



2017-18 Budget & 2016-17 Financial Update

Budget & Financial Update

(Revised)

as at April 25, 2017

Presented by:

- Anna Chan, Chief Financial Officer & Treasurer of the Board
- Jackie Porter, Co-ordinating Manager, Budget and Audit Services



2017-18 Budget & 2016-17 Financial Update

AGENDA:

- ☐ Highlights of April 25, 2017 GSN announcements and potential fiscal impacts
- ☐ 2016-17 Update
- ☐ 2016-17 Cost Reductions Summary
- ☐ 2017-18 Enrolment assumptions & trends
- ☐ 2017-18 Special Education Funding (Preliminary)
- ☐ 2017-18 School Operations Funding (Preliminary)
- ☐ The Continuing Improvement on Student Achievement

Extract from Ministry Website:

<http://www.edu.gov.on.ca/eng/policyfunding/funding.html>

Information on the 2017-18 Grants for Student Needs

April 2017 Release

- Memorandum 2017 B04: [Grants for Student Needs Funding for 2017-18](#) (PDF, 231 KB)
- April 12, 2017: [Grants for Student Needs: Technical Briefing Video](#) (24:44)
- April 12, 2017: [Grants for Student Needs: Technical Briefing Presentation Slides](#) (PDF, 323 KB)

Ministry Publications

- [Technical Paper 2017-18](#) (PDF, 1.05 MB)
- [School Board Funding Projections for the 2017-18 School Year](#) (PDF, 1.82 MB)
- 2017-18 Education Funding: [Discussion Summary](#) (PDF, 311 KB)
- 2017-18 Education Funding: [A Guide to the Grants for Student Needs](#) (PDF, 1.76 MB)
- Memorandum 2017 SB08: [Renewal & Greenhouse Gas Reduction Funding for the 2017-18 School Year](#) (PDF, 328 KB)
- Memorandum 2017 B03: [2017-18 School Year Education Programs – Other \(EPO\) Funding](#) (PDF, 506 KB)



2017-18 GSN Highlights as at April 25, 2017

Highlights of April 12, 2017 GSN announcements :

1. Funding for Labour Agreements:
 - a) Wage increases
 - b) Provincial Employee Life and Health Trusts (ELHTs) inflationary & base increases
 - c) Local Priorities Fund (LPF)
2. Other Funding:
 - a) Class Size investments for FDK and Grades 4-8
 - b) Community Use of School (CUS) 3% increase
 - c) Human Resource Transition Supplement
3. Keeping up with costs:
4. On-going implementations
5. Capital Investments
6. Accountability
7. Financial Reporting Deadlines



2017-18 GSN Highlights as at April 25, 2017

Labour Agreements

| Labour Agreements (2017-18) | Estimated YCDSB 2017-18 Impact | | |
|---|--------------------------------|-----------------------|---|
| | Estimated Revenue Impact | Estimated Cost Impact | GSN announcement & expected impact Description |
| 1.5% increase in salary benchmarks for teaching and non-teaching | ↑ TBD | ↑ > Rev ↑ | <ul style="list-style-type: none"> • 1.5% effective September 1, 2017 Unfavourable - FTEs/salaries higher than funded by benchmark |
| 0.5% lump sum payment for professional development, supplies, equipment or other professional expenses | \$ 2,336,372 | ↑ > Rev ↑ | <ul style="list-style-type: none"> • 0.5% based on wages earned 2016-17 for all bargaining unit employees, including casuals or on paid leave Sept 5, 2017 Unfavourable - FTEs/salaries higher than funded by benchmark |
| Employee Life & Health Trusts (ELHT) inflationary and based increases | ↑ TBD | ↑ = Rev ↑? | <ul style="list-style-type: none"> • ELHT inflationary increases effective September 1, 2017 - 4% & September 1, 2018 – 4% • FTE increases resulting from new systems investments |
| Local Priorities Fund (LPF) to address a range of local education issues (target: Special Education to support children in need, “at-risk” students and adult education.) | \$2,072,166 + 29.2 FTE | ? | <ul style="list-style-type: none"> • CUPE Systems investments: Special Education staff amount: \$1,119,071 & Other Staffing amount: \$953,095 • 29.2 teachers FTEs • “Actual staffing will vary depending on specific agreements, local discussions and compensation specific to each board, as well as job security provisions, staffing reductions related to declining enrolment and other exceptions.” |



