



REPORT TO

CORPORATE SERVICES, STRATEGIC PLANNING AND PROPERTY COMMITTEE

2020-21 BUDGET SETTING PLAN AND CONSULTATION

“The plans of the diligent lead surely to abundance, but everyone who is hasty comes only to want.”
Proverbs 21:5

Created, Draft	First Tabling	Review
March 2, 2020	March 12, 2020	Click here to enter a date
D. De Souza, Coordinator of Grant & Ministry Reporting G. Sequeira, Coordinator of Budget Services P. De Cock, Comptroller of Business Services & Finance S. Vlahos, Chief of Communications & Government Relations		
RECOMMENDATION REPORT		

Vision:

At Toronto Catholic we transform the world through witness, faith, innovation and action.

Mission:

The Toronto Catholic District School Board is an inclusive learning community uniting home, parish and school and rooted in the love of Christ.

We educate students to grow in grace and knowledge to lead lives of faith, hope and charity.



Rory McGuckin
Director of Education

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Associate Director
of Academic Affairs

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Associate Director of Facilities,
Business and Community
Development, and
Chief Financial Officer

A. EXECUTIVE SUMMARY

1) ***This report provides a framework to Trustees and the School Community for a proposed approach to developing the next budget.*** This report provides an overview on:

- a) Preliminary discussion on budget setting approaches for the 2020-21 fiscal year and beyond;
- b) Pre-identified fiscal risks in the 2020-21 school year; and
- c) The community engagement process for the upcoming budget.

2) ***This is one in a series of reports that provide budgetary information for consultation and discussion, ending in an approval of next year's budget estimates.*** The information provided in this report is based on preliminary estimates at this point in time. The 2020-21 Grants for Student Needs (GSN) announcement from the Ministry of Education (EDU) is expected at the end of March or early April 2020 and will have an impact on the 2020-21 fiscal year. The following reports are expected in the series, culminating in establishing an approved fiscal year budget:

- a) Student Enrolment Report (March 2020)
- b) Staffing Allocation Report (March 2020)
- c) Budget Planning and Consultation Report (March 2020)
- d) GSN Update Report (April 2020)
- e) Preliminary Budget Estimates for Consultation (May 2020)
- f) Budget Estimates for Approval (June 2020)
- g) Revised Budget Estimates for Approval (December 2020)

The cumulative staff time required to prepare this report was 20 hours.

B. PURPOSE

1. ***This report introduces the 2020-21 budget process.*** This report seeks to inform Trustees and the School Community on the proposed financial planning framework for this year's budget process. It provides an early indication of potential fiscal pressures that may arise within the development of the budget. Finally, it seeks Board approval of the Community Consultation plan.

C. BACKGROUND

1. ***Budget setting for a School Board is a legislated process, but has strategic importance.*** Under the Education Act (Section 232), the Board is required before the beginning of each fiscal year to prepare and adopt estimates of its revenues and expenses for the fiscal year and must submit this information to the Ministry by end of June each year. The Budget process is an important planning tool for the development of an effective and balanced budget in order to provide a range of necessary resources, supports and programs to the Board's students.
2. ***The Multi-Year Strategic Plan (MYSP) provides the overarching strategic direction and principles that should drive the budget process.*** Students are always the Board's primary focus and are represented in all six strategic directions found within the MYSP. TCDSB is committed to offering programs and services which challenge all students to achieve their personal best. TCDSB also strives to make effective, efficient, and innovative use of resources, based on sound planning, and the best available information. Inherent in the budget process is the allocation of available resources to address student needs.
3. ***The previous few budget years have experienced significant fiscal constraints.*** The following list of fiscal challenges have exerted considerable influence on the Board's last few budget processes and have necessitated very difficult decisions regarding a wide array of program and staffing service levels. In the past, changes to the GSN Model have resulted in reductions to TCDSB's operating funds in certain areas. The changes included changes to the School Foundation Grant, Differentiated Special Education Needs Amount (DSENA), Administration and Governance, School Operations and Declining Enrolment Adjustment grants.

