profile when determining staffing and resource needs?



Answer	%	Count
Yes	52.45%	1370
No	8.46%	221
Unsure	39.09%	1021
Total	100%	2612

Q9 - Do you have any suggestions for how WRDSB can best make use of its resources to support student achievement, and student and staff well-being?

Key themes that emerged with 10 or more comments	Count	% of total themes		
Increase number of support staff (including Educational Assistants, Guidance, Counselors, Psychologists)	103	8%	Improve communication between educators and parents	24 2%
Ensure schools have Air Conditioning	94	7%	Re-examine hiring practices	22 2%
Special Education funding and supports (including behavioral supports)	72	5%	Endeavor to spend equitably	21 2%
Update and maintain school buildings	64	5%	Approach to bullying and harassment be fair and consistent	21 2%
Promote health and well-being	63	5%	Focus on fundamental skills	19 1%
Smaller class sizes	39	3%	Supporting students' learning based on their needs	19 1%
School safety should be a priority	38	3%	Funding to support the arts	15 1%
Increase number of resources for schools, including additional staff	35	3%	One-on-one help (e.g., tutoring, after school help, study groups)	14 1%
Increase number of extra curricular activities, clubs and team opportunities	34	3%	Motivate students to the best of their ability	14 1%
Seek feedback from students	31	2%	Ensure that educators needs are understood	13 1%
Ensure there is functional technology and WiFi in all classrooms to support learning	31	2%	Importance of relationships with students	13 1%
Provide professional development for staff (including mental health support for staff)	30	2%	Focus on life skills	13 1%
Spend less funds on technology	26	2%	Provide welcoming and comfortable school environment	12 1%
Create inclusive working and learning environments for all	24	2%	Increase number Eco friendly school programs/initiatives	12 1%
			Enrichment supports	12 1%
			Resources for mental health	11 1%
			Time for physical activity	11 1%



LONG TERM FISCAL SUSTAINABILITY AND STABILITY TASK FORCE

PRESENTED TO THE COMMITTEE OF THE WHOLE

JUNE 10, 2019

¹⁴Membership

- 2 Trustees, appointed by Board Chair
- 1 Representative from WREA
- 1 Representative from SSPA
- 1 Representative from SSVPA
- 2 Coordinating Superintendents, Student Achievement & Well-Being
- 1 Coordinating Superintendent, Business Services (Chair)

Membership

- Natalie Waddell, Trustee
- Kathleen Woodcock, Trustee
- Kathi Smith, Trustee
- Sharlene McHolm, WREA Representative
- Siobhan Watters, SSVPA Representative
- Cathy Vollmer-Ashley, SSPA Representative
- Lila Read, Coordinating Superintendent, Student Achievement & Well-Being
- Scott Lomax, Coordinating Superintendent, Student Achievement & Well-Being
- Matthew Gerard, Coordinating Superintendent, Business Services

16 Purpose

- The Fiscal Task Force will consider options and solutions that will contribute to the long term fiscal sustainability and stability of the Board.
- The Fiscal Task Force meetings were held the first Tuesday of the month at 5 PM in October, January, February, April and May.



2019-2020 Budget Survey

Preliminary results

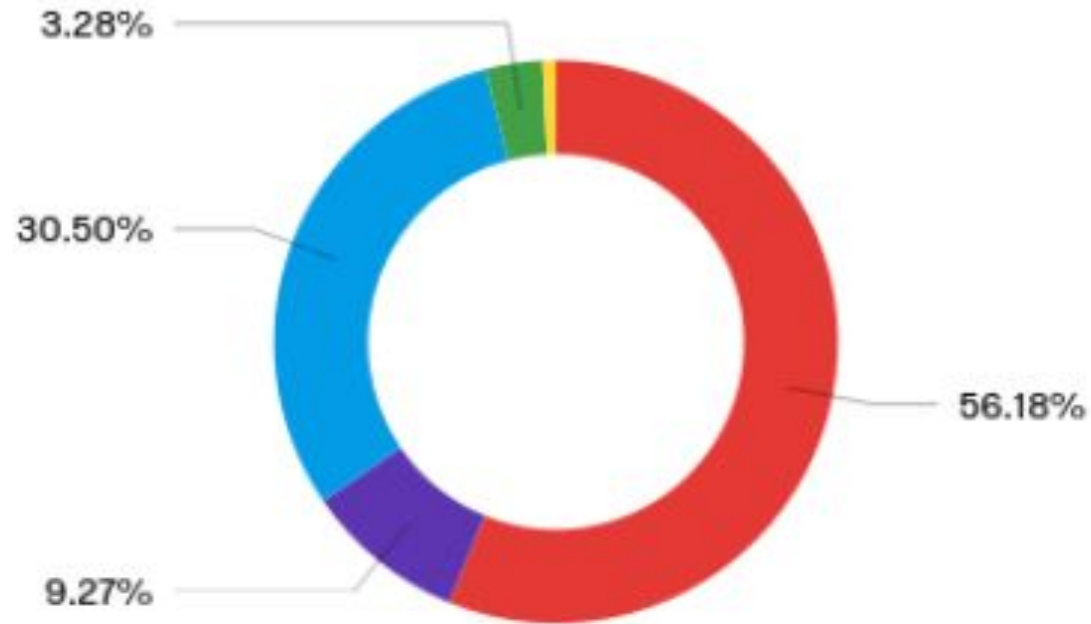
¹⁸Budget Survey Results

- Survey was posted from February 22nd to March 15th
- Over 3200 Respondents
- Previous responses - 1081 in 2016, 801 in 2017, 2300 in 2018
- The survey presents a great opportunity to consult and gain input from our stakeholders.
- Thanks to the Research Department and Communications Department for their great work on the survey.

