

2023-24 Budget Development: Financial Position (Estimates)

Regular Board Meeting
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2022-23 Forecast

(\$ millions)	Surplus / (Deficit) ⁽¹⁾	Additional Information
22/23 Revised Estimates	(5.3)	
GSN and Other Revenue Updates	1.0	Includes increase in enrolment.
International Students Revenue	0.4	
Supply Teachers, ECEs and EAs	(1.0)	Based on preliminary 22/23 projection.
Transportation Savings	2.0	Routing efficiencies, route/ridership changes, and snow/job action day savings. Efficiency savings of \$0.8M reflected in 23/24 Estimates.
Electricity Savings	0.8	
Snow Removal Savings	0.4	Based on actual weather events.
Other Net Savings	0.3	
22/23 Forecast before Pay Equity	(1.4)	
Pay Equity	(10.6)	
22/23 Forecast	(12.0)	

(1) Positive values represent a decrease in the deficit. Negative values represent an increase in the deficit.



2023-24 Budget Pressures

Structural challenges

- Supply Costs (excess absenteeism)
- Special Education
- Declining enrolment / inability to close schools
- ELHT

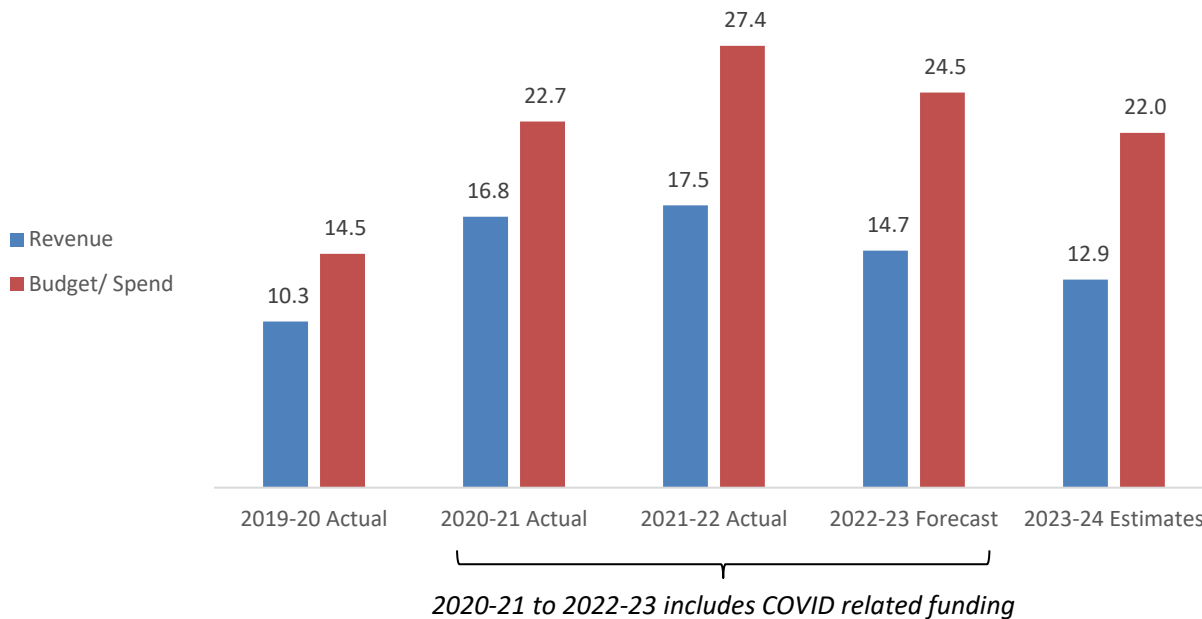
New this year

- Pay Equity
- COVID-19 Learning Recovery Funding discontinued



Supply Costs - Historical Budget Pressure (Teachers, ECEs and EAs)

Funding gap still significant: removed COVID-19 funding is offset by projected lower costs.