D. EVIDENCE/RESEARCH/ANALYSIS

This section is broken down further into the following two sub-sections:

- a) Financial Planning Framework
- b) Budget Risks and Uncertainties

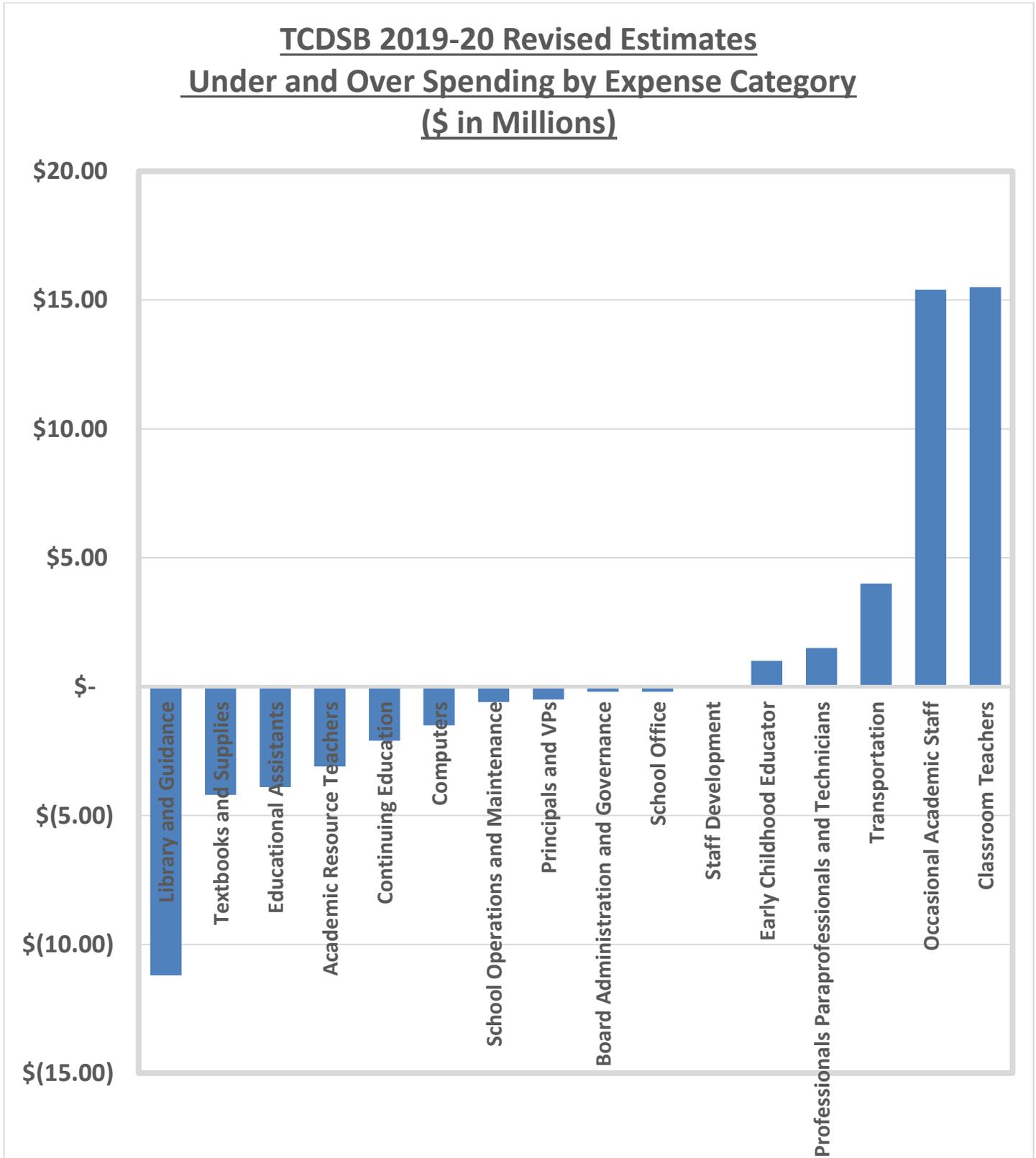
(a) FINANCIAL PLANNING FRAMEWORK

- 1) ***The standard internal budget process began in January.*** For the 2020-21 budget year, TCDSB staff commenced its budget development process in January 2020 with the development of timelines and preliminary projection assumptions. A summary of the 2020-21 Budget process and timelines is provided in the report.
- 2) ***The budget is the Board's fiscal plan that supports the delivery of educational programs and services.*** The fiscal plan should be driven in large part by the Board's MYSP. It also provides the authority for administration to spend funds on a variety of programs and services. It is