Survey Review

- Fiscal Task Force reviewed the survey responses
- Responses were summarized into key themes
- Key themes analyzed and further refined into actionable next steps
- Changes to funding will limit what the board can support in the upcoming school year.

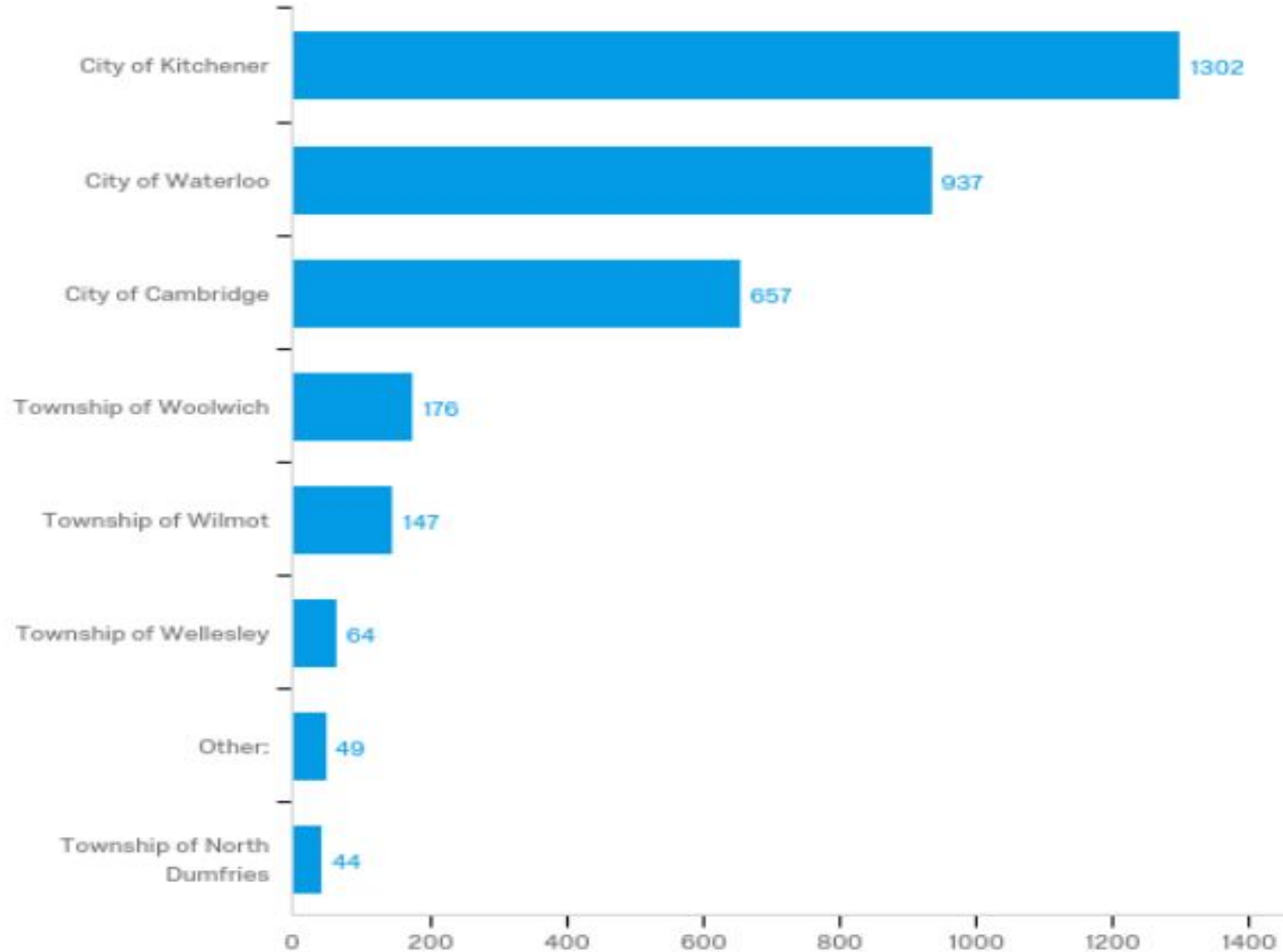
20 Who were the respondents?



■ Student ■ Staff ■ Parent/Guardian/Caregiver/Grandparent

■ Community Member (e.g., Member of community organization, Trustees) ■ Other (i)

Where were the respondents from?