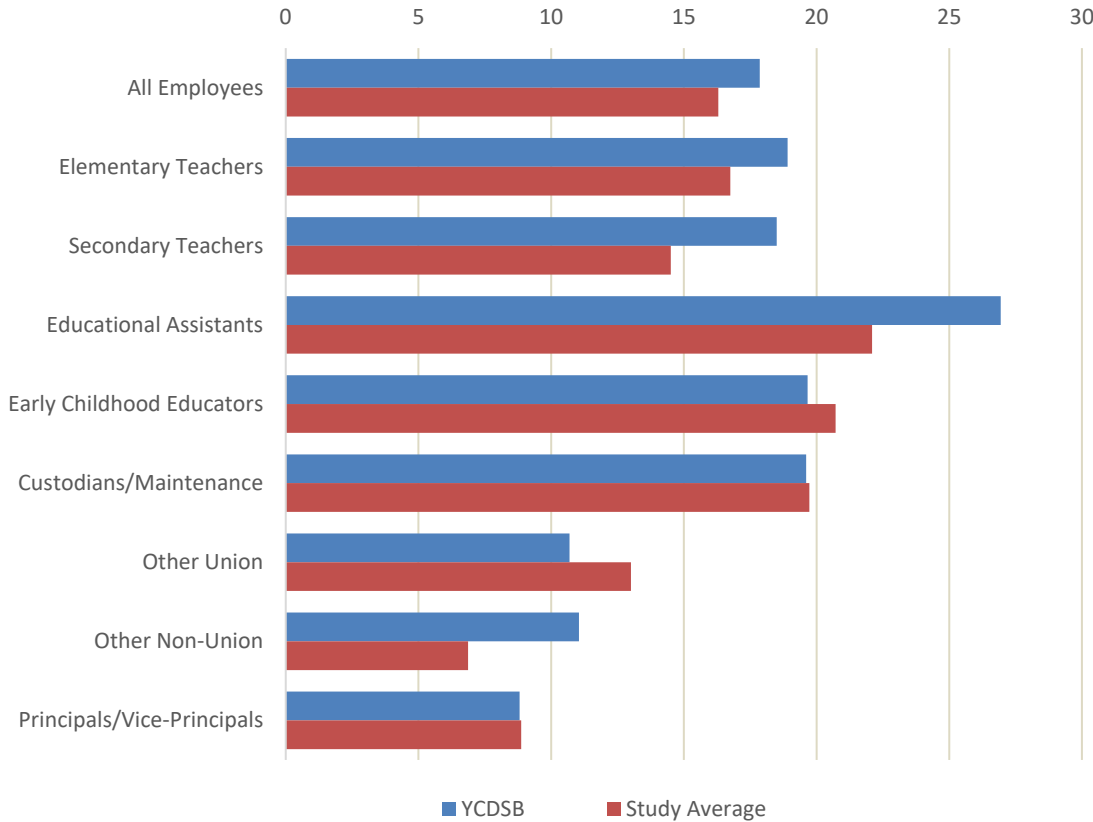
Supply costs declined since the peak of COVID-19.

2023-24 Estimates projects continued decrease, but still significantly higher than pre-pandemic levels.

1) Source: Ministry EFIS (Education Finance Information System) Data Form D



SBCI Study : 2021-22 Average Days Absent by Employee Group



YCDSB significantly exceeds the study average in the employee groups (Teachers, EA and ECE) which creates a supply cost pressure.

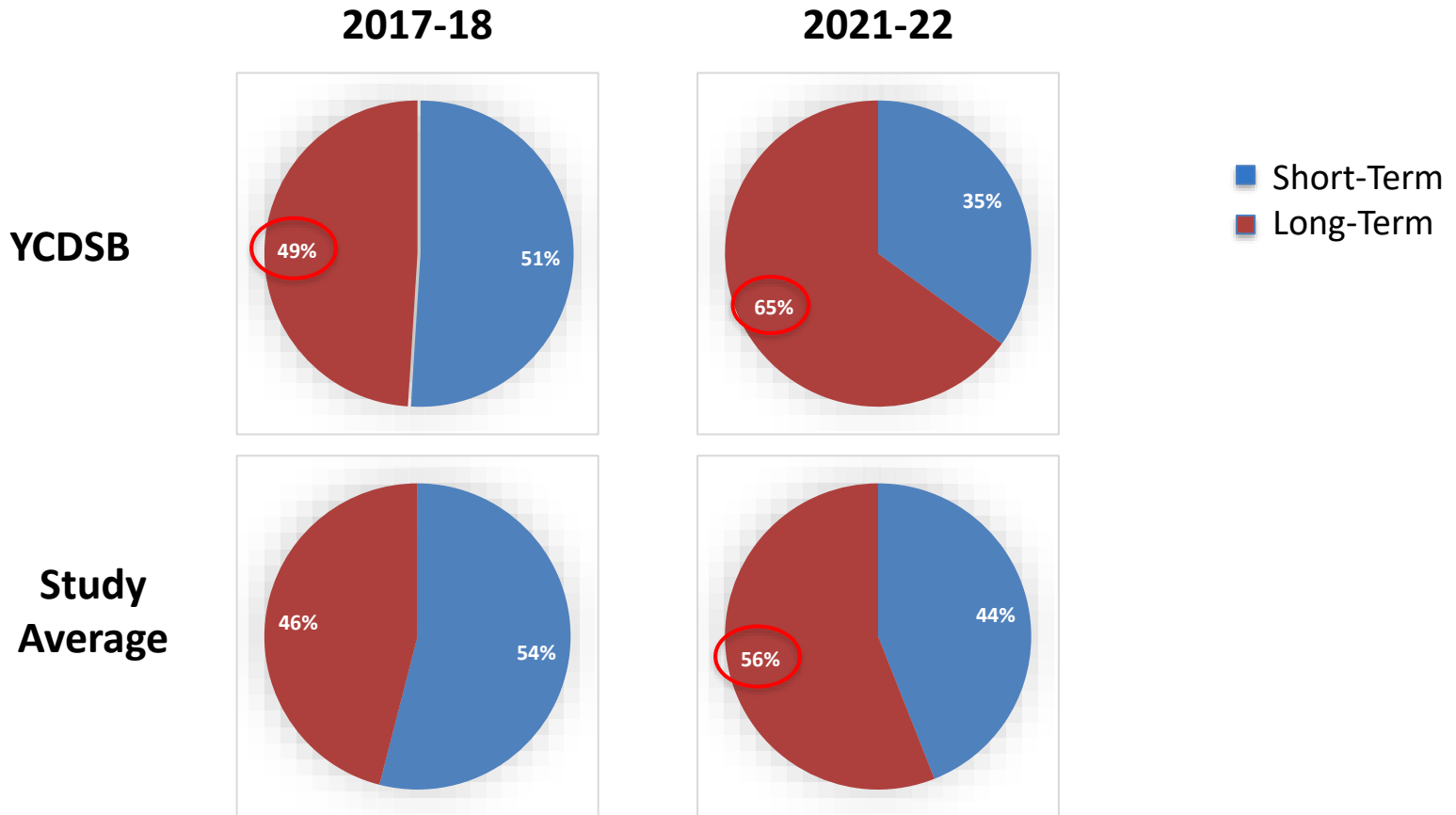
With an average level of absence days, for Teachers, EAs and ECEs, the board's supply costs would be approximately **\$4M** less.