important that the budget be developed in a thoughtful manner and that the decisions respecting the expenditure of funds carefully weigh the impacts and benefit to stakeholders across the near and long-term horizons.
- 3) ***The Board's historic budget decisions have led to the current mix of under and over spending that define the Board's current service levels.*** The Board continues to monitor its programs and staffing allocations to ensure that it is providing services to its students while complying with Ministry requirements and pursuing the system priority of student achievement and well-being.

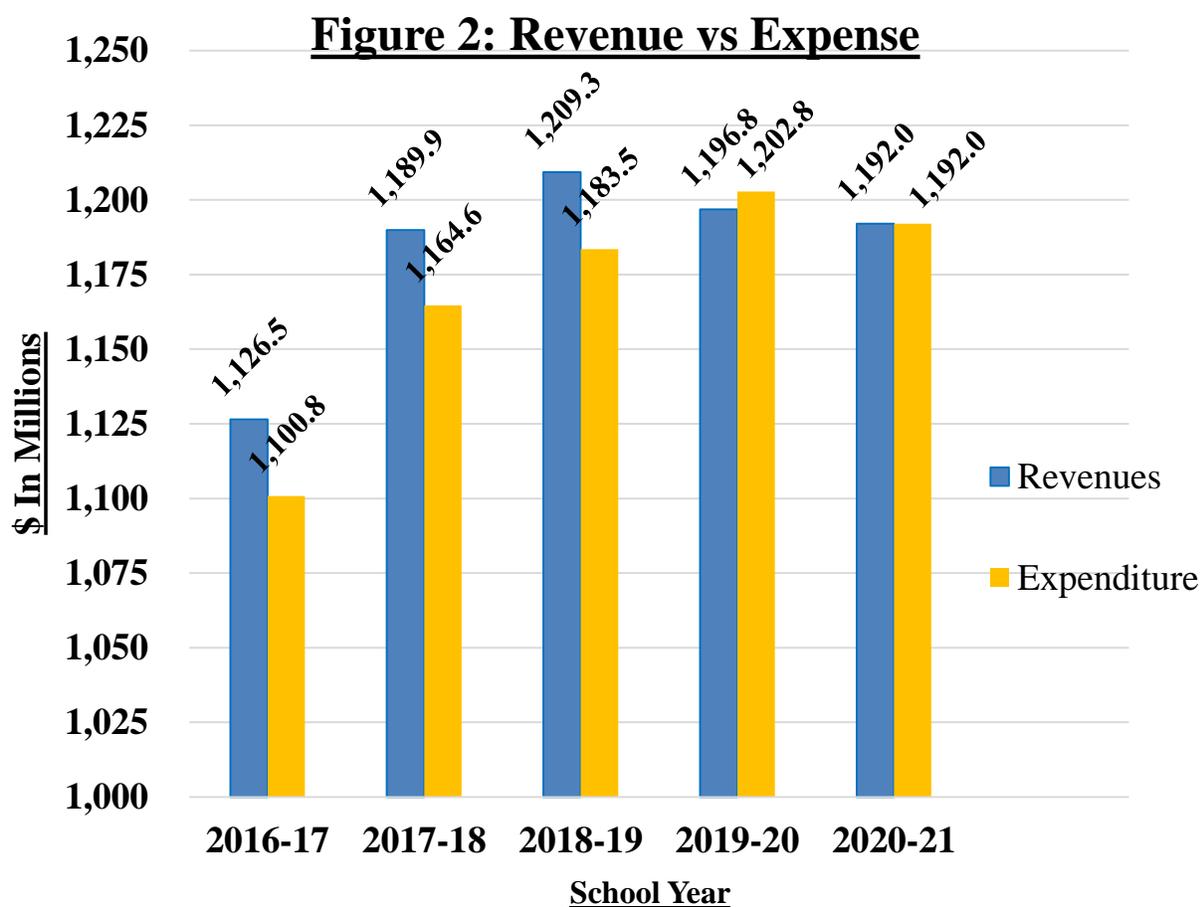
Figure 1 below provides the current areas in which the Board has chosen to under and over spend in order to provide the student wellness and achievement progress it seeks while maintaining a balanced budget.

