

TDSB
2023-24 Budget
Ward Forum
Wards 15 and 16

June 5, 2023



Agenda

- Land Acknowledgement
- Welcome and Introductions
- Budget Timelines
- Ministry of Education Regulations – Balanced Budget Requirement
- Grant for Student Needs (GSN)
- Board's Operating Deficit
- Options to Balance
- Questions

Acknowledgement of Traditional Lands

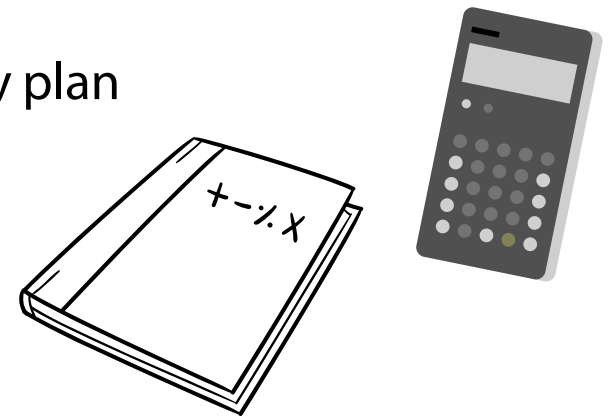
We acknowledge we are hosted on the lands of the Mississaugas of the Anishinaabe (A NISH NA BEE), the Haudenosaunee (HOE DENA SHOW NEE) Confederacy and the Wendat. We also recognize the enduring presence of all First Nations, Métis and Inuit peoples.

Welcome and Introductions

- Michelle Aarts
Trustee, Ward 16
Chair of Finance, Budget and Enrolment Committee
- Sara Ehrhardt
Trustee, Ward 15
- Stacey Zucker
Associate Director, Modernization and Strategic Resource Alignment

Balancing the 2023-24 Budget

- Boards are required to submit a balanced budget per section 231 of the Education Act:
 - Under the regulation, the Board can have a deficit of 1% (up to max of reserve balance) without requiring permission from the Ministry. 1% is approximately \$28 million.
- However, the Board had a 1.4% deficit in 2022-23 and required approval from the Ministry for the deficit:
 - As part of the approval, the Board provided a 3 year deficit recovery plan
 - 2023-24 is year 2 of the 3 year plan
 - **The plan committed to a \$15.1 million deficit in 2023-24**



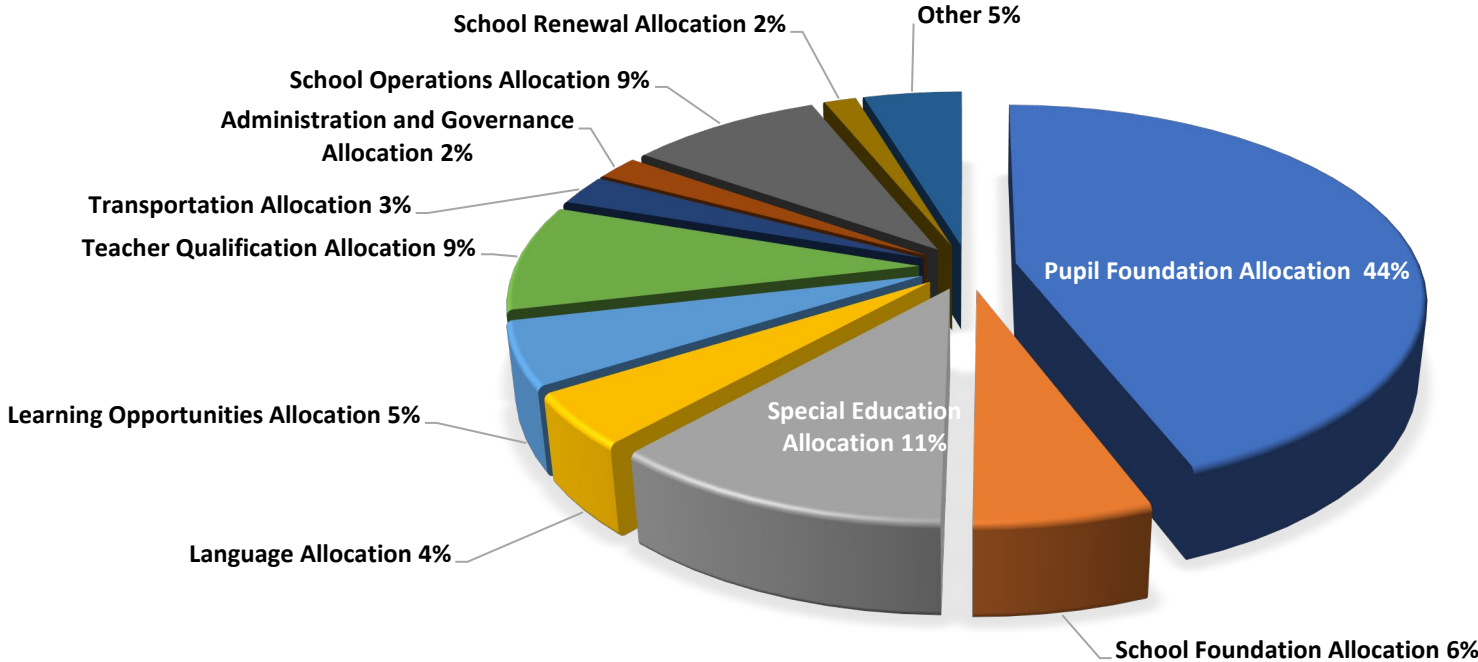
Grants for Student Needs (GSN)