²²Themes

- Graduation Rates
 - Early identification of learners who are at risk of not graduating and require literacy and/or numeracy intervention
 - Targeted intervention for students with special education needs
 - Student Success Resources
- Mathematics Learning and Achievement
 - Physical resources in classrooms to ensure a productive learning environment for staff and students
 - Professional development and support for educators
 - Classroom resources

- Student Well-Being
 - Specialized Support Staff (CYWs, EAs, LSTs, PSWs)
 - Nutrition for Learning
 - Diverse co-curricular programming
- Staff Well-Being
 - Mental Health Leadership Training (P, VPs, Managers)
 - Employee & Family Assistance Program
 - Stay at work programs – assistance and supports for staff

24 Themes

- School Renewal
 - Mechanical and electrical upgrades
 - Program upgrades and renovations
- Resource Allocation
 - Shift from last year's responses
 - More support for an allocation model that places an increased emphasis on a school community's social and economic profile

What's Next?

- The survey responses have been forwarded to departments and operational goal leads to inform their work for the next school year.
- Changes to funding will limit what the board can support in the upcoming school year.



INNOVATING TOMORROW BY EDUCATING TODAY

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Report to Committee of the Whole

June 10, 2019

Subject: 2018-19 Interim Financial Report and Forecast

Recommendation

This report is for the information of the Board.

Status

The Board of Trustees (Board) approved the 2018-19 operating budget on June 13, 2018, and at that time the Board approved a balanced budget.

The development of the Waterloo Region District School Board's (WRDSB's) operating budget includes many underlying assumptions which, over the course of a school year, can change significantly. On a quarterly basis throughout the year, staff provides updates to the Board regarding our key assumptions, the identification of key risks and planned mitigation strategies.

The information contained in this report is based on financial results up to May 31, 2019; a comparison between the budget and our forecasted year-end position is attached as Appendix A. On the whole, the underlying changes to Board revenues and expenses which we presented as part of our [Quarter 1 \(Q1\)](#) and [Quarter 2 \(Q2\)](#) updates remain unchanged. However, as we signaled in our Q2 report, we now expect the Board to finish the year with an operating surplus of approximately \$3.9M, or 0.5% of operating revenues.

A few key areas, which are contributing to our forecasted year-end position, are highlighted below.

Revenues

- No material variances have been identified subsequent to the Q1 and Q2 reports which were previously provided. At time of writing, March 31 enrolment numbers had not yet been confirmed; this information is required before we can firm up our revenue forecast for the year.

Expenditures

- Earlier this year we provided information to explain expenditure increases for Classroom Teachers, Early Childhood Educators and Teaching Assistants, as well as Non-Operating Costs (related to the WRDSB's Extended Day Program). No material variances have been identified subsequent to the Q1 and Q2 reports for these areas, so they are not specifically addressed below.
- Professional Development (PD)
 - In-year change: Expenditures are forecast to be \$1.5M lower than the budget forecast, a decrease of 36.1%.
 - Impact: In February 2019 it was announced that all *non-mandatory* professional development and training sessions requiring teacher

coverage were cancelled until the end of the year; this included the use of site based days. This action was taken to reduce the number of fail-to-fills across the system, which negatively impacts student and staff well-being. As a result, funds that had been budgeted for PD will be underspent this year.

- Strategy: As part of our 2019-20 budget process, staff are discussing how these funds may be redeployed should a similar issue with fail-to-fills create the need for a subsequent “pause” on PD.
- Salary and Benefit Savings (Vacant Positions)
 - In-year change: Expenditures on non-teaching salaries and benefits are forecast to be \$1.05M lower than budget.
 - Impact: Vacant positions arise for a variety of reasons and our ability to fill those positions in a timely manner is often impacted by external factors (market conditions). As we progress through the hiring process, these vacant positions generate savings for the organization but they also increase the workload on existing staff to complete the work required. As such, prolonged delays can negatively impact staff well-being and the completion of required tasks.
 - Strategy: As part of the 2019-20 budget process each department within the Board was asked to undertake a review of its vacant positions to determine whether they were still required. Moving forward, Human Resource Services will continue to provide support during the hiring process to help ensure departments can attract and retain qualified staff.
- Supply Costs
 - In-year change: Expenditures are forecast to be \$493,000 lower than the budget forecast, a decrease of 2.4%.
 - Impact: Up to this point in the year, staff have exercised caution with regards to the in-year forecast for supply costs because absenteeism can fluctuate significantly. However, with less than one month to go in the school year we are confident that our expenditures for supply costs will come in under budget.
 - Strategy: Over the past number of years there has been a consistent upward trend in supply costs. For the 2018-19 school year, the budget for supply staff was increased by \$2.5M, or 13.3%. Human Resource Services also implemented measures to reduce fail-to-fill scenarios that arise in schools as a result of absenteeism. Together, these strategies have contributed to the variance noted above.
- Utility Costs (Water, Natural Gas, Hydro)
 - In-year change: Expenditures are forecast to be \$650,000 lower than the budget forecast, a decrease of 0.9% within the School Operations budget.
 - Impact: The forecast savings in utilities will assist in offsetting cost pressures being experienced in other areas of the WRDSB’s operations. It

also demonstrates the value of the work being undertaken by our Facility Services staff to operate our schools efficiently.

