

YCDSB APPROVAL OF THE 2017-18 FINANCIAL ESTIMATES & MYFRP

**June 29, 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



Meeting Objectives

1. 2017-18 Budget
 - a) Review Budget Process
 - b) Review Final Estimates
 - c) Board Motions for Approval of 2017-18 Estimates
 - d) Present other enabling Board Motions
2. Fiscal Responsibility: MYFRP
 - a) Review MYFRP Requirements
 - b) Board Motions for MYFRP Approval
3. Next Steps



BUDGET PROCESS: BOARD MEETINGS

In developing the 2017-18 Financial Estimates, a series of key meetings have been held:

- Public Board Meetings held: May 23 and June 13, 2017
- Other Board and Committee meetings held: March 7 & 28, April 25, May 9 & 30, and June 20, 2017)
- Committee of the Whole meetings have also been held
- Final Board Meeting - Budget Approval on June 29, 2017

Note: *All Board and Committee meetings throughout the year have a direct and indirect relationship to Budget Development.*



2017-18 Budget Development

Key Budget Development steps:

Enrolment

- Enrolment is key determinant for Revenue (risk exists: re-evaluate Revised Estimates)

Compliance Position

- Compliance Surplus/(Deficit) =
Revenues – Expenses +/- Compliance Items
- Savings Strategies or Cost Reductions

Parameters/Requirements

- Incorporates May 23/30 & June 13 Board Motions
- 2017-18 Target: Compliant Budget
(vs Balanced Budget)



BUDGET PROCESS: SAVINGS STRATEGIES

SAVINGS STRATEGIES & COST REDUCTIONS

	2016-17	2017-18	Total
1 CEC staffing	(1,529,031)	(642,902)	(2,171,933)
2 Curriculum Staffing	(925,167)	(115,353)	(1,040,520)
3 Special Education Staffing	(440,000)	(963,578)	(1,403,578)
4 Curriculum Expense Reductions	(570,000)		(570,000)
5 Special Education Expense Reductions	(191,000)		(191,000)
6 Plant Reductions	(1,095,000)	(400,000)	(1,495,000)
7 Transportation reductions	(76,000)		(76,000)
8 Other Administration reductions	(1,648,839)		(1,648,839)
9 Professional Development Reductions	(778,050)		(778,050)
10 Local Priorities Fund (LPF) Mitigation		(3,585,774)	(3,585,774)
11 Restructuring of Chaplaincy Sections		(576,765)	(576,765)
12 Increase PTR at Alternative Ed Site		(101,920)	(101,920)
13 Guidance & PDT		(904,693)	(904,693)
14 Continuing Education Principal		(146,307)	(146,307)
Total Measures to Balance	(7,253,087)	(7,437,292)	(14,690,379)

Does not include increases in FTE from LPF fundings nor decreases of FTEs directly related to Declining Enrolment.



2017-18 Operating & Non-Operating Budget

2017-18 Operating & Non-Operating Budget & Compliance Position (Deficit of \$4.9M):

	Operating	Non-Operating	Total
Revenues	592,582,768	84,297,340	676,880,108
Espenses	595,956,155	84,297,340	680,253,495
	(3,373,387)	-	(3,373,387)
Compliance Impact	(1,507,211)		(1,507,211)
Compliance (Deficit)	(4,880,598)	-	(4,880,598)



2017-18 ENROLMENT

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%

Note: GSNs have been updated based on projected 2016-17 level of enrolments presented at January Board meeting and not the projections submitted to the Ministry of Education in December 2015 (used for Ministry of Education Profile).



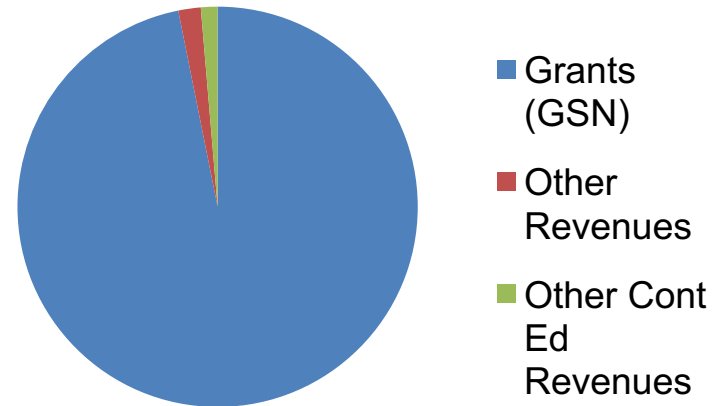
OPERATING REVENUES

2017-18 Operating Revenue				
	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%