Source: 21/22 School Boards' Co-operative Inc. (SBCI) Absence Study Report. Study average: Summarized data from 61 participating boards from SBCI report.



SBCI Study: Short-Term vs. Long-Term Absences

2021-22 YCDSB long-term absences (≥ 5 days), as a % of total absences, have increased since 2017-18 (65% vs 49%) and were significantly higher than the study average for 2021-22 (65% vs 56%).

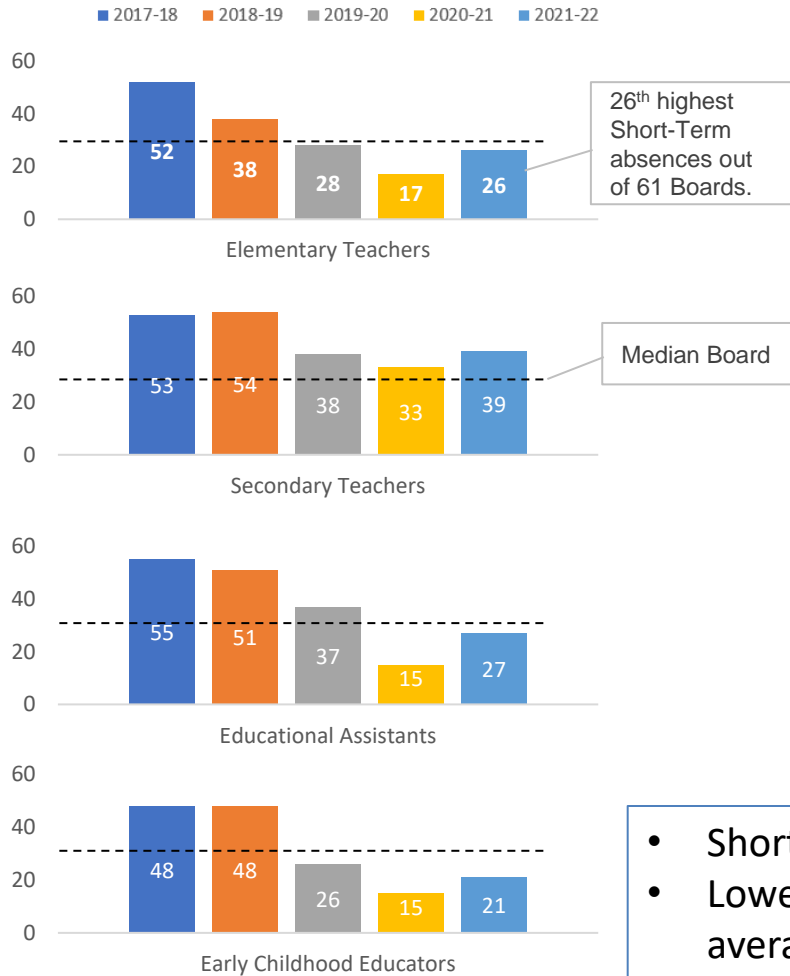


Source: 21/22 School Boards' Co-operative Inc. (SBCI) Absence Study Report. Study average: Summarized data from 61 participating boards from SBCI report.