- o Strategy: Facility Services presented their [2018/19 Energy Update](#) to the Board on May 13, 2019. Amongst other items, the report identified that the WRDSB has experienced a 22.3% reduction in Energy Use Intensity when comparing 2017-18 to 2008.

Staff from Financial Services and Facility Services meet regularly to assess the financial impact of changes in our utility consumption. For the 2019-20 budget, we will re-align our utilities budget to better reflect ongoing market and consumption trends.

Overall, staff continue to identify, assess and mitigate against financial risks to help ensure the fiscal well-being of the organization. As noted above, we have updated our forecast of the year-end financial position to reflect an in-year surplus, which will be added to the Board's Accumulated Un-Appropriated Surplus once our year-end reporting is complete.

Background

It is the sole responsibility of the Board to approve the annual operating budget and it is the responsibility of staff to oversee and monitor day-to-day spending within the budget framework. The Board plays a key role in the budget process, ensuring that funding is aligned with the WRDSB's strategic priorities and legislative requirements.

In an effort to support the Board in fulfilling their fiduciary duties, staff provide quarterly financial updates on in-year spending forecasts relative to the budget. These updates identify potential risks and opportunities that may be on the horizon, as well as the strategies staff have in place to address the identified items. These actions are intended to support the Board in making evidence based decisions and fulfilling their governance responsibilities.

Financial Implications

No financial implications.

Communications

Financial Services will work with our Communications Department to ensure that financial information is readily available to the public via our corporate website.

Prepared by: Matthew Gerard, Coordinating Superintendent, Business Services & Treasurer of the Board
 Nick Landry, Controller, Financial Services
 Sharon Uttley, Manager of Accounting Services
 Wendy Jocques, Manager of Budget Services
 Fabiana Frasher, Budget Officer
 Wenqi Zhou, Budget Officer
 in consultation with Coordinating Council

2018-19 Interim Financial Report (Third Quarter- Sept 1, 2018 to May 31, 2019)

Summary of Financial Results

(000's)

	Budget	Forecast	In-Year Change	
			\$	%
Revenue				
Provincial Grants-GSN	710,663	713,376	2,713	0.4%
Revenue transferred from/(to) deferred revenue	28	681	653	2295.7%
Other Grants	3,742	6,208	2,467	65.9%
Other Revenue	25,937	27,711	1,774	6.8%
School Generated Funds	14,000	14,000	-	0.0%
Transferred from DCC**	35,198	35,294	96	0.3%
Transferred to DCC**	(14,975)	(15,880)	(906)	6.0%
Total Revenue	774,594	781,391	6,797	0.9%
Expenses				
Instruction	605,353	606,880	1,527	0.3%
Administration	18,149	18,216	67	0.4%
Transportation	18,174	18,174	-	0.0%
School Operations & Maintenance	64,204	63,354	(850)	(1.3%)
Pupil Accom/Renewal/Debt/Non-operating	48,251	50,684	2,432	5.0%
School Generated Funds	14,000	14,000	-	0.0%
Total Expenses	768,132	771,309	3,177	0.4%
Surplus/(Deficit)	6,461	10,082	3,620	56.0%

Changes in Revenue

- Provincial Grants- Increase in enrolment and ESL/ELD funding, change in Special Education per pupil benchmarks
- Deferred Revenue- Changes are related to transfers for Special Education, Student Achievement Envelope, School Renewal
- Other Grants- Increase due to additional Educational Program Other (EPO) announcements following 2018-19 budget submission and carryover of 2017-2018 Local Priorities Funding
- Other Revenue- Net effect of a projected decrease in the number of International students; increase in extended day care fees due to increased enrolment; increase in fully recoverable positions

Change in Expenditures

- Instruction- Reflects the increase in staffing to support enrolment; and the projected savings in staff vacancies, supply staff and professional development
- Administration- Net effect of Communications new initiative approved after budget approval and adjustment due to suspension of 2018-2019 executive compensation increases; and the projected savings in staff vacancies
- School Operations & Maintenance- projected utility savings and savings from staff vacancies
- Pupil Accom/Renewal/Debt/Non-Operating- Net of Increase in extended day care enrolment, school renewal and increase in fully recoverable positions

**DCC - Deferred Capital Contributions

2018-19 Interim Financial Report (Third Quarter- Sept 1, 2018 to May 31, 2019)