2017-18 GSN Highlights as at April 25, 2017

Other Funding

| Other Funding (2017-18) | Estimated YCDSB 2017-18 Impact | | |
|---|--------------------------------|-----------------------|---|
| | Estimated Revenue Impact | Estimated Cost Impact | GSN announcement & expected impact Description |
| Class Size investments targeted to reduce class sizes for FDK and Grades 4 to 8 | ~ 12 FTE's | ↑ = Rev ↑ | <ul style="list-style-type: none"> • FDK funded average class size to lower from 26 to 25.75 (new class size caps) • Grades 4-8 funded average class size to lower from 24.5 to 24.17 (boards with class sizes > 24.5 must reduce class sizes). 5 year reduction to 22.85 funded average class size. |
| Community Use of Schools (CUS) funding increase of 3% | \$ 15,877 | nil | <ul style="list-style-type: none"> • CUS allocation to reduce rates for school space used by the community; therefore, net impact should be nil. |
| Human Resource Transition Supplement | \$ 258,806 | ↑ | <ul style="list-style-type: none"> • New funding through the Administration and Governance Grant for management of the labour agreement extensions • unsure if permanent or one-time and whether cost-based. |



2017-18 GSN Highlights as at April 25, 2017

Keeping Up with Costs

| Keeping Up with Costs | Estimated YCDSB 2017-18 Impact | | |
|--|--------------------------------|-----------------------|--|
| | Estimated Revenue Impact | Estimated Cost Impact | GSN announcement & expected impact Description |
| 2% increase in Student Transportation Grant will be netted against a school board's transportation surplus | ↑ potential 2% (~\$290k) | ↑ > Rev ↑ | 2% Transportation allocation increase must be netted against any 2016-17 transportation surplus which is TBD. Transportation costs expected increase > 2% for 2017-18. |
| 2% cost benchmark update to the non-staff portion of the School Operations Allocation | ↑ TBD | ↑ > Rev ↑ | Expect cost increases > Funding increase |
| Other Cost increases | \$0 | ↑ | Expect cost increases with no funding offset |

“Keeping up with costs” funding announcements are limited to the two areas noted above and by no way covers cost increases expected for 2017-18.



2017-18 GSN Highlights as at April 25, 2017

On-Going Implementation

| On-going Implementations (Multiple Year Impacts) | Estimated 2017-18 Fiscal Impact | | Cumulative In-year Impact 2017-18 |
|---|---------------------------------|---------------------------|---|
| | In-year Change | Cumulative In-year Impact | |
| Fiscal Impact from Grants Reduction since 2012-13 | | | |
| School Operations Top-Up Grant elimination | ↓(\$1.2M) | ↓(\$4M) | Final year of three year phase-in to eliminate grant to support excess capacity |
| School Operations Supplemental Area Factor (SAF) Change | ↓(\$360k) | ↓(\$3M) | Two reductions: 2013-14 decrease of \$1.9M plus final years of three year phase-in from 2015-16 (\$1.1M) |
| New Differentiated Special Education Needs Amount (DSENA) | ↓~(\$1.28M)+ | ↓(\$3.3M) | Formerly High Needs Amount (HNA), the new funding model (DSENA) will be in its final year of a four year phase-in. |
| Benefits Benchmark Decrease for Retirement Gratuities | ↓(\$600k) | ↓(\$3.3M) | 12 year phase to 2024 in with no offset cost reduction |
| Declining Enrolment Adjustment Grant Reduction | ↓(\$250k) | ↓(\$250k) | Beginning 2015-16, Declining Enrolment Grant Reduction has been decreased. In year impact is dependent on decline of prior year, the larger the decline, the higher the lost grant. |
| Other Provincial Restraint Measures since 2012-13 | | ↓(\$7M) | Pupil Foundation Grant - Classroom Computers, Staff Development, Change to High Credit, Special Education Equipment, Learning Opportunities Demographic component, Compensation Restraint Savings, Admin & Governance |
| Total | ↓(\$3.7M) | ↓(\$20.9M) | |