Grants for Student Needs (GSN)

- The majority of funding for school boards comes from the GSN
- The GSN is mostly dependant on enrolment
- Each year, the Ministry releases the GSN in March/April and the Board is calculates the estimated revenue for the next year based on projected enrolment
- The GSN for 2023-24 is projected to be \$3.1 billion

2023-24 Grants for Student Needs (GSN)

2023-24 GSN Revenue



Highlights of Grants for Student Needs

- In 2023-24, the GSN was released on April 17, 2023
- Some of the key changes were:
 - New Transportation Funding Model – positive impact for TDSB
 - Funding for Remote Learning Administration
 - Realignment of Indigenous Education Funding
 - Labour-Related Changes
 - Labour rate increases for school support staff and teaching staff
 - Some temporary grants were moved into GSN
 - Non-staff benchmarks for school operations increased by 2%

Highlights of Grants for Student Needs

- Discontinuation of COVID Learning Recovery Fund
- In 2021-22 and 2022-23, the Ministry provided temporary funding to support COVID learning recovery
 - This funding was discontinued for 2023-24
- For TDSB, this equals 522.0 Full Time Equivalent (FTE) totalling \$31.5 million
- Of these 522.0 positions, TDSB is keeping 40.0 FTE School Based Safety Monitors by adding \$2.3 million to the 2023-24 budget.
 - The remainder of the positions are not included in the 2023-24 budget.

Positions Funded by COVID Learning Recovery Fund in 2021-22 and 2022-23

Elementary Teachers	45.5
Secondary Teachers	20.0
Vice Principals	38.5
Child and Youth Workers	35.0
School Office Clerical	28.5
SBSM	40.0
Lunchroom Supervisors	200.0
Caretaking	78.5
Social Workers	15.0
Child and Youth Counsellors	16.0
Virtual Learning Administration	5.0
	<hr/>
	522.0
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Priorities and Partnerships Funding (PPF)

- PPF funding is supplemental to the GSN and provides time-limited funding which is reviewed and assessed by the ministry each year
- The Ministry usually provides an agreement with the Board that outlines how the funds must be spent.

Changes to Priorities and Partnerships Funding

- The \$4.5 million in "Math Strategy" PPF has been discontinued. However, there is a new "Math Recovery Plan" which is approximately the same amount.
- The \$1.5 million in "Professional Assessments and Systemic Evidence-Based Reading Programs" has been discontinued. However, there is new funding to support Early Reading and Reading Intervention totalling \$9 million.
- There is \$11.1 million of new funding to fund staff to support de-streaming and transition to high school.
- In all of these instances, the Board is awaiting more detailed information to determine the requirements for this spending. In some cases, this funding may support existing programs.