DETERMINATION OF ANNUAL OPERATING SURPLUS	Budget	Forecast
PSAB Surplus/(Deficit) (from above)	6,461	10,082
LESS: Internally Appropriated		
2018/19 one-time initiatives	7,497	7,747
Committed Capital Projects		
Committed capital projects annual amortization	(564)	(467)
Sub-Total: In-Year Appropriations	6,933	7,280
Previous year one-time initiatives	-	944
Commitment of sinking fund interest	(78)	(78)
Committed capital projects	(4,266)	(5,162)
Total: Internally Appropriated	2,589	2,983
Less: Unavailable for Compliance		
PSAB Adjustments	(9,614)	(9,651)
Total Adjustments	(7,025)	(6,667)
In-year unappropriated Operating Surplus/(Deficit)	(564)	3,415
Committed capital projects annual amortization	564	467
ANNUAL Unappropriated Operating Surplus/(Deficit)	-	3,882

Summary of Capital to be Financed

(000's)

	Budget	Forecast
Funding		
New Building and Additions	7,000	7,508
Community Hubs	0	
Child Care Capital	1,000	2,140
Child and Family Centres	1,000	1,200
Greenhouse Gas (GHG) Reduction	1,602	330
School Condition Improvement	14,422	16,735
Full Day Kindergarten	1,350	1,098
Renewal	7,367	7,980
Education Development Charge (EDC)	13,032	13,032
Proceeds of Disposition	5,465	5,132
Minor Tangible Capital Assets	7,608	7,858
Rural and Norther Education		42
Other	4,830	3,040
Total Capital by Funding Source	64,675	66,094
Expenditure		
Buildings (new, additions & renewal)	42,236	43,363
Land	13,032	13,032
Land Improvements	1,350	1,350
Leasehold Improvements	0	0
Moveable Assets	8,058	8,350
Total Capital Expenditure	64,675	66,094

2018-19 Interim Financial Report (Third Quarter- Sept 1, 2018 to May 31, 2019)

Summary of Enrolment

ADE	Budget	Forecast	In-Year Change	
			#	%
Elementary				
JK	3,766.75	4,121.90	355.15	9.4%
SK	4,319.33	4,303.88	(15.45)	-0.4%
Grade 1-3	13,542.84	13,445.92	(96.92)	-0.7%
Grade 4-8	22,862.64	22,825.23	(37.42)	-0.2%
Other Pupils (International)	18.00	10.50	(7.50)	-41.7%
Total Elementary	44,509.56	44,707.41	197.85	0.4%
Secondary				
Pupils of the Board <21	19,258.95	19,218.67	(40.28)	-0.2%
High Credit Pupils	28.04	22.92	(5.12)	-18.3%
Pupils of the Board >21	8.00	6.69	(1.31)	-16.4%
Other Pupils (International)	114.00	103.00	(11.00)	-9.6%
Total Secondary	19,408.99	19,351.28	(57.71)	-0.3%
Total	63,918.55	64,058.69	140.14	0.2%

Note: Forecast based on October 31st count date

Highlights of Changes in Enrolment:

- Growth in the elementary panel is a result of net migration into the Region, and stronger than expected JK numbers.
- We expect continued growth in both the elementary and secondary panels over the next few years.