2017-18 GSN Highlights as at April 25, 2017

On-Going Implementation

| On-going Implementations (Other) | Estimated YCDSB 2017-18 Impact | |
|---|--------------------------------|---|
| | Estimated Revenue Impact | GSN announcement & expected impact Description |
| 2014-15 Board Administration and Governance new funding model | Min | The 2014-15 new funding model (changing from a largely enrolment-based allocation to one that reflects recommendations from the 2010 School Board Administration and Governance Advisory Group (BAAG) report) will be in its final year of a four year phase-in |
| Literacy and Math Outside School Day Allocation | ↑ TBD | A student who has completed grade 6 can access a summer class or course (Summer 2018) in literacy and/or math for grade 7 students |
| Capital Planning Capacity Allocation (4 year allocation ending 2017-18) | \$ 207,330 | 2017-18 is the final year of a four year funding allocation for Capital Planning Capacity to support additional capital planning activities to make efficient use of school space under |

There are other fiscal impacts from past central Labour Framework such as OECTA Earned Leave Plan (ELP), Employee Life & Health (ELHT) transition impacts, Maternity Top-up costs and Supply Costs increases.



2017-18 GSN Highlights as at April 25, 2017

Capital Investments

| Capital Investments | Estimated YCDSB 2017-18 Impact | |
|------------------------------------|--------------------------------|---|
| | Capital \$'s | GSN announcement & expected impact Description |
| School Renewal Allocations (SRA) | \$ 883,352 | The investment in SCI funding for 2017-18 and 2018-19 will be consistent with SCI funds allocated in previous school years. |
| School Condition Improvement (SCI) | \$ 11,726,800 | The investment in SCI funding for 2017-18 and 2018-19 will be consistent with SCI funds allocated in previous school years. |
| Greenhouse Gas Reduction (GGRF) | \$ 2,931,700 | GGRF will reduce Greenhouse Gas (GHG) emissions from Board facilities include the Board's Administrative Building. The allocation must be used by March 31, 2018. |

With the capital grants will come intensified reporting and accountability requirements that must be adhered to and monitored.



2017-18 GSN Highlights as at April 25, 2017

Accountability

Accountability announcements:

New:

Indigenous Education Grant will be fully enveloped and has additional mandates for use of grant.

Existing:

- Full-day Kindergarten and Primary Class Size non-compliance and late submission penalties
- School Board Administration and Governance Compliance
- Student Achievement Envelope (for 7 Learning Opportunities Grants or LOG) enveloping
- Other enveloping: Library Staff LOG, Mental Health Leader, NTIP, Special Education, Safe Schools
- Capital Grants must be used for approved capital expenditures



2017-18 GSN Highlights as at April 25, 2017

Financial Reporting Deadlines

The following are the Financial Reporting Deadlines:

| Date | Description |
|-------------------|---|
| June 30, 2017 | Board Estimates for 2017–18 |
| November 15, 2017 | Board Financial Statements for 2016–17 |
| November 24, 2017 | Board Enrolment Projections for 2018–19 to 2021–22 |
| December 15, 2017 | Board Revised Estimates for 2017–18 |
| May 15, 2018 | Board Financial Report for September 1, 2017, to March 31, 2018 |

2016-17 Update:

- 2016-17 Cost Reductions
- Multi-Year Recovery Plan (MYRP) activities continuing
- 2016-17 Financial Update to Corporate Services Committee May 9
- 2016-17 Interim Financial Report (as at March 31, 2017) filed with Ministry as part of non-compliance requirement



2016-17 Cost Reductions Summary

| 2016-17 Cost Reductions Summary | |
|------------------------------------|------------------|
| Total Salaries and Benefits | |
| CEC Staffing | 1,529,031 |
| Curriculum staffing | 925,167 |
| Special Education Staffing | 440,000 |
| Salaries and Benefits | 2,894,198 |
| Total Expenses | |
| Curriculum | 570,000 |
| Special Education | 191,000 |
| Plant | 1,095,000 |
| Transportation | 76,000 |
| Other | 648,839 |
| Professional development | 778,050 |
| Expenses | 3,358,889 |
| TOTAL | 6,253,087 |

2017-18 Preliminary Enrolment

Preliminary 2017-18 Enrolment Projections:

| Enrolment Summary | | | | |
|---|---------------------------------|------------------------|------------|--------|
| | 2016-17 Revised Estimates | 2017-18 Preliminary | Difference | |
| | | | #/\$ | % |
| ENROLMENT (excludes High Credit, Visa & Other students) | | | | |
| Elementary | 36,406.22 | 35,898.35 | (507.87) | -1.40% |
| Secondary | 17,905.13 | 17,728.13 | (177.00) | -0.99% |
| Total Enrolment | 54,311.35 | 53,626.48 | (684.87) | -1.26% |
| ENROLMENT (Other Secondary) | | | | |
| High Credit | 7 | 7 | | |
| Indigenous students | 1 | 1 | | |
| Over 21 | 1 | 1 | | |
| Secondary | 9.00 | 9.00 | - | |
| ENROLMENT (Visa students) | | | | |
| Elementary | 63.00 | 65.00 | 2.00 | 3.17% |
| Secondary | 367.00 | 385.00 | 18.00 | 4.90% |
| Total Enrolment | 430.00 | 450.00 | 20.00 | 4.65% |
| ENROLMENT (includes Visa students) | | | | |
| Elementary | 36,469.22 | 35,963.35 | (505.87) | -1.39% |
| Secondary | 18,281.13 | 18,122.13 | (159.00) | -0.87% |
| Total Enrolment | 54,750.35 | 54,085.48 | (664.87) | -1.21% |

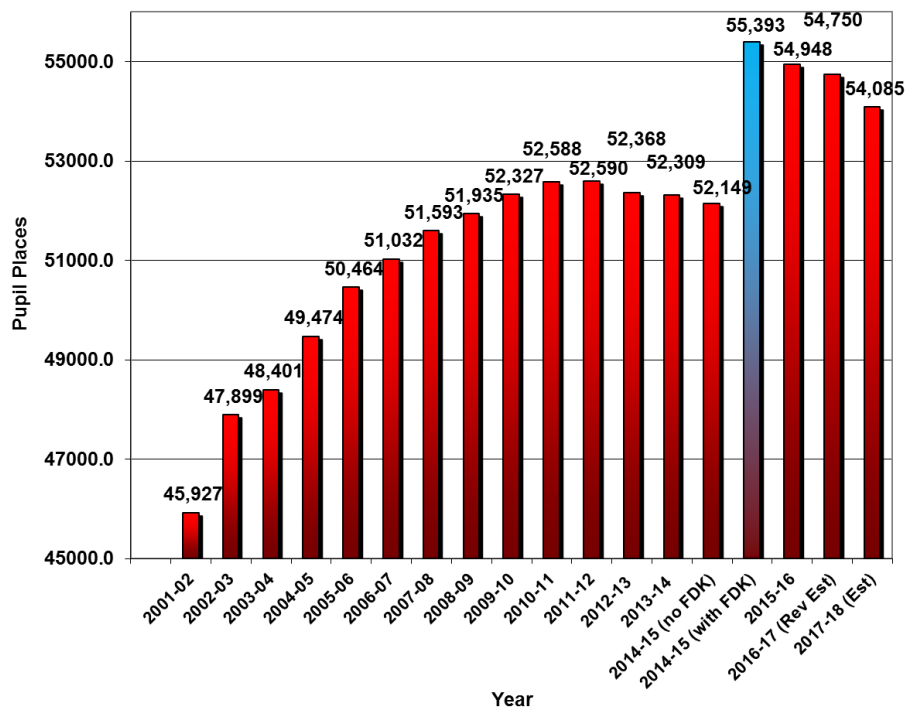
Preliminary 2017-18 Enrolment Decline Impact:

ENROLMENT IMPACT ON GSN (Regular Pupils Only)

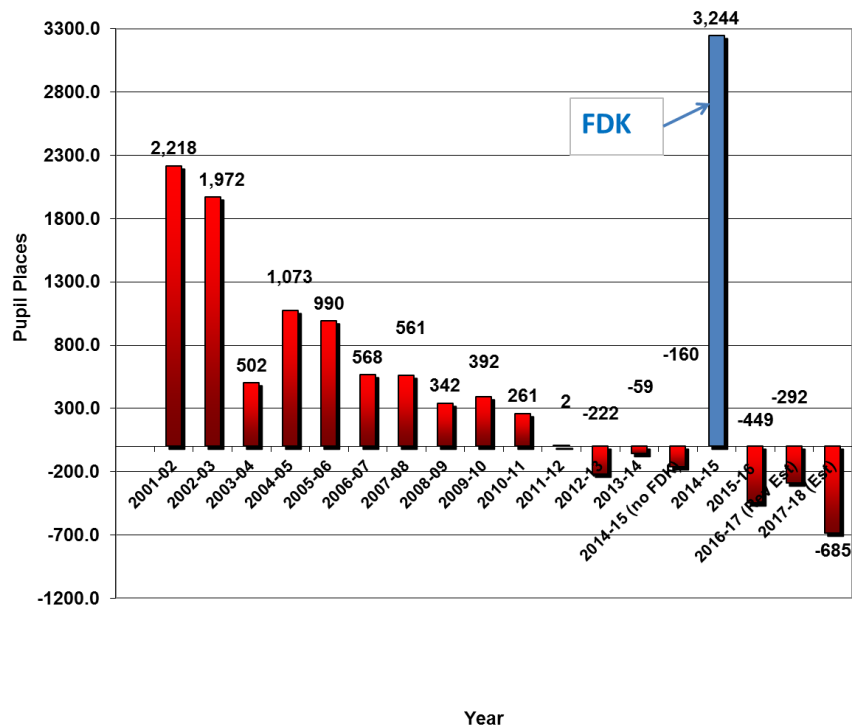
| | Per 2017-18 Estimates | | |
|----------------------------|------------------------------|---|--|
| | Projected Enrolment Decrease | Estimated GSN Decrease Per 2017-18 Projected Enrolment Decrease | Estimated GSN Per 100 Decrease in Pupils |
| JK/SK | (289.44) | (2,583,478) | (892,578) |
| Primary | (303.76) | (2,533,294) | (833,979) |
| Junior/Intermediate | 85.33 | 620,031 | (726,627) |
| Secondary | (177.00) | (1,424,159) | (804,610) |
| Total | (684.87) | (5,920,900) | |

Enrolment Trends:

YCDSB (including Other Pupils)
Enrolment (ADE) History & Projections
2002 to 2016 Actuals & 2017 & 2018 Projections