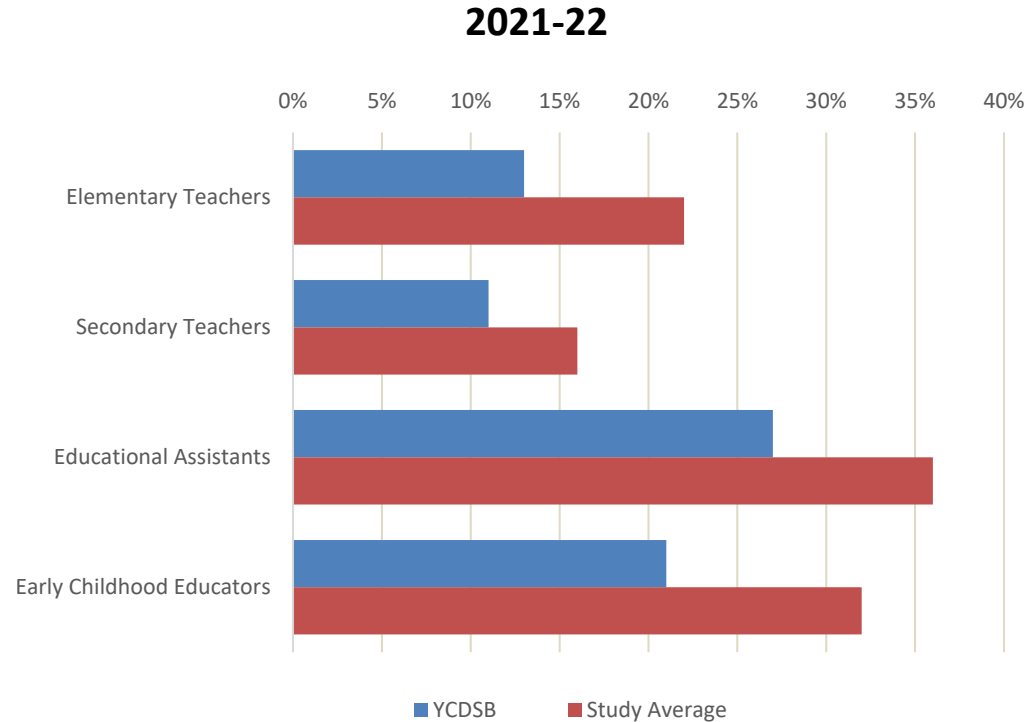


SBCI Study: Short-Term Absences

YCDSB ranking for Short-Term absences



% of Employees Exceeding 11-Day Threshold

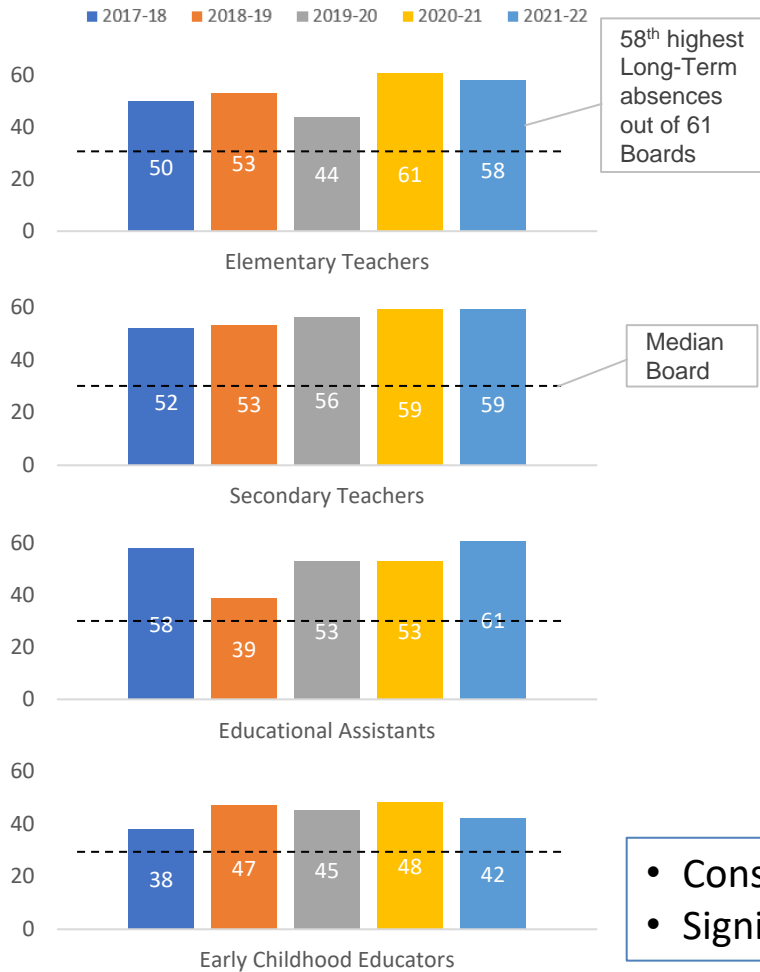


- Short-Term absence ranking trended down until 2021-22.
- Lower % of employees exceeding 11 day threshold than study average for 2021-22.