Summary of Staffing

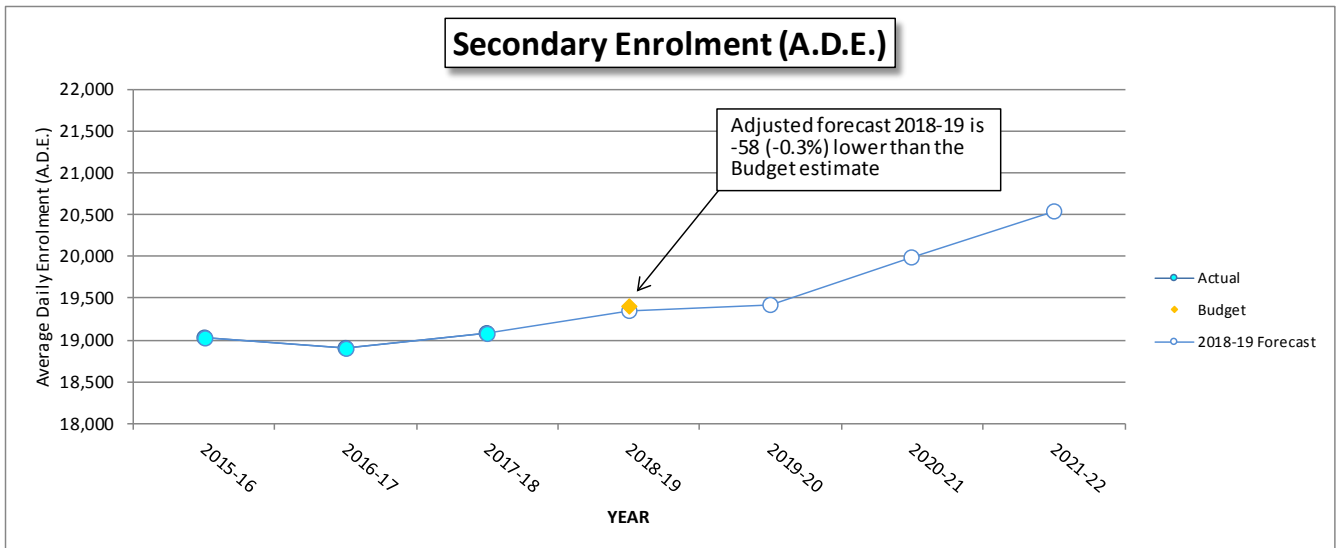
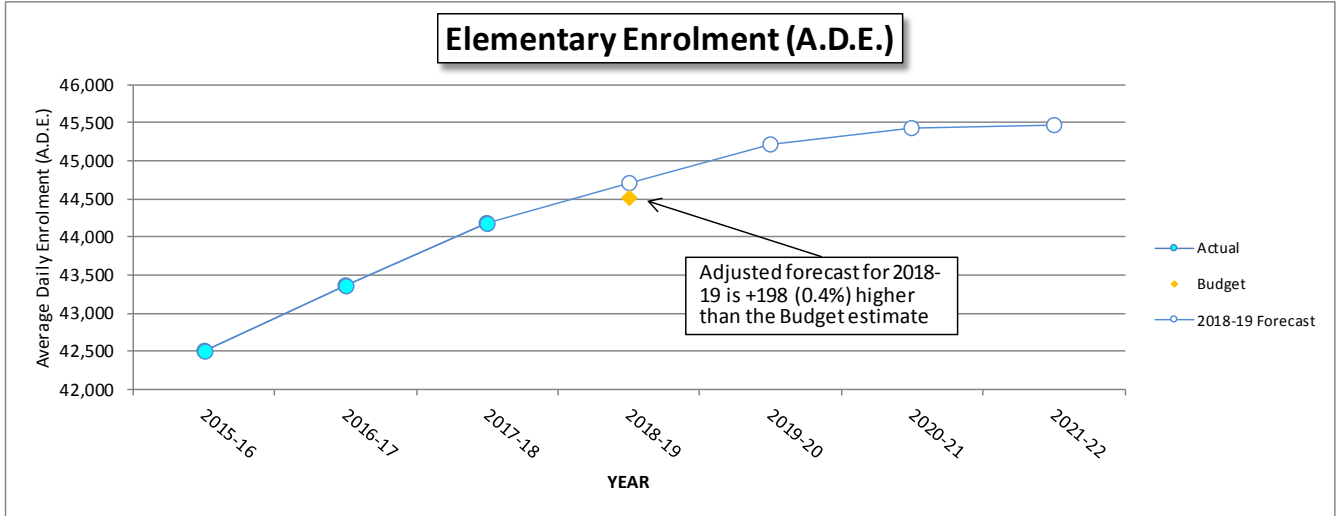
FTE	Budget	Actual October 31st	In-Year Change	
			#	%
Instruction				
Classroom Teachers	3,924.75	3,941.10	16.35	0.42%
Non-Classroom	2,028.50	2,053.20	24.70	1.22%
Total Instruction	5,953.25	5,994.30	41.05	0.69%
Non-Instruction	809.00	804.90	(4.10)	-0.51%
Total	6,762.25	6,799.20	36.95	0.55%

Highlights of Changes in Staffing:

- October 31st numbers exclude vacant permanent positions

2018-19 Interim Financial Report (Third Quarter- Sept 1, 2018 to May 31, 2019)

Historic and Projected Enrolments with 2018/19 Budget vs Projected Comparison



Waterloo Region District School Board
2018-19 Interim Financial Report (Third Quarter)
PSAB Revenues for the Period Ending May 31, 2019

