

YCDSB 2017-18 Budget Update

**June 13, 2017
Board Meeting**



Mission Statement

Guided by Gospel Values and Catholic Virtues, in partnership with home and Church, we educate and inspire all students to reach their full potential in a safe and caring environment.

Vision Statement

Our students will become creative and critical thinkers who integrate Catholic Values into their daily lives, as socially responsible global citizens.

Core Values



Strategic Commitments



Areas of Focus

1. 2017-18 June 13 Budget
 - a) Operating Revenue
 - b) Operating Expenses
 - c) Preliminary Financial Position
2. Fiscal Responsibility: MYFRP
 - a) Compliance Requirements
 - b) MYFRP Requirements
 - c) Compliance Conclusions
 - d) Assessing Deficit in “Bundles”
 - e) Board Profile
3. Q&A



2017-18 Budget Update

2017-18 Preliminary Budget (June 13th):

Enrolment

- Enrolment in preliminary budget continues to be assessed

Revenues

- Incorporates adjustments and savings

Expenses

- Incorporates May 23 & May 30 Board Motions, adjustments for class size compliance and additional proposed cost reductions



REVENUES

OPERATING REVENUE

2017-18 Operating Revenue (Preliminary Estimates)

	2016-17 Revised Estimates	2017-18 Estimates	Difference	
			#/\$	%
<u>ENROLMENT</u>				
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%
OPERATING REVENUE				
Grants for Student Needs (GSN)	\$ 560,413,151	\$ 573,907,001	\$ 13,493,850	2.41%
Other Grants	(118,069)	-	118,069	-100.00%
Other Revenue	10,129,900	10,723,626	593,726	5.86%
Continuing Education Other	7,880,703	7,952,141	71,438	0.91%
	\$ 17,892,534	\$ 18,675,767	\$ 783,233	4.38%
TOTAL OPERATING REVENUE (Excl. Grants/Revenue w/ exp offsets, Capital/PSAB)	\$ 578,305,685	\$ 592,582,768	\$ 14,277,083	2.47%



REVENUES UPDATES

Revenue Increases (June 13th) of \$1.0 million:

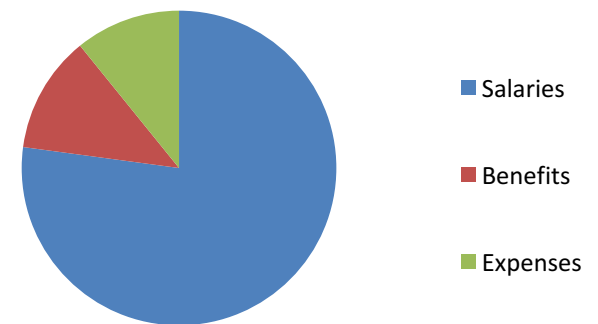
- CEC staffing savings – BI Project recoveries (\$150k)
- STS YRDSB recoveries (\$155k)
- ELHT GSN Grant adjustment (\$59k)
- OSBIE Rebates (\$200k)
- ELP Grant reduction provision (\$365k)
- Other adjustments (\$71k)



OPERATING EXPENSES

	2016/17 Revised Estimates	2017/18 Estimates	Change	%
Salaries	450,380,596	459,821,877	9,441,281	2.10%
Benefits	71,170,668	71,839,230	668,562	0.94%
Salaries and Benefits	521,551,264	531,661,107	10,109,843	1.94%
Expenses	62,821,736	63,760,958	939,222	1.50%
Grand Total	584,373,000	595,422,065	11,049,065	1.89%

	2017/18 Estimates	%
Salaries	459,821,877	77.23%
Benefits	71,839,230	12.07%
Salaries and Benefits	531,661,107	89.29%
Expenses	63,760,958	10.71%
Total Operating Expenses	595,422,065	100.00%



Incorporates estimated impact from May 23 & 30 2017 Board Motions and other Proposed reductions.



OEPRATING EXPENSES UPDATE

Expense Decrease (June 13th) netting \$7.2 million:

- **May 23 Board Motions (Dec \$5.5 M)**
- **Local Priorities Fund Other (Dec \$446k)**
- **May 30 Board Motion (Dec \$772k)**
- **RIAT adjustment & Recoveries(Dec \$137k)**
- **CanCopy (Dec \$150k)**
- **Class size compliance adjustment (Inc \$1.0 M)**
- **Plant Expense Reductions (Dec \$400k)**
- **GSB Proposed Reductions (Dec \$800k)**

Note: Class Size change for Grade 4 -8 also incorporated in the Preliminary Budget



2016-17 Expense Reductions

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 Administration	1,648,839
Professional development	778,050
Expenses	4,358,889
TOTAL	7,253,087