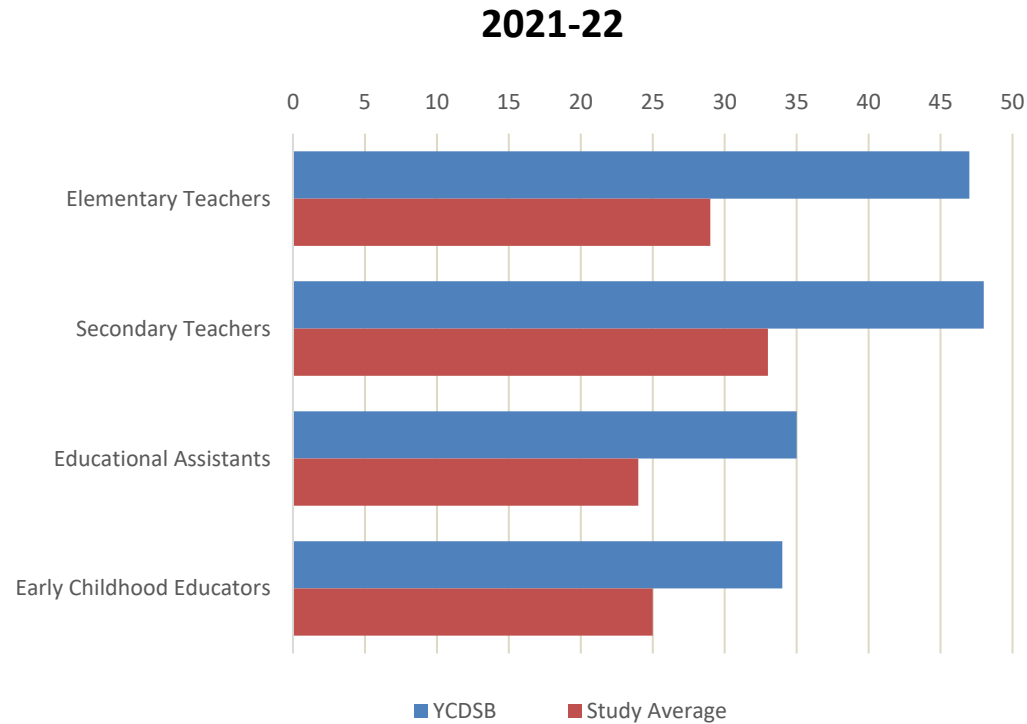


SBCI Study : Long-Term Absences

YCDSB Ranking for Long-Term Absences



2021/22 Average Duration of Long-Term Absences



- Consistently higher Long-Term absences than median Board.
- Significantly longer Long-Term absence average duration in 21-22.



Absenteeism Task Force (ATF)

Workplace Culture

- Build leadership that encourages regular and reliable attendance.

System Communications

- Develop strategies earmarked for employees and employee group partners regarding the impact of absenteeism.

Culpable Absences

- Allocate resources that effectively address inappropriate use of sick leave and other paid absences.



The Impact of Declining Enrolment

Total GSN per pupil base funding is approximately **\$12K**:

- \$9.1K is related to variable costs: Funding and Expense change proportionally with enrolment (Teachers, supplies, etc.)
- \$2.9K is related to fixed costs: Expenses remain constant despite the enrolment decrease (Principals, school operations, etc.)

An ADE decrease of 1,000 necessitates a \$3M fixed cost reduction (over time) to maintain status quo.

Since 2018-19, there has been a decline of 3,400 pupils of the board which necessitates a reduction in fixed costs of approximately \$10M. *

While the **Declining Enrolment Adjustment (DEA)** grant provides transitional funding to allow boards to adjust their cost structures, it is expected that boards adjust to their new funding levels within 2 years.

Since 2017, a moratorium on school closures has meant schools with low enrolment cannot be closed/consolidated making it difficult to adjust cost structures.

* This is a general assumption to demonstrate declining enrolment challenges – there are several factors influencing revenue and costs such as school size. Furthermore, some fixed costs may be saved with larger ADE declines.



Pay Equity

Legislative/Contractual Overview

- Pay Equity Act – legal obligation to maintain pay equity for female dominated job classes
- Collective Agreement – Joint Job Evaluation Committee rates bargaining unit positions per Terms of Reference

CUPE Local 2331 Pay Equity Maintenance

- Process started May 2019 and formed part of local contract negotiations
- Agreement in principle reached June 15th
- Settlement includes agreement on pay bands, point breaks, retroactive payments for pay equity, internal equity payments going forward

Financial Impact

- 22/23: \$11M (including retroactive payments)
- 23/24 and ongoing: \$7M



In-year Deficit – Budget Pressures Impact

(\$ millions)	2022-23	2022-23	2023-24	2023-24
	Revised Estimates	Forecast	Estimates	Total Expenses
In-year Surplus / (Deficit) before Budget Pressures/Relief	6	12	11	482
Budget Pressures: ⁽¹⁾				
Supply ⁽²⁾	(11)	(12)	(9)	22
Special Education ⁽³⁾	(4)	(5)	(4)	82
ELHT	(4)	(4)	(4)	33
Pay Equity ⁽⁴⁾	-	(11)	(7)	7
Budget Relief:				
COVID-19 Learning Recovery Grant ⁽⁵⁾	5	5	-	-
Indigenous Education Funding ⁽⁶⁾	3	3	1	1
In-year Surplus / (Deficit) Reported	(5)	(12)	(12)	627

(1) Underfunding/overspend

(2) COVID-19 funding for supply shown within COVID-19 Learning Recovery Grant.