	2018-19				Material Variance Note
	Budget (Estimates)	Forecast	In-Year Change		
			\$ Increase (Decrease)	% Increase (Decrease)	
Provincial Grants for Student Needs					
1 Pupil Foundation-Elementary	242,152,627	243,193,957	1,041,330	0.43%	1
2 Pupil Foundation-Secondary	114,678,188	114,634,482	(43,706)	(0.04%)	
3 School Foundation	43,700,637	43,729,027	28,390	0.06%	
4 Special Education	88,274,603	89,219,499	944,896	1.07%	2
5 French as a Second Language	8,964,597	8,924,869	(39,728)	(0.44%)	
6 English as a Second Language	10,232,768	10,888,456	655,688	6.41%	3
7 Remote and Rural Allocation	42,411	42,411	-	0.00%	
8 Learning Opportunities	7,249,304	7,243,788	(5,516)	(0.08%)	
9 Continuing Education	1,443,826	1,447,150	3,324	0.23%	
10 High Credit	97,074	91,743	(5,331)	(5.49%)	
11 Teacher Q&E	64,048,344	64,232,268	183,924	0.29%	
12 New Teacher Induction Program (NTIP)	313,564	310,122	(3,442)	(1.10%)	
13 ECE Q&E	4,249,545	4,307,303	57,758	1.36%	
14 Transportation	17,307,869	17,340,147	32,278	0.19%	
15 Admin and Governance	18,279,612	18,261,814	(17,798)	(0.10%)	
16 Trustees' Association Fee	43,316	43,316	-	0.00%	
17 School Operations	60,865,654	60,988,158	122,504	0.20%	
18 Community Use of Schools	842,701	842,701	-	0.00%	
19 Declining Enrolment	-	-	-	0.00%	
20 Temporary accommodation - relocation and leasing	1,930,500	1,930,500	-	0.00%	
21 Indigenous Education	992,228	1,028,274	36,046	3.63%	
22 Safe Schools	1,319,434	1,321,197	1,763	0.13%	
23 School Renewal	9,932,536	9,949,568	17,032	0.17%	
24 Approved Debt	104,872	104,872	-	0.00%	
25 Debt Charges-Interest Portion	7,207,269	6,911,002	(296,267)	(4.11%)	
26 1% Lump Sum	-	-	-	-	
27 Capital Grant for Land	-	-	-	-	
28 Restraint Savings	(129,030)	(129,030)	-	0.00%	
29 Labour Related Enhancements	6,518,694	6,518,694	-	-	
Total Provincial Grants for Student Needs (GSN)	710,663,143	713,376,288	2,713,145	0.38%	
30 Amortization of Deferred Capital Contributions	35,197,975	35,294,394	96,419	0.27%	
31 Legislative Grants transferred from/(to) Deferred Revenue	28,436	681,228	652,792		
32 Other Grants	3,741,569	6,208,136	2,466,567	65.92%	4
Non Grant Revenue					
33 Fees	2,287,900	1,915,700	(372,200)	(16.27%)	
34 Transportation Recoveries	-	-	-	0.00%	
35 Rental Revenue	1,669,100	1,669,100	-	0.00%	
36 Education Development Charge	10,142,195	10,142,195	-	0.00%	
37 Other Revenue	11,837,882	13,984,266	2,146,384	18.13%	5
38 Non Grant Revenue	25,937,077	27,711,261	1,774,184	6.84%	
39 School Generated Funds Revenue	14,000,000	14,000,000	-	0.00%	
40 Grants Transferred to Deferred Capital Contributions	(14,974,537)	(15,880,298)	(905,761)	6.05%	
41 Total PSAB Revenues	774,593,663	781,391,009	6,797,346	0.88%	

Waterloo Region District School Board
2018-19 Interim Financial Report (Third Quarter)
PSAB Revenues for the Period Ending May 31, 2019

EXPLANATIONS OF MATERIAL GRANT VARIANCES

- 1 Projected increase in elementary enrolment
- 2 Ministry has increased the Special Education Per Pupil Amount for 2018-19
- 3 Number of students eligible for ESL/ELD funding higher than budget forecast
- 4 Additional EPO grants announced after budget submission and carryover of the 2017/2018 Local Priorities Funding
- 5 Extended Day Program enrolment increase offset by corresponding expense; change in mix of recoverable secondments which is offset by corresponding expense

Waterloo Region District School Board
2018-19 Interim Financial Report (Third Quarter)
PSAB Expenses for the Period Ending May 31, 2019

2018-19					Material Variance Note
Budget (Estimates)	Forecast	Change			
		\$ Increase (Decrease)	% Increase (Decrease)		
OPERATING					
Classroom					
1 Classroom Teachers	402,527,473	404,460,026	1,932,553	0.5%	1
2 Supply Staff	20,854,500	20,361,262	(493,238)	(2.4%)	
3 Teacher Assistants	35,713,994	36,852,268	1,138,274	3.2%	1
4 Early Childhood Educator	17,966,100	18,644,214	678,114	3.8%	1
5 Textbooks and Classroom Supplies	16,026,029	16,151,297	125,268	0.8%	
6 Computers	8,648,200	8,898,200	250,000	2.9%	
7 Professionals & Paraprofessionals	29,245,135	28,547,192	(697,943)	(2.4%)	
8 Library & Guidance	13,680,279	13,520,092	(160,187)	(1.2%)	
9 Staff Development	4,160,810	2,660,810	(1,500,000)	(36.1%)	3
10 Department Heads	1,426,000	1,409,851	(16,149)	(1.1%)	
11 Principal and Vice-Principals	28,689,618	28,890,422	200,804	0.7%	
12 School Secretaries & Office Supplies	16,554,369	16,747,932	193,563	1.2%	
13 Teacher Consultants	8,782,734	8,908,735	126,001	1.4%	
14 Continuing Education	2,088,699	2,088,899	200	0.0%	
15 Instruction-Amortization	6,239,783	6,239,783	-	0.0%	
16 Less: GSN Funded Tangible Capital Assets	(7,250,500)	(7,500,500)	(250,000)	3.4%	
17 Sub-Total Instruction Expenses	605,353,223	606,880,483	1,527,260	0.3%	
Other Expenses					
18 Board Administration	17,762,826	17,830,167	67,341	0.4%	
19 School Operations	64,345,463	63,495,463	(850,000)	(1.3%)	4
20 Transportation	18,172,835	18,172,835	-	0.0%	
21 Amortization	603,521	603,521	-	0.0%	
22 Less: GSN Funded Tangible Capital Assets	(357,000)	(357,000)	-	0.0%	
23 Sub-Total Other Expenses	100,527,645	99,744,986	(782,659)	(0.8%)	
24 TOTAL OPERATING EXPENSE	705,880,868	706,625,469	744,601	0.1%	
NON-OPERATING					
Pupil Accommodation/Renewal/Debt					
25 School Renewal	9,933,140	10,429,233	496,093	5.0%	
26 Debt Charges	6,766,418	6,729,749	(36,669)	(0.5%)	
27 Recoverable Costs	9,838,400	12,324,651	2,486,251	25.3%	2
28 Other Non-Operating Expenses	104,872	104,872	-	0.0%	
29 Loss on Disposal of TCA and Assets					
30 Amortization	28,975,532	28,975,532	-	0.0%	
31 Less: GSN Funded Tangible Capital Assets	(7,367,037)	(7,880,387)	(513,350)	7.0%	
32 Total Pupil Accommodation Expense	48,251,325	50,683,650	2,432,325	5.0%	
33 School Generated Funds	14,000,000	14,000,000	-	0.0%	
34 TOTAL EXPENSES	768,132,193	771,309,119	3,176,926	0.4%	