OPERATING EXPENSES

Staff Reductions

	Salaries: Permanent & Supply				Permanent FTE's		
	2016/17 Revised Estimates	2017/18 Estimates	Change	%	2016/17 Final Rev Est FTE	2017/18 May 23 Est FTE	2017/18 May 23 Est FTE Diff
Teachers	326,217,604	332,584,410	6,366,806	1.95%	3,546.0	3,510.7	(35.2)
Principals & Vice Principals	20,734,295	20,561,172	(173,123)	-0.83%	168.5	163.5	(5.0)
	346,951,899	353,145,582	6,193,683	1.79%	3,714.5	3,674.2	(40.2)
EA	25,245,450	25,998,423	752,973	2.98%	546.0	547.5	1.5
ECE	8,423,209	8,173,866	(249,343)	-2.96%	207.0	196.0	(11.0)
Support Staff - PPT	16,088,009	15,898,044	(189,965)	-1.18%	612.6	595.1	(17.6)
	49,756,668	50,070,333	313,665	0.63%	1,365.6	1,338.6	(27.1)
Support Staff - School	10,726,471	10,828,912	102,441	0.96%	214.4	210.9	(3.5)
Support Staff-Admin&Gov	9,312,529	9,008,974	(303,555)	-3.26%	120.5	115.0	(5.5)
Support Staff-Sch Op	26,931,776	27,792,312	860,536	3.20%	500.0	504.0	4.0
Support Staff-Transp	601,237	604,245	3,008	0.50%	8.0	8.0	0.0
	47,572,013	48,234,443	662,430	1.39%	842.9	837.9	(5.0)
Continuing Education	7,709,819	7,911,208	201,389	2.61%	164.8	164.3	(0.5)
PD Salaries	184,697	460,310	275,613	149.22%	0.0	0.0	0.0
Salary & Benefit Provisions	(1,794,500)	0	1,794,500	-100.00%	0.0	0.0	0.0
	6,100,016	8,371,518	2,271,502	37.24%	164.8	164.3	(0.5)
Total Salary	450,380,596	459,821,877	9,441,281	2.10%	6,087.8	6,015.0	(72.8)



OPERATING EXPENSES

Non-Labour Expense Changes

Operating Expense Net Changes	Net Change	Change Explanation
Director /Assoc. Director /Trustee	174,000	Increase Budget to meet system requirements
Academic SO's - Elementary	5,000	Child Youth Worker expected cost increase
Curriculum - Library	24,000	Under-Budgeted item: St Bernadette/Sutton Multi-Use shared Library services
Finance	183,949	OSBIE Insurance trend increase of \$200k; RIAT with Rev Offset of \$82k; Reduction in expenses of (\$98k)
Other	(112,152)	RIAT recoveries @ 10%
Human Resources	115,000	Designated Wkr Training \$25k, legal \$25k, on-line training program \$40k, Pay Equity \$50k
Information Technology	(113,870)	Net reductions from IT budget
Planning / Operations	1,127,322	Transp Contracts increase \$1.12M, VISA agency with Rev offset \$60k, Prov sch with Rev offset \$3k, reductions (\$56k)
Plant / Accommodation	576,450	Snowplow Contract \$450k; ECO sch release time \$25k; Energy increase \$181k (assumes full staff comp, otherwise, >\$400k); Maintenance \$274k; Previously EPO \$41k; other contracts \$5k less reduction of \$400k savings from additional FTEs
Regular Day	(16,000)	General reductions & adjustments to actuals for Kilometers
School Administration	(29,440)	General reductions & adjustments to actuals for Kilometers
School GSB	(950,000)	GSB reduction of 10% (\$800k); Cancopy Reserve (\$150,000)
Student Services	71,787	Transfer from salaries to contracts
TOTAL EXCLUDING Cont Ed	1,056,046	



Preliminary Financial Position

Preliminary Projections (With May 23 & 30 Board Motions)

Financial Position Summary (Preliminary)				
	2016-17 Revised Estimates	2017-18 Estimates	Difference	
			#/\$	%
Operating Revenue*	\$ 578,305,685	\$ 592,582,768	\$ 14,277,083	2.47%
Operating Expenses*	584,372,998	595,422,065	11,049,067	1.89%
Operating (Deficit)	\$ (6,067,313)	\$ (2,839,297)	\$ 3,228,016	-53.20%
Compliance items:				
Employee Future Benefit (Ret Grat)	\$ (1,364,272)	\$ (1,364,272)	\$ -	0.00%
Committed Sinking Fund	(142,939)	(142,939)	-	0.00%
Compliance items	\$ (1,507,211)	\$ (1,507,211)	\$ -	0.00%
Compliance Operating (Deficit)	\$ (7,574,524)	\$ (4,346,508)	\$ 3,228,016	-42.62%
<i>* Preliminary June 13 2017 projections incorporates impacts of May 23&30 Board Motions and other proposed savings strategies</i>				



Fiscal Responsibility

Preliminary Projections (With May 23 & 30 Board Motions)