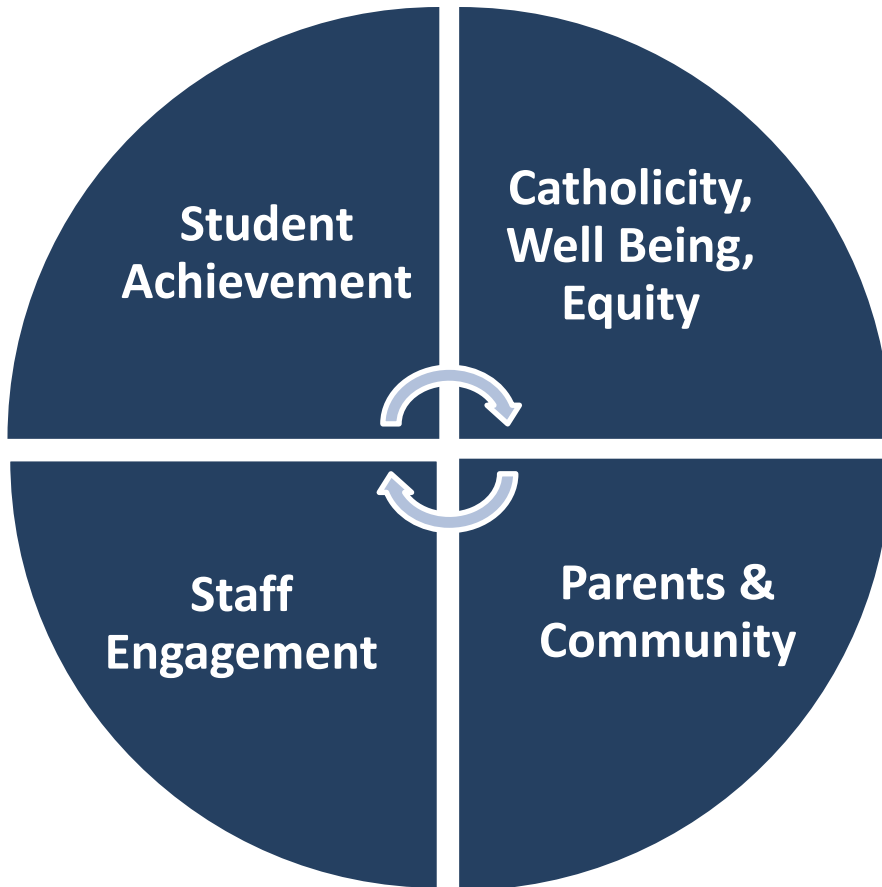
(3) Excluding ELHT and Supply (shown on other lines)

(4) Pay Equity impact shown separately as it is a new budget pressure

(5) One year grant for learning recovery of \$7M funded \$2M of one-time costs and \$5M of ongoing costs.

(6) Indigenous Education funding in 22/23 used for classroom staffing has been eliminated. A one-time realignment mitigation fund has been provided for 23/24.

Budget Decision Framework



- Guided by Multi-Year Strategic Plan (MYSP) pillars
- Limited levers, structural challenges
- Review of over/under spend compared to Ministry funding



Bridge from 2022-23 to 2023-24 Deficit

Approved	Savings/Investments/Assumptions	Surplus / (Deficit) ⁽¹⁾ (\$millions)	FTE Change	Notes
22/23 Revised Estimates		(5.3)		
Budget Updates before Savings/Investments/Assumptions		(13.6)	(14)	App. 1 (Pay Equity \$7.3M, COVID-19 funding discontinued \$5.4M)
23/24 Estimates before Savings/Investments/Assumptions		(18.9)	(14)	
Approved Savings & Investments	Special Education	1.5	(21)	App. 2 (Student Services Department Budget Plan 2023-2024)
	Custodians	0.9	(20)	Reduction through attrition.
	Lunch Time Supervisors/Office Support Workers	0.1	(35)	Reduction through attrition.
	Curriculum	0.1		Staff and expenses related.
	Plant	0.1	(1)	Staff related.
	Vice-Principals	(0.4)	3	3 VPs added given current understaffing and underspend versus Ministry funding.
	Utilize Library Teachers for Literacy Support	0.6	(5)	Funded from Reading Intervention Grant.
	HR – Surveillance – Absenteeism	(0.1)		To address and minimise culpable absenteeism.
	Information Systems – Cyber Security	(0.1)	1	Dedicated resource to manage cyber-risk.
	Plant – Snow Removal	1.0		Specific measures to be followed after further review.
	Multi-Year Strategic Plan Initiatives	(0.3)		Trustee Motion June 20/23
Significant Budget Assumptions Related to Savings	Savings Assumption - Supply Staff	2.5		10% target reduction of supply staff costs driven by measures from the Absenteeism Task Force. Savings of \$2.5M is vs. 22/23 forecast which is \$1M higher than revised estimates.
	Plant Maintenance Savings	0.5		Efficiencies gained through department reorganization and implementation of quality control system.
	Board Administration Target Reduction	0.4	(3)	Generated from attrition/non-replacement of central staff.
23/24 Estimates		(12.1)	(95)	

(1) Positive values represent a decrease in the deficit. Negative values represent an increase in the deficit.