The budget process is the opportunity to revisit whether this mix of service levels is the most optimal to achieving the MYSP and most importantly, ultimately beneficial to students.

Figure 1: Under and Over Spending Vs. Provincial Funding



- 4) *The current year's financial planning begins with understanding projected student enrolment and staffing.* The projected student enrolment and staffing projection reports align with each other and will be submitted for approval in March. Once these levels are determined, TCDSB programs and services will continue to be reviewed for equitable, effective and efficient measures to improve delivery of services to all students. Figures 2, 3 and 4 provide very early estimates of revenues/expenses, student enrolment and accumulated surplus/deficit for 2020-21 along with historical comparisons. These estimates will change as better data is obtained related to student enrolment, staffing projections, GSN formula changes and more information becomes available regarding other identified risks. Enrolment projections for 2020-21 show an overall decrease of (299) Average Daily Enrolment (ADE) students.



As per the requirements set out in the Education Act, the TCDSB's budget estimates for 2020-21 are required to be balanced.

Figure 3: Total Average Daily Enrolment

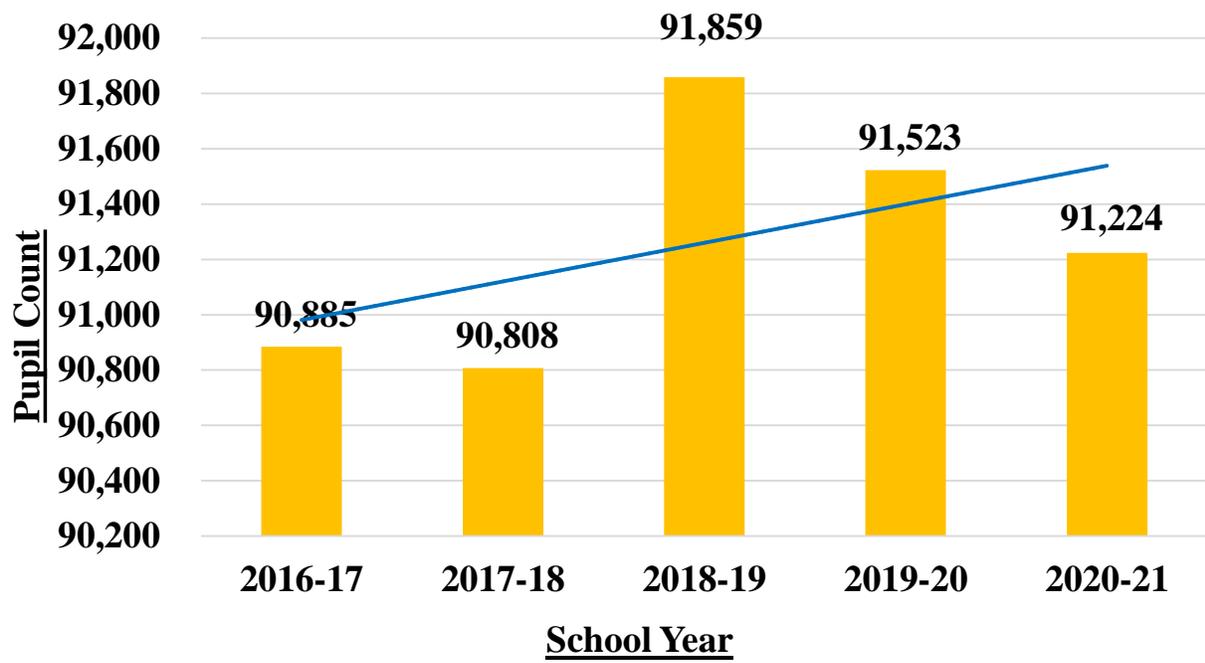
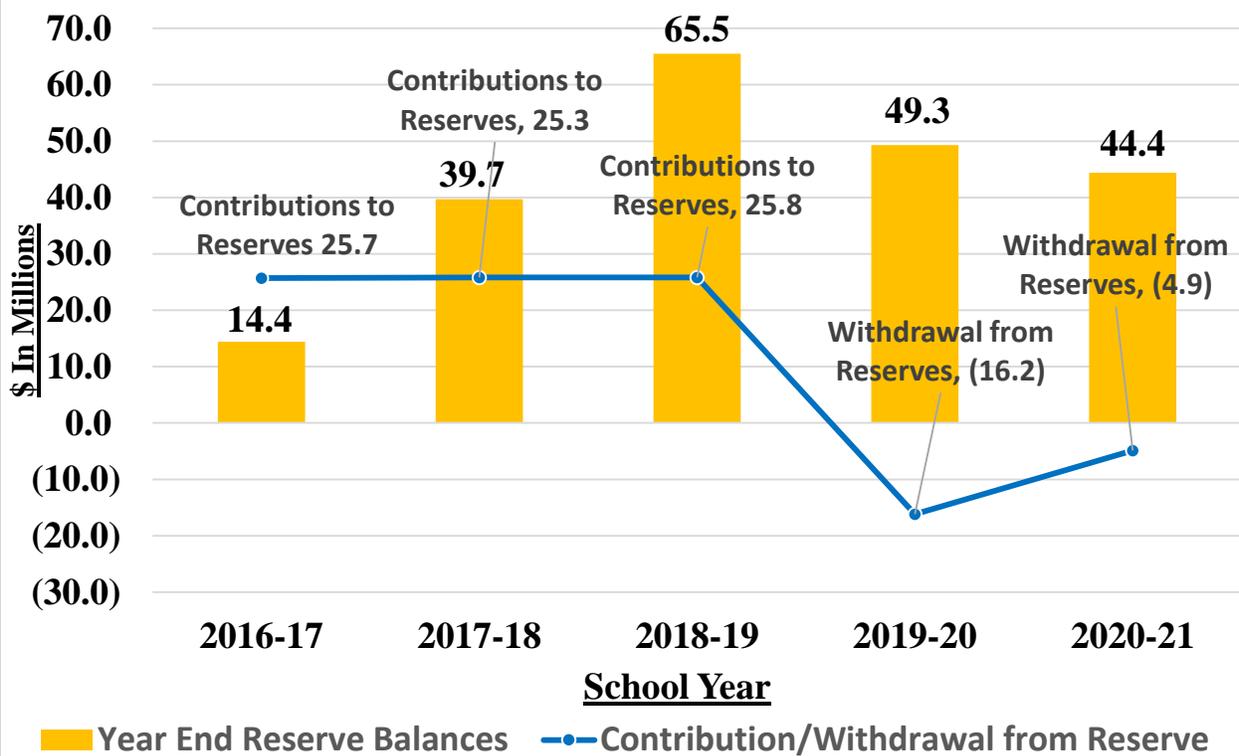


Figure 4: Accumulated Reserve Balance / (Deficits)



The table appearing below describes in greater detail the changes to the overall Reserve Balance appearing in Figure 4 above. The overall Reserve balance is comprised of several components as described by the TCDSB Strategic Reserve Policy approved by the Board of Trustees.