Enrolment Change Year over Year History
2002 to 2018



2017-18 Special Education Funding

Summary of Changes: Special Education

| | 2016-17 RE | 2017-18 Estimates | Change | % Change | |
|---|----------------------|----------------------|---------------------|---------------|--|
| Spec Ed Per Pupil amount (SEPPA) | \$ 38,951,996 | \$ 39,409,776 | \$ 1,044,275 | 1.18% | Estimated Change due to Salary & Benefit benchmark changes |
| | | | \$ (586,495) | | Enrolment Decline Impact |
| Special Equipment Amount (SEA) | 2,280,694 | 2,255,969 | (24,725) | -1.08% | |
| Behavioural Expertise Amount (BEA) | 239,814 | 241,914 | 2,100 | 0.88% | Change due to Salary & Benefit benchmark changes |
| High Needs Amount (HNA/DSENA) | \$ 26,120,568 | \$ 24,840,269 | \$(1,280,299) | -4.90% | DSENA Funding Model Change |
| Special Incidence Portion (SIP) | 2,100,000 | 2,000,000 | (100,000) | -4.76% | |
| Facilities (FA) | 443,829 | 524,825 | 80,996 | 18.25% | |
| Total Special Education Allocation | \$ 70,136,901 | \$ 69,272,753 | \$ (864,148) | -1.23% | |

| | |
|---|---------------|
| Funding Increase from Salary & Benefits | \$ 1,044,275 |
| DSENA Funding Model Change | \$(1,280,299) |
| Funding decrease including enrolment decline impact | \$ (628,124) |