Operating Financial Position

(\$ millions)	2023-24 Estimates	2022-23 Forecast	2022-23 Revised Estimates	Change to Revised Estimates
<u>Operating Revenue</u>				
GSN Funding	591.1	591.8	591.5	(0.4)
PPF and Other Grants/Programs	8.0	8.1	6.5	1.5
Other Revenue				
Continuing Education	6.2	6.2	6.2	-
International Student Fees	3.9	2.9	2.5	1.4
Other Miscellaneous Revenue	6.1	6.9	6.3	(0.2)
Total Other Revenue	16.2	16.0	15.0	1.2
Total Operating Revenue	615.3	615.9	613.0	2.3
<u>Operating Expenses</u>				
Salaries and Benefits	558.3	558.5	547.8	10.5
Other Expenses	69.1	69.4	70.5	(1.4)
Total Operating Expenses	627.4	627.9	618.3	9.1
Compliance In-Year Position	(12.1)	(12.0)	(5.3)	(6.8)



Balanced Budget Determination

A **balanced budget** is deemed to be an in-year surplus or deficit not exceeding 1% of the GSN operating allocation. In 2023/24, 1% of the Board's GSN operating allocation is **\$5.9M**.

(\$ millions)	2022-23 Forecast	2023-24 Estimates
In-Year Surplus /(Deficit)	(12.0)	(12.1)
Ending Accumulated Surplus (1)	6.4	(5.7)

(1) 2022/23 includes \$2.2M internally appropriated for committed capital projects not available for compliance.



Operating and Non-Operating Summary

	2023-24 Operating	2023-24 Non-Operating	2023-24 Total
Revenues:			
GSN, PPF, Other Grants and Revenues	\$ 615,341,743	\$ 88,229,830	\$ 703,571,573
Compliance Adj-School Generated Funds	-	(21,480,000)	(21,480,000)
Compliance Adj-Revenues for Land	-	(18,000,000)	(18,000,000)
Compliance Revenues	\$ 615,341,743	\$ 48,749,830	\$ 664,091,573
Expenditures:			
Salaries and Benefits	558,274,560	-	558,274,560
Other Expenses	69,118,495	70,020,415	139,138,910
Expenditures before Compliance Adjustments	\$ 627,393,055	\$ 70,020,415	\$ 697,413,470
School Generated Funds	-	(21,480,000)	(21,480,000)
Interest Compliance Adjustment	-	335,730	335,730
Asset Retirement Obligation	-	(126,315)	(126,315)
Compliance Expenditures	\$ 627,393,055	\$ 48,749,830	\$ 676,142,885
Compliance In-Year (Deficit) / Surplus	\$ (12,051,312)	\$ -	\$ (12,051,312)

Recommendations on following slides:

#1

#2

#3

#4



RECOMMENDATIONS

Approval of budget with amendments for additional approvals (if any) during this board meeting:

1. Revenue Estimates for 2023-24

THAT the Board, *subject to Minister's approval*, approve the submission of the Revenue Financial Estimates to the Ministry of Education for the fiscal year September 1, 2023 to August 31, 2024, in the total amount of **\$664,091,573** (based on Operating \$615,341,743 and Non-Operating \$48,749,830) as presented in this budget presentation.

2. Salaries and Benefits Estimates for 2023-24

THAT the Board, *subject to Minister's approval*, approve the submission of the Salary and Benefits Expenditures Estimates to the Ministry of Education for the fiscal year September 1, 2023 to August 31, 2024, in the total amount of **\$558,274,560** (Salaries \$477,760,002 and Benefits \$80,514,558) as presented in this budget presentation.

3. Other Expenses Estimates for 2023-24

THAT the Board, *subject to Minister's approval*, approve the submission of the Support Cost Expenditures Estimates to the Ministry of Education for the fiscal year September 1, 2023 to August 31, 2024, in the total amount of **\$117,868,325** (based on \$66,946,997 Operating expenditures, \$2,171,498 of PPF and Other Grants/Programs expenditures and \$48,749,830 of Non-Operating expenditures) as presented in this budget presentation.

4. In-Year Budget for 2023-24

THAT the Board, *subject to Minister's approval*, approve the submission of the **\$12,051,312 non-compliant deficit** to the Ministry of Education for the fiscal year September 1, 2023 to August 31, 2024 as presented in the budget presentation.