Other Revenue

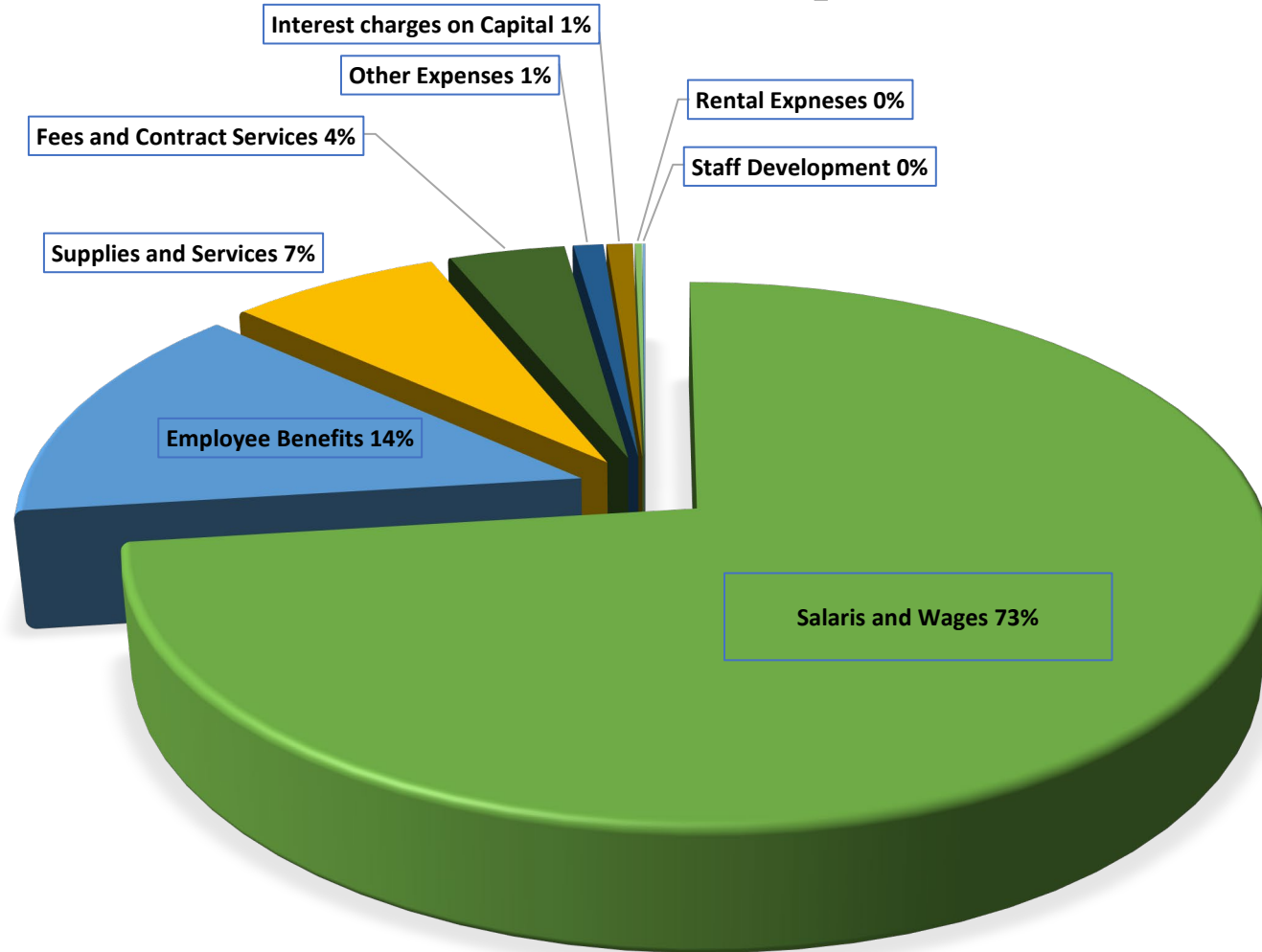
- The final component of revenue for TDSB includes:
 - Permit revenue
 - Lease revenue
 - Interest revenue
 - International student fees
- During COVID, a number of these grants decreased due to limitations and restrictions that were in place.
 - Revenue has started to increase again to pre-pandemic levels.