	Past (\$M)			Projected (\$M)	
	2015-2016 Actuals	2016-2017 Projected	2017-2018 Projections	2018-2019 Projections	2019-2020 Projections
Opening Accumulated Surplus/(Deficit)	\$9.0	\$15.6	\$4.1	\$0.0	(\$6.2)
Total Revenue	\$577.0	\$578.3	\$592.6	\$591.6	\$587.1
(Declining Enrolment GSN Reductions)	\$0.0	\$0.0	\$0.0	(\$3.3)	(\$3.3)
(Declining Enrolment Adjustments)	\$0.0	\$0.0	\$0.0	(\$0.6)	(\$0.1)
(Other Adjustments) ¹	\$0.0	\$0.0	\$0.0	(\$0.6)	(\$0.6)
Total Revenue Adjustments	\$0.0	\$0.0	\$0.0	(\$4.5)	(\$4.0)
Total Operating Revenue	\$577.0	\$578.3	\$592.6	\$587.1	\$583.1
Operating Expenditures	\$582.4	\$589.8	\$596.9	\$596.7	\$593.3
Total Operating Expenditures	\$582.4	\$589.8	\$596.9	\$596.7	\$593.3
(Expenditures Reductions Associated with Declining Enrolment)	\$0.0	\$0.0	\$0.0	(\$2.3)	(\$2.3)
(ELHT Transition Impact)	\$0.0	\$0.0	\$0.0	(\$0.5)	\$0.0
(School Closures Impact)	\$0.0	\$0.0	\$0.0	(\$0.6)	(\$0.4)
Total Expenditure Adjustments	\$0.0	\$0.0	\$0.0	(\$3.4)	(\$2.7)
Total Operating Expenditures	\$582.4	\$589.8	\$596.9	\$593.3	\$590.6
In Year Surplus/(Deficit) Before Current Year Adjustments	(\$5.4)	(\$11.5)	(\$4.3)	(\$6.2)	(\$7.5)
Proceed of Dispositions	\$12.1	\$0.0	\$0.0	\$0.0	\$0.0
Structural Reductions Required	\$0.0	\$0.0	(\$0.2)		
One Time Reductions Required	\$0.0	\$0.0			
Total Reductions Required	\$0.0	\$0.0	(\$0.2)	\$0.0	\$0.0
In Year Surplus/(Deficit) After Current Year Adjustments	\$6.6	(\$11.5)	(\$4.1)	(\$6.2)	(\$7.5)
Ending Accumulated Surplus/(Deficit)	\$15.6	\$4.1	\$0.0	(\$6.2)	(\$13.7)



2017-18 Compliance Requirements

Ministry Directive Re: In-Year Deficit

Boards must seek Ministry approval if actual or projected in-year deficit exceeds the lesser of:

- Accumulated Surplus from the preceding year (For YCDSB: \$4.1 million), or
- 1% of the Boards operating allocation (For YCDSB: \$5.7 million)



2017-18 MYFRP & Savings Strategies

Multi-Year Financial Recovery Plan (MYFRP):

- **Deloitte Report and Recommendations:**
 - Purpose to develop a multi-year savings strategy for the board
- **Ministry MYFRP Requirements:**
 - Incorporate multi-year savings strategies
 - Compliant Budget by 2018-19
 - Accumulated Surplus of 1% by 2019-20
 - Due no later than June 30, 2017
- **Interim Financial Reporting:**
 - Monthly interim financial reporting due 20th of each month



Compliance Conclusions

To achieve compliant 2017-18 Budget (\$4.1 million in-year Deficit) :

- Require additional \$0.2 million structural savings for either 2016-17 YE or 2017-18

To comply with MYFRP Requirements:

- Require additional \$6.2 million structural savings for 2018-19
- Require additional \$1.3 million savings for 2019-20 for balanced budget (\$13.7 million if no additional savings in 2017-18 & 2018-19)
- Require additional \$5.7 million savings for 1% accumulated surplus by 2019-20 (one-time)



Addressing the Deficit in Bundles

Provincial

- Benefits – ELHT Funding Model
- Legacy CA Terms
- Provincial CA Terms

Attendance Management

- Awaiting Deloitte recommendation
- Part of MYFRP

Reduction Opportunities

- 2017-18 GSN Reductions & LPF Mitigation
- Other Reductions Affecting 2017-18
- Future Reductions Opportunities



2017-18 Board Profile

Board Profile:

- **Declining Enrolment (Grant Decreasing):**
 - **Post-FDK implementation in year 2015-16**
- **Funding Reductions:**
 - **Special Education Differentiated Special Education Needs Amount (DSENA)**
 - **School Operations Top-up funding elimination and Supplemental Area Factor (SAF) decreases**
 - **Benefits Benchmarks**
- **Expected School Consolidations:**
 - **Three elementary school closures approved for June 30, 2017**
 - **On-going Pupil Accommodation Reviews (PAR)**

Questions