<u>Changes to Reserve Balances – 2019-20</u>	<u>\$M</u>
Opening Reserve Balance for 2019-20	65.5
Loss of Paid Parking Revenues	(6.4)
School Block Budget – Equity Allocations	(2.0)
Delayed Implementation of International Visa Students	(1.7)
Delayed Implementation of Bell time Optimization	(1.6)
Religious Materials for Students	(1.4)
Student Information System Project Cash Flow	(1.3)
Ward Based Playground Application Grants	(1.2)
Equity Reserve allocation for Ward Based Playground Grants	(0.3)
Human Resource Recruitment Staffing (One-time enhancement)	(0.3)
Total Changes to Reserve Balances in 2019-20	<u>(16.2)</u>
Total Reserve Balance for 2019-20	49.3
<u>Changes to Reserve Balances – 2020-21</u>	
Student Information System Project Cash Flow	<u>(4.9)</u>
Total Reserve Balance for 2012-21	44.4

(b) BUDGET RISKS & UNCERTAINTIES

- 1) ***Certain fiscal risks will unfold over the proceeding couple of months that will impact the budget process.*** These risks will need to be monitored closely as the budget development process progresses. Staff will report on these risks as part of the Preliminary and Budget Estimate presentations. Depending on the magnitude of the impacts, the Board may be faced with service level reduction decisions later in the budget planning process. A list of these risks ranked by likelihood and impact is provided below.
 - i. ***Decline in Enrolment for 2020-21.*** The total projected enrolment for 2020-2021 indicates an increase of 0.17% in the Elementary panel and a decrease of 1.4% in the Secondary panel when compared to actual enrolment for the 2019-20 school year.

Elementary enrolment is projected to be 63,057 students (ADE) for the 2020-21 school year. This represents a forecasted growth of approximately 107 students or 0.17%. This increase is attributable to forecasted residential intensification in key parts of the City. Data shows that the rate of Catholic newcomers arriving from Africa in 2019-20 did not match the rate experienced in the 2018-2019 school year.

Secondary enrolment is projected to be 28,167 students (ADE) for the 2020-21 school year. This represents a forecasted decrease of approximately 406 students or -1.4%. Secondary panel enrolment is expected to decrease slightly in the coming years and then hold steady due to the stable enrolment in the elementary panel.

Enrolment projections and regulated class size requirements per the Education Act both affect the required staffing complement projections. Recently, the Ministry of Education released a B-Memorandum dated March 3rd 2020 confirming the Secondary Class Size ratio of 23 students to 1 teacher for the 2020-21 school year rather than the 28:1 ratio. This change is not projected to negatively affect the 2020-21 budget estimates nor teacher staffing service levels.

In summary, overall enrolment is projected to decrease by 299 Average Daily Enrolment (ADE).

- ii. ***The continuance of the International Language (IL) Integrated Day is still uncertain.*** Despite the value of the IL Program as expressed by both the Board of Trustees and Parent Surveys, recent labour arbitration settlements and legislative requirements resulted in the TCDSB losing all the regular day GSN funding for the IL program including the one-time transition funding of \$3.6M for 2019-20. The EDU has also not indicated whether the IL program can be offered within the 300 minutes' regular instructional day. The risk is that TCDSB could be considered non-compliant with the Education Act.
- iii. ***Paid Parking (\$6.4M).*** The introduction of paid parking for all TCDSB employees was approved as part of the Board's 2019-2020 budget as a revenue generation source to address funding shortfalls. On August 22nd 2019, the Board approved delaying the implementation of this initiative until February 2020.

On December 13th 2019, the Ontario Labour Relations Board (OLRB) ruled that paid parking is a central bargaining matter, and cannot be locally imposed or negotiated at this time. Given the OLRB ruling, the TCDSB must reconsider the implementation of paid parking until the conclusion of central bargaining with OECTA to determine whether paid parking is successfully negotiated into the new central Collective Agreement.

Program reductions of \$6.4M will likely be required in order to address the revenue shortfall given the high degree of uncertainty.

- iv. ***Occasional Teacher costs continue to rise.*** For the current 2019-20 fiscal year, Occasional Teacher costs are trending higher than budget at this point in time. The risk is that these costs could continue to increase assuming a full Occasional Teacher roster resulting in higher fill rates and/or staff absenteeism rates continue to rise.
- v. ***Inflation Assumptions could be higher than expected.*** Utility costs continue to trend higher and the budget estimates are based on historical costs and projected increases. If costs increase higher than anticipated, this could create