Expenditures

Total Estimated Expenditures

- There are very few expenditures that are truly discretionary and do not directly support students. Total operating expenditures for 2023-24 are estimated at \$3.3 billion.
- Instructional Expenditures – 81%
- Building Operations and Maintenance – 13%
- Transportation – 2%
- Administration – 2%
- Other – 2%

2023-24 Estimated Expenditures



Budget Expenditure Challenges in 2023-24

- There are a number of budget challenges that TDSB will experience in 2023-24:
 - Increase in statutory benefits
 - Increase in replacement costs related to sick leave
 - Inflationary increases in expenses that are greater than increase in funding
 - Increase in spending related to school safety in 2022-23 that will be maintained for 2023-24
 - Spending greater than funding in a number of areas. Examples include:
 - Special Education
 - Lunchroom Supervision
 - Student Nutrition
 - Outdoor Education

Benefit Costs Pressures

- There was no increase in the GSN for statutory benefits or costs related to sick leave.
- The projected incremental unfunded benefit costs from 2018-19 to 2023-24 are as follows:

Benefit	Incremental Costs
Long Term Disability (LTD)	\$13.9M
Workplace Safety Insurance Board (WSIB)	\$(8.2M)
Canada Pension Plan (CPP)	\$28.8M
Employment Insurance	\$1.0M
Sick Leave School Based	\$11.8M
Total	\$47.3M

TDSB Financial Position

2023-24 Projected Financial Position

- On February 15, 2023, a report was presented to the Board's Finance, Budget and Enrolment Committee (FBEC) that showed a projected deficit of \$61 million. When the GSN was released, \$1.6 million was added.
- **Therefore, the starting position for the 2023-24 projected deficit is \$59.4 million.**

School-Based Staffing

- School-based staffing makes up 68% of the Board's total budget
- School-based staffing is approved by Board in March in order to allow schools to prepare their staffing allocations for the next year
- In March, \$9.4 million of reductions was approved by the Board in addition to the reduction in the COVID learning recovery positions
- The Board added back 40.0 School Based Safety Monitors that were part of the COVID reduction
- In May, the Board approved adding back 8.0 Secondary Vice Principals and 20.0 Elementary Vice Principals
 - 18.0 of these positions will be funded by one-time funding carried forward from previous years.
 - 10.0 of these positions will add \$1.4 million to the budget
- Therefore, the net decrease in school-based staffing is \$8.0 million.
 - This represents 0.4% decrease

2023-24 School-Based Staffing Changes

Original School-Based Staffing Reductions.	\$9.4
Positions Added Back:	
40.0 School Based Safety Monitors	-2.3
20.0 Elementary Vice Principals	-1.4
8.0 Secondary Vice Principals	-
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	-3.7
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Total School Based Staffing Reductions	<u>\$5.7</u>

2023-24 Projected Financial Position After School-Based Staffing

Projected Deficit	-\$59.4
Reduction Related to School-Based Staffing	<u>5.7</u>
Updated Projected Deficit	<u>-\$53.7</u>

- The Board's deficit recovery plan requires the Board to get to a deficit of \$15.1 million in 2023-24. Therefore, further reductions of \$38.6 million are required to achieve this amount.

Budget Drivers

Budget Drivers

- On March 8, 2023, the Board approved the strategic budget drivers to guide the development of the 2023-24 budget. The top six based on public consultation are:
 - Staff allocation to support students
 - Student and staff safety, mental health and well-being
 - Student success and engagement
 - Equitable access to learning opportunities, including Indigenous Education
 - Human rights
 - Modernization and accessibility
- Staff have taken these drivers into account when proposing the options to balance. The budget drivers not only determine where reductions may be made; they also help to decide what is being proposed to be kept.

Options to Balance

Options to Balance – Increase in Special Incidence Portion (SIP) of Special Education Allocation

- The SIP is a claims based allocation
 - School boards may apply for SIP funding on behalf of students who require more than two full-time equivalent board-paid staff providing intensive support for the health and/or safety of the applicant student, other students and/or staff.
 - The deadline for application is usually in December of the school year and the supports must already be in place when submitting a claim.
- The Ministry has agreed to extend the deadline for TDSB to ensure that all eligible claims are submitted.
 - The estimate of the additional funding to be received is \$5 million.

Options to Balance – Central Teaching and Administration

Central Teachers	FTE
Early Reading Coach, Elementary	20.0
K-12 Coach, Elementary	16.0
K-12 Coach, Secondary	8.0
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	44.0
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The 44.0 FTE represent 11.0 FTE per learning centre.

The reduction in centrally assigned principals (CAP) represents a decrease in 1.0 Centrally Assigned Principal per learning centres and 1.0 FTE in the Director's Office.