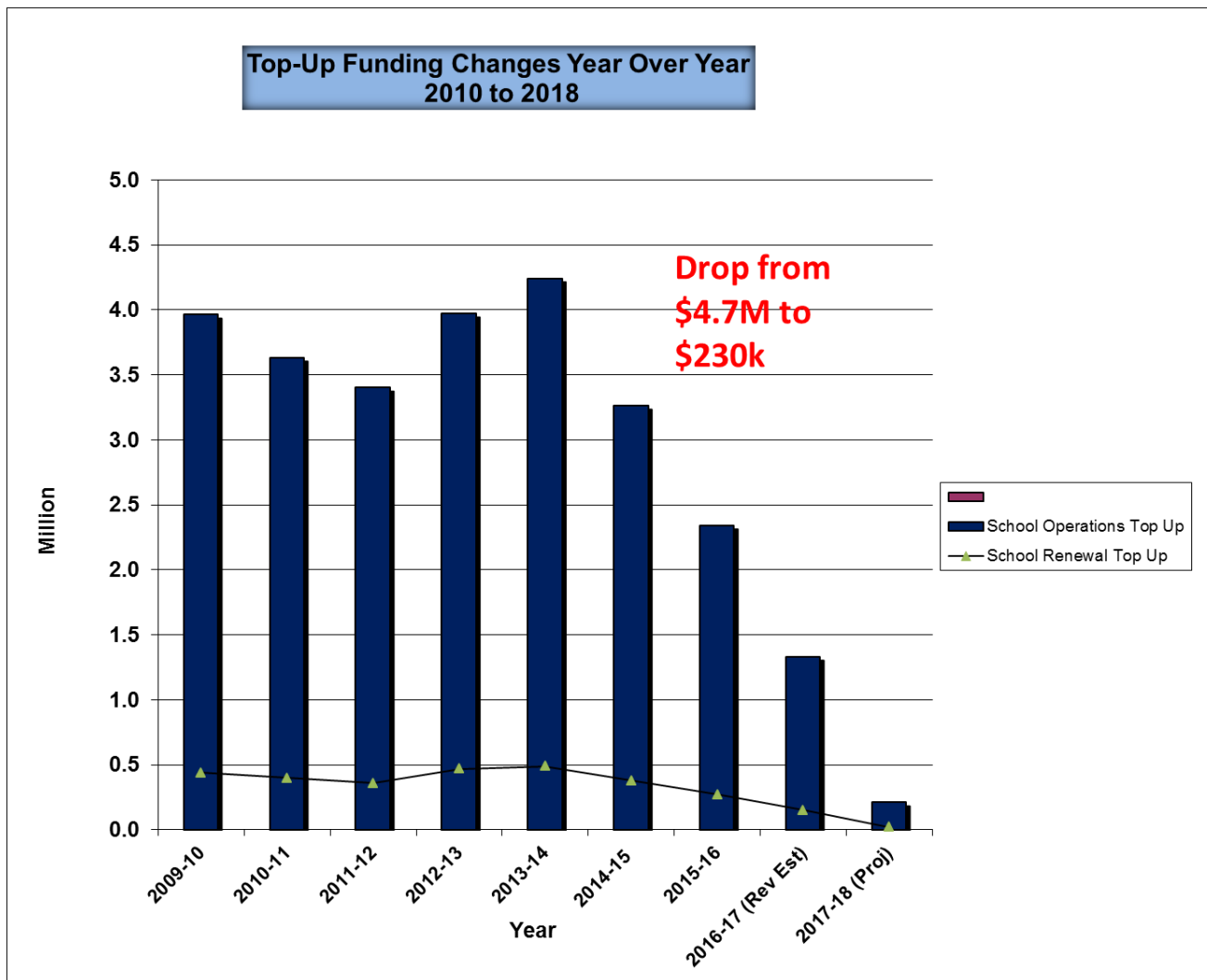
2017-18 School Operations Funding

Summary of Changes: School Operations

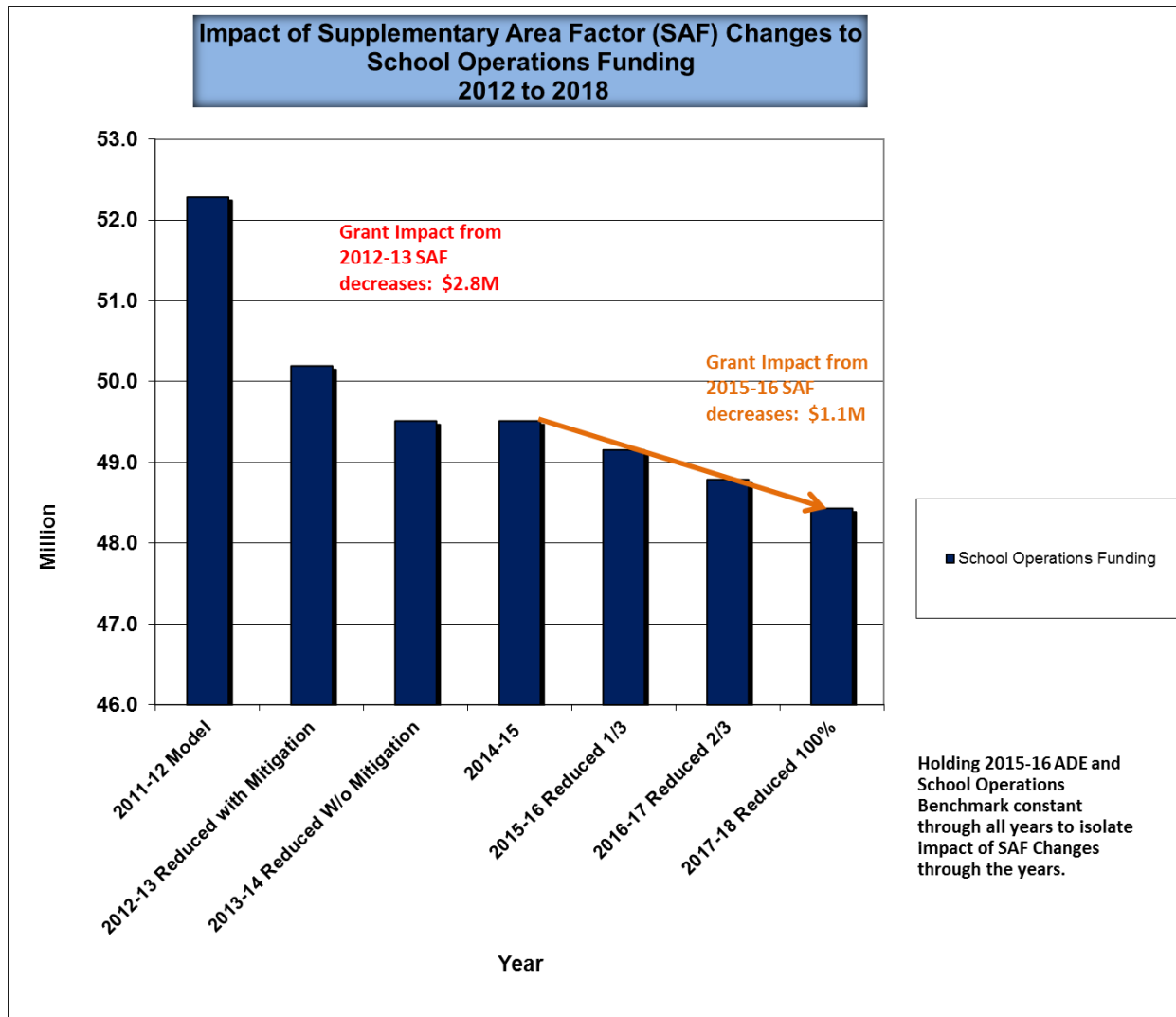
| | 2016-17 Revised Estimates | 2017-18 Estimates | Change | % Change | |
|--------------------------------|---------------------------------|----------------------|------------------|--------------|---|
| | | | (371,045) | | Supplemental Area Factor (3rd & Final Yr) |
| | | | 686,542 | | Benchmark Increase (3rd & Final Yr) |
| | | | 872,726 | | Benchmark Increase (100%) |
| | | | (651,422) | | Enrolment Decrease |
| School Operations Allocation | 50,257,719 | 50,794,520 | 536,801 | 1.1% | |
| Top-UP | 1,330,384 | 205,374 | (1,125,010) | -84.6% | Top- up Elimination (3rd & Final Yr) |
| Section 23 Facilities | 9,267 | 11,288 | 2,021 | 21.8% | |
| Software Licensing Fee | 19,278 | 17,874 | (1,404) | -7.3% | |
| Total School Operations | 51,616,648 | 51,029,056 | (587,592) | -1.1% | |