RECOMMENDATION – POD Request

THAT the Board request that the Minister of Education allow the Board to use uncommitted Proceeds of Disposition to offset the increased costs due to Pay Equity in the 22/23 fiscal year of \$10.6M.



Appendix 1 - Budget Updates before Approvals

(\$ millions)	Surplus / (Deficit) ⁽¹⁾
Supply Forecast	(1.0)
23/24 CUPE Pay Equity	(7.3)
Discontinued COVID-19 Learning Recovery Grant	(5.4)
Indigenous Education	(1.8)
Transportation – Home to School (revenue and expense)	1.0
Utilities	1.0
Other	(0.1)
Budget Updates before Savings/Investments/Assumptions	(13.6)

(1) Positive values represent a decrease in the deficit. Negative values represent an increase in the deficit.



Appendix 2 - 2023-24 Special Education Approved Savings/Investments

Savings/Investments/ Assumptions	Surplus / (Deficit) ⁽¹⁾ (\$millions)	FTE Change	Notes
Special Education Grant Change	(0.8)		Benchmark/ADE
Core Resource (3.5 Elementary/Secondary Core Resource Teachers 3.0 Itinerant Literacy Intervention Teachers 1.5 Hearing Teachers	0.9	(8)	<p>The current Hearing Department FTE is 11 servicing 175 students. Due to attrition there is an opportunity to restructure the department. The Consultant position will become .5 FTE and .5 Hearing Teacher. The total reduction then will be .5 FTE Hearing Consultant and 1.5 FTE Hearing Teacher with a ratio of 1 Hearing Teacher servicing 18 students.</p> <p>The reduction of 3 FTE in the Itinerant Literacy Intervention Teacher, will result in an overall FTE of 20 ILITs. These 20 ILITs will continue to support schools where there are reductions due to the 3.5 FTE reduction of overall Core Resource teachers. The added support of the ILITs will serve to address gap closing in literacy for students in schools.</p>
Consultants	0.1	(0.5)	
Behaviour Department	0.3	(3.5)	Behaviour Resource Workers
Hiring of ABA Associates	(0.2)	2.0	Under the programming direction of ABA Specialists, the hiring of 2.0 FTE ABA Associates will expand the number of students receiving short-term, focused ABA services to learn new positive behaviour that are directly related to existing distress behaviour through the employment of centrally-referred case management and consultation.
Speech Services	0.3	(4.0)	Communicative Disorder Associates were hired with the closure of Language Centres so that returning student needs would be met at the home schools. CDAs supported these students and small groups and whole classrooms with reading skill development. As post COVID gaps have been addressed in many schools, the CDA role will shift to a Tier 3 (intensive support model).
Psychology Department	0.6	(5.0)	There are currently 12 staff filling psychology positions in this department. There are ongoing staffing challenges to fill the remaining 7 FTE. The reduction of 5 FTE will bring the total staff to 14. Streamlining the role has supported system needs in the area of assessments.
Occupational Therapy	0.1	(1.0)	
Administrative Support Staff	0.1	(1.0)	
Non-Salary Expenses	0.1		
	1.5	(21)	



Appendix 3 – Enrolment Projection

Enrolment	2023-24 Estimates	2022-23 Revised Estimates	Change
<u>Elementary</u>			
Pupils of the Board	30,496	31,427	(931)
International Students	69	38	31
	30,565	31,465	(900)
<u>Secondary</u>			
Pupils of the Board	18,579	18,376	203
International Students	161	106	55
	18,740	18,482	258
Total Enrolment	49,305	49,947	(642)

The Board continues to experience declining Elementary enrolment while Secondary enrolment has been stable for several years. International student enrolment is recovering post pandemic.



Appendix 4 – Deferred Revenue

There are restrictions on how boards may use certain components of their funding allocations. Where funding is enveloped boards must use the allocation on the specified programs and any unspent funding is deferred for future spending on those programs.

Envelope (\$ millions)	Aug 31/23 Deferred Revenue (Per RE)	Projected Grant	Projected Expenses	Aug 31/24 Deferred Revenue (Forecast)
Special Education Allocation - Regular	-	69.3	(69.3)	-
SEA Formula Based Funding	1.8	1.9	(2.8)	0.9
ABA Training	-	0.1	(0.1)	-
ASSD Funding	-	0.1	(0.1)	-
Library Staff	-	0.2	(0.2)	-
Mental Health Workers	-	0.5	(0.5)	-
Student Mental Health	-	0.9	(0.9)	-
Rural & Northern Education	-	0.1	(0.1)	-
Experiential Learning	0.5	1.6	(1.8)	0.3
Targeted Student Supports	1.2	2.5	(2.9)	0.8
Ind. Ed. FNMI & Board Action Plan	2.5	2.0	(2.4)	2.1
FSL Areas of Intervention	-	0.2	(0.2)	-
Internal Audit (RIAT)	1.9	1.1	(1.2)	1.8
Total	7.9	80.5	(82.5)	5.9