The total proposed reduction is \$5.6 million.

Options to Balance – Central Department Discretionary Budget

- Central departments were asked to reduce discretionary spending by 5%
 - Departments are able to decide where reductions can be made. I.e. supply purchases, PD, technology, etc.
- In addition, staff are reviewing all licence agreements to determine if any can be paused or discontinued.
- The projected savings is \$1.7 million.

Options to Balance – General Interest Courses

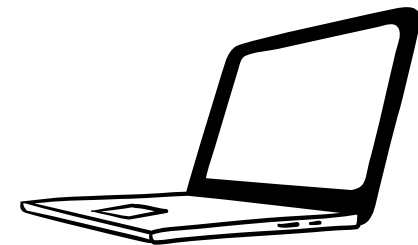
- The Board offers general interest courses to adults. Examples include pizza making, dance classes, art classes
- Currently, the expenditures for general interest exceed revenues by \$600,000
- Policy P019, Continuing Education, state that “Community programs should be fully funded by user fees and other revenues.”
- Staff will review ways to fully fund general interest programs including possible fee increases and enrolment thresholds

Options to Balance – Review of Other Grants and Possible Efficiencies

- The Board receives other funding outside of the GSN (e.g. PPF) and/or certain GSN allocations are enveloped.
 - Some of these grants were not spent during COVID due to restrictions that were in place
- Staff will be reviewing all the grants to ensure that eligible expenses are charged to this funding.
- In addition, staff will be reviewing all programs to ensure they are operating efficiently
- As a result of this work, staff estimates \$4.6 million of GSN to be available to assist in balancing the budget.

Options to Balance – 1:1 Device Deployment

- Devices are purchased in the summer prior to the school year.
 - Therefore, the devices for 2023-24 school year will be purchased with the 2022-23 budget
- A pause in the 1:1 device deployment budget for 2023-24 means the devices cannot be purchased next summer for 2024-25
 - They can be considered as part of the 2024-25 budget and purchased in the fall with a delay in deployment
- The annual allocation is \$9 million.



Options to Balance – Additional Virtual School Enrolment

- TDSB is providing remote learning for students in 2023-24
- Per the Ministry memo related to the GSN
 - “For students who wish to enroll in remote learning, school boards may offer remote learning instruction directly, they may partner with another school board to provide remote learning instruction on their behalf, or they may work with other school boards to deliver remote learning collaboratively.”
- TDSB has been approached by neighbouring school board to provide remote learning for secondary students on their behalf.
 - Staff is working with the Board and expect an increase in revenue by approximately \$300,000

Options to Balance – Use of POD

- As a result of the moratorium on school closures, TDSB does not have the ability to deal with excess capacity
- The Ministry no longer provides funding that recognizes that the cost of operating schools does not significantly differ whether the school is at full capacity or not.
- Staff estimates the operating costs associated with not being able to close schools at \$12 million
- Staff is recommending a request to the Ministry to use \$12 million in POD to assist in balancing the budget.
 - The uncommitted POD balance is currently estimated at \$85 million and will increase as we sell surplus properties.

Summary of Options to Balance

Increase in SIP Special Education Allocation	5.00
Central staffing	5.60
Central department reductions	1.70
General interest courses	0.60
Review of other grants and possible efficiencies	4.60
1:1 device deployment	9.00
Additional virtual school enrolment	0.30
Use of POD	12.00
	<u>38.80</u>

Updated Financial Position if Board Approved Options to Balance

Projected Deficit	- \$53.7
Options to Balance	<u>38.8</u>
Updated Projected Deficit	<u><u>- \$14.9</u></u>

This means that if all options were approved, the Board would have a projected deficit less than \$15.1 million (committed to by deficit recovery plan)

Budget Timelines

Date	Committee/Meeting	Event
Week of June 5	Budget Town Halls and Ward Forums	Public Webinars on Budget and Ward Forums
June 12	Special Finance, Budget and Enrolment Committee	Delegations from Public Related to Budget
June 13	Special Finance, Budget and Enrolment Committee	Review/Discussion of Budget Based on Public Feedback
June 20	Special Finance, Budget and Enrolment Committee	Recommendation to Board of Operating and Capital Budgets
June 22	Special Board	Approval of Operating and Capital Budgets

Questions?