(2,147,477) = Loss without 100% expense offsets

2017-18 School Operations Funding



2017-18 School Operations Funding





THE CONTINUOUS IMPROVEMENT OF STUDENT ACHIEVEMENT

FOCUS ON STUDENT ACHIEVEMENT:

- While YCDSB will be working with the Ministry to address the structural deficit, the focus of the Multi-Year Financial Reduction Plan (MYFRP) will be to support the continued improvement of student achievement and well-being and to minimize impacts on the classroom.
- Some of the funds that the YCDSB receives from the Ministry of Education are required to be used for specific initiatives such as, Mental Health, Math Strategy, Outdoor Education, Specialist High Skills Major, etc. The Board must continue to apply funds which focus on such areas as directed by the Ministry of Education.



THE CONTINUOUS IMPROVEMENT OF STUDENT ACHIEVEMENT

FOCUS ON STUDENT ACHIEVEMENT (Cont'd):

Education Program Other (EPO) announced for 2017-18 to-date includes:

| Education Program Other (EPO) Grants | |
|--------------------------------------|---|
| Amount | 2017-18 GSN Announcements to-date |
| \$ 80,809 | Autism Supports and training |
| \$ 180,670 | Autism: Supporting Transition to the New Ontario Autism Program |
| \$ 113,600 | Community Use of Schools: Outreach Coordinators |
| \$ 65,000 | Focus on Youth Program |
| \$ 796,625 | Renewed Math Strategy K-12 |
| \$ 149,897 | Well-Being: Safe, Accepting and Healthy Schools and Mental Health |
| \$ 1,386,601 | TOTAL |