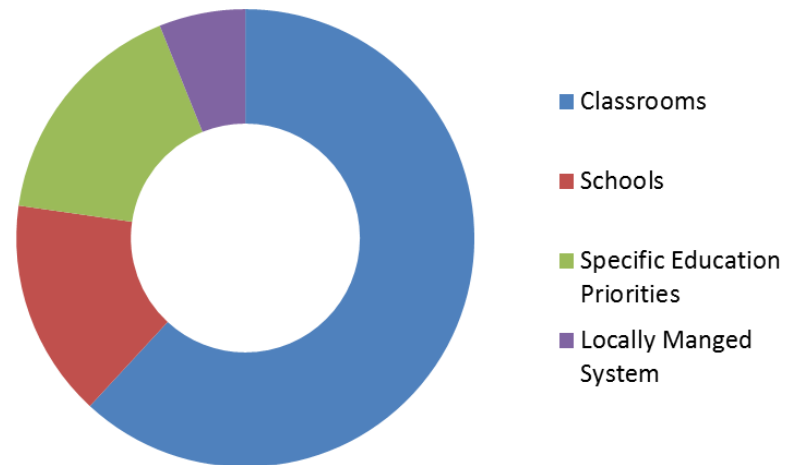


OPERATING REVENUES

Operating Revenues	\$	%
Grants (GSN)	573,907,001	96.9%
Other Revenues	10,723,626	1.8%
Other Cont Ed Revenues	7,952,141	1.3%
Other Grants	-	0.0%
Total	592,582,768	100.0%



FUNDING CATEGORIES	
Classrooms	355,106,887
Schools	88,317,030
Specific Education Priorities	95,505,904
Locally Manged System	34,977,181
	<u>573,907,001</u>





TOTAL REVENUES

2017-18 Total Revenue				
	2016-17 Revised Estimates	2017-18 Estimates	Difference	
			#\$	%
TOTAL OPERATING REVENUE (Excl. Grants/Revenue w/ exp offsets, Capital/PSAB)	\$ 578,305,685	\$ 592,582,768	\$ 14,277,083	2.47%
GRANTS/REVENUE WITH EXPENSE OFFSETS (Self-sustaining programs)	\$ 5,502,192	\$ 3,253,386	\$ (2,248,806)	-40.87%
TOTAL REVENUE before Capital and PSAB Items	\$ 583,807,877	\$ 595,836,154	\$ 12,028,277	2.06%
Capital & PSAB				
Capital Program Operating	\$ 23,087,857	\$ 25,386,693	\$ 2,298,836	9.96%
Minor TCA to DCC	(1,000,000)	(1,000,000)	-	0.00%
DCC Amortization Allocation	30,501,669	32,332,261	1,830,592	6.00%
School Generated Funds	24,325,000	24,325,000	-	0.00%
Capital & PSAB	\$ 76,914,526	\$ 81,043,954	\$ 4,129,428	5.37%
TOTAL REVENUE	\$ 660,722,403	\$ 676,880,108	\$ 16,157,705	2.45%



OPERATING EXPENSES

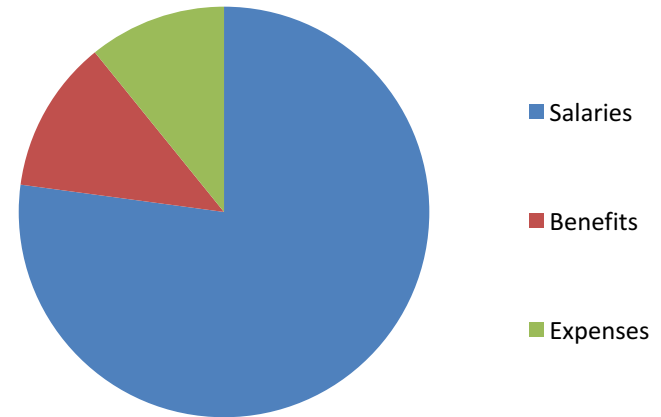
	2016/17 Revised Estimates	2017/18 Estimates	Change	%
Salaries	450,380,596	459,575,575	9,194,979	2.04%
Benefits	71,170,668	71,819,621	648,953	0.91%
Salaries and Benefits	521,551,264	531,395,197	9,843,933	1.89%
Expenses	62,821,736	64,560,958	1,739,222	2.77%
Grand Total	584,373,000	595,956,155	11,583,155	1.98%