EXPLANATIONS OF MATERIAL BUDGET VARIANCES

1. Increased staffing to support increase in enrolment
2. Increase in extended day enrolment and change in mix of recoverable secondments - both have revenue offset
3. Decrease of year end forecast due to the moratorium on professional development
4. Combination of staff vacancies and lower utility costs (rates and consumption)

Waterloo Region District School Board
2018-19 Interim Financial Report (Third Quarter)
Spending Risk Assessment for the Period Ending May 31, 2019

	Actual to May 31/19	Actual to May 31/18	Year-to year Increase (Decrease)	Forecast vs. Prior year YTD
	% of Forecast Spent	% of Actual Spent		
OPERATING				
Classroom				
1 Classroom Teachers	76.35%	77.04%	(0.7%)	
2 Supply Staff	83.25%	80.37%	2.9%	
3 Teacher Assistants	82.93%	85.38%	(2.4%)	
4 Early Childhood Educator	83.21%	85.26%	(2.0%)	
5 Textbooks and Classroom Supplies	78.38%	68.65%	9.7%	
6 Computers	41.08%	51.78%	(10.7%)	1
7 Professionals & Paraprofessionals	78.16%	78.13%	0.0%	
8 Library & Guidance	80.31%	78.49%	1.8%	
9 Staff Development	98.92%	83.05%	15.9%	2
10 Department Heads	77.43%	76.99%	0.4%	
11 Principal and Vice-Principals	77.67%	77.44%	0.2%	
12 School Secretaries & Office Supplies	76.03%	79.30%	(3.3%)	
13 Teacher Consultants	75.33%	75.36%	(0.0%)	
14 Continuing Education	45.38%	48.46%	(3.1%)	
15 Instruction-Amortization	0.00%	0.00%	0.0%	
16 Less: GSN Funded Tangible Capital Assets	42.65%	41.23%	1.4%	
17 Sub-Total Instruction Expenses	76.57%	77.02%	(0.5%)	
Other Expenses				
18 Board Administration	74.10%	76.43%	(2.3%)	
19 School Operations	70.72%	72.08%	(1.4%)	
20 Transportation	89.64%	88.16%	1.5%	
21 Amortization	0.00%	0.00%	0.0%	
22 Less: GSN Funded Tangible Capital Assets	170.1%	63.40%	106.7%	
23 Sub-Total Other Expenses	73.99%	75.46%	(1.5%)	
24 TOTAL OPERATING EXPENSE	76.20%	76.80%	(0.6%)	
NON-OPERATING				
Pupil Accommodation/Renewal/Debt				
25 School Renewal	54.68%	45.42%	9.3%	1
26 Debt Charges	99.98%	67.29%	32.7%	1
27 Recoverable Costs	82.86%	78.80%	4.1%	
28 Other Non-Operating Expenses	0.00%	0.00%	0.0%	
29 Loss on Disposal of TCA and Assets				
30 Amortization	0.00%	0.00%	0.0%	
31 Less: GSN Funded Tangible Capital Assets	47.2%	38.81%	8.4%	
32 Total Pupil Accommodation Expense	37.33%	30.72%	6.6%	
33 School Generated Funds	0.00%	0.00%	0.00%	
34 TOTAL EXPENSES	72.27%	72.52%	(0.3%)	

Pressure- The variance between year-to-date spending as a % of forecast versus spending for the same period last year indicates cost pressure.

Due to Timing- The variance between year-to-date spending as a % of forecast versus spending for the same period last year is due to the timing of expenditure only.

EXPLANATIONS OF SPENDING RISK ASSESSMENT

- Variations between the year-to-date spending this year and the % spent at this time last year is due to the timing of expenditures only. A budget
- Variations between the year-to-date spending this year and the % spent at this time last year is due to the moratorium on professional