Incorporates impact from May 23 & 30 and June 13 2017 Board Motions

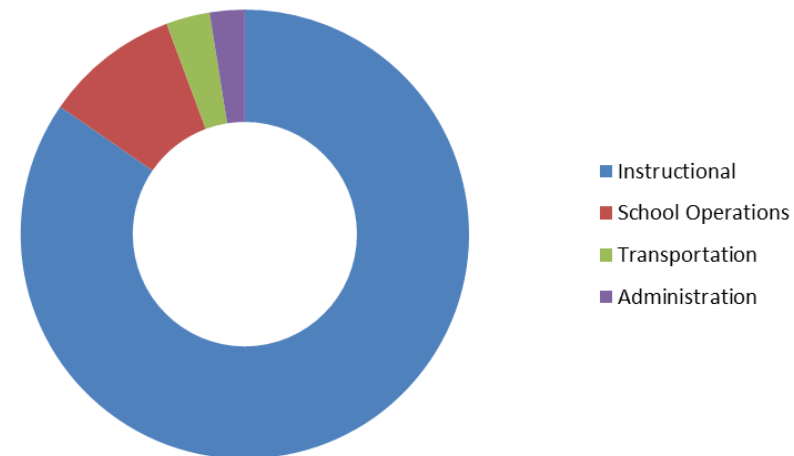


OPERATING EXPENSES

	2017/18 Estimates	%
Salaries	459,575,575	77.12%
Benefits	71,819,621	12.05%
Salaries and Benefits	531,395,197	89.17%
Expenses	64,560,958	10.83%
Total Operating Expenses	595,956,155	100.00%



Operating Budget	\$	%
Instructional	504,177,295	84.6%
School Operations	57,999,424	9.7%
Transportation	18,770,479	3.2%
Administration	15,008,957	2.5%
Total	595,956,155	100.0%



Incorporates impact from May 23 & 30 and June 13 2017 Board Motions



2017-18 Operating & Non-Operating Summary

	Operating	Non-Operating	Total
Revenues	592,582,768	84,297,340	676,880,108
Salaries and Wages	459,575,575		459,575,575
Benefits	71,819,621		71,819,621
Other Expenditures	64,560,958		64,560,958
Non-Operating		84,297,340	84,297,340
Total Expenditures	595,956,155	84,297,340	680,253,495
	(3,373,387)	-	(3,373,387)
Compliance Impact	(1,507,211)	-	(1,507,211)
Compliance (Deficit)	(4,880,598)	-	(4,880,598)

Note: Recommendations A of the enabling motions presents approval: A(i) Revenue, A(ii) Salary & Benefits, A(iii) Other Expenditures, A(iv) Compliance Deficit



LABOUR SUMMARY

	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	332,388,172	6,170,568	1.89%	3,546.0	3,508.7	(37.2)
Principals & Vice Principals	20,734,295	20,561,172	(173,123)	-0.83%	168.5	163.5	(5.0)
	346,951,899	352,949,344	5,997,445	1.73%	3,714.5	3,672.2	(42.2)
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	16,247,010	159,001	0.99%	612.6	595.9	(16.7)
	49,756,668	50,419,299	662,631	1.33%	1,365.6	1,339.4	(26.2)
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	27,707,947	776,171	2.88%	500.0	503.0	3.0
Support Staff-Transp	601,237	604,245	3,008	0.50%	8.0	8.0	0.0
	47,572,013	48,150,078	578,065	1.22%	842.9	836.9	(6.0)
Continuing Education	7,709,819	7,781,157	71,338	0.93%	164.8	163.3	(1.5)
PD Salaries	184,697	275,697	91,000	49.27%	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	8,056,854	1,956,838	32.08%	164.8	163.3	(1.5)
Total Salary	450,380,596	459,575,575	9,194,979	2.04%	6,087.8	6,011.8	(75.9)



2017-18 ESTIMATES BUDGET

Expense Change (from June 20):

- Reversed GSB Proposed Reductions (\$800k)

2017-18 Budget Document:

- Highlights risks and opportunities
- Budget assumptions and parameters
- Budget process
- Details for Enrolment, Funding & Revenue, Expenses, Non-Operating Expenses
- Ministry Enveloped Grants

2017-18 Revenue Estimates:

- Grants for Student Needs & Other Revenues



2017-18 Financial Position

Financial Position Summary

	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	595,956,155	11,583,157	1.98%
Operating (Deficit)	\$ (6,067,313)	\$ (3,373,387)	\$ 2,693,926	-44.40%
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)	\$ (4,880,598)	\$ 2,693,926	-35.57%

**Incorporates May 23 & 30 and June 13 Board Motions*

Compliant 2017-18 Deficit



Ministry Directive Re: In-Year Deficit

Ministry Directive Re: In-Year Deficit

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

1. **Accumulated Surplus from the preceding year**
 - Per YCDSB 2016-17 Revised Estimates:
 - **\$8.2 million**
2. **1% of the Boards operating allocation**
 - YCDSB current threshold:
 - **\$5.7 million**

2017-18 DEFICIT OF \$4.9 million is therefore COMPLIANT



2017-18 COMPLIANCE

2017-18 Compliance Deficit of \$4.9 million

- ✓ **Compliant Deficit, not a Balanced Budget**

2017-18 Compliance with Funding Envelopes

- ✓ **Special Education**
- ✓ **Pupil Accommodation**
- ✓ **Administration & Governance**
- ✓ **Other Envelopes expected to be compliant**
- ✓ **Capital Restrictions**



RECOMMENDATIONS

The series of proposed recommendations are organized into four groupings of motions as follows:

- A. Approval & Submission of 2016-2017 Financial Estimates**
 - i. Revenue**
 - ii. Salaries & Benefit Expenditures**
 - iii. Other Expenditures**
 - iv. In-Year Deficit**
- B. Use of Operating Budget Surplus for EDC Purposes – Policy 810**
- C. Preparation and Submission of Revised Estimates**
- D. Lobby Efforts Re: Fair and Equitable Funding**



A. APPROVAL AND SUBMISSION OF 2017-18 FINANCIAL ESTIMATES

RECOMMENDATIONS:

i. Revenue Estimates for 2017-2018:

THAT the Board approve the submission of the Revenue Financial Estimates to the Ministry of Education for the fiscal year September 1, 2017 to August 31, 2018, in the total amount of \$676,880,108 (based on operating and non-operating) as presented in the budget documentation dated June 29, 2017.

ii. Salaries and Benefits Estimates 2017-2018:

THAT the Board approve the submission of the Salary and Benefits Expenditure Estimates to the Ministry of Education for the fiscal year September 1, 2017 to August 31, 2018, in the total amount of \$531,395,197 (based on operating only) as presented in the budget documentation dated June 29, 2017 and presented to the Committee of the Whole on June 29, 2017.



A. APPROVAL AND SUBMISSION OF 2017-18 FINANCIAL ESTIMATES

RECOMMENDATIONS:

iii. Support Costs (Other Than Salary and Benefits):

THAT the Board approve the submission of the Support Costs Expenditure Estimates to the Ministry of Education for the fiscal year September 1, 2017 to August 31, 2018 (based on operating and non-operating) in the total amount of \$148,858,298 as presented in the budget documentation dated June 29, 2017.

iv. In-Year Compliance Deficit:

THAT the Board approve the submission of an In-Year Compliance Deficit Estimates to the Ministry of Education for the fiscal year September 1, 2017 to August 31, 2018, (based on operating and non-operating) in the total amount of (\$4,880,598) as presented in the budget documentation dated June 29, 2017.



B. USE OF OPERATING BUDGET SURPLUS FOR EDC PURPOSES

RECOMMENDATION:

THAT the Board not designate 2017-2018 Operating Budget funds for the purpose of acquisition of school sites.



C. PREPARATION & SUBMISSION OF REVISED ESTIMATES

RECOMMENDATION:

THAT Administration prepare for submission of the Revised Estimates to the Ministry of Education, prior to December 15, 2017, and that a summary of the material changes between original and Revised Estimates be presented for review at the Board or its applicable Committees, including Human Resources Committee, and the Corporate Services Committee of the Board.



D. LOBBYING OF GOVERNMENT

RECOMMENDATION

- i. **THAT** the Board continue to lobby the Government to ensure equitable and adequate funding is available for all students in Ontario; in particular, to participate in the provincial Technical Advisory Committee on Employee Benefits,
- ii. **THAT** Administration be directed and authorized to lobby on behalf of the Board for changes in the new funding model where, in the opinion of Administration, the principles of equity and adequacy are not being met, and
- iii. **THAT** the Board, in cooperation with the Ontario Catholic School Trustees Association, undertake a review of data regarding school board budgets with the objective of developing a coordinated approach with the Ministry of Education for addressing the short and long- term financial needs of school boards.



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



MYFRP: Addressing the Deficit in Bundles

Provincial

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

Attendance Management

- Deloitte recommendation
- Part of MYFRP

Reduction Opportunities

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



2017-18 MYFRP COMPONENTS (next 2 Years)

Cost Pressures:

- **Declining Enrolment Net Impact**
- **GSN Reductions: Benefits Benchmark**
- **Labour terms**
- **Unfunded cost increases**

Savings Measures (Bundles):

- **Provincial:**
 - **Funding equity for Employee Benefits**
 - **Class Size incremental funding continues for FDK & Grade 4-8**
 - **POD Exemption application**
- **Attendance Management:**
 - **Develop plan with a focus on employee well-being**
- **Reduction Opportunities**
 - **2016-17 & 2017-18 Savings Strategies**
 - **Deloitte Report recommendations – review/assess/implement**
 - **Continued Pupil Accommodation Reviews (PARs)**



MYFRP Recommendation

RECOMMENDATION:

THAT the Board approve the submission of the Multi-Year Financial Recovery Plan to the Ministry for approval. The MYFRP is to incorporate the cost pressures and savings measures as outlined in this report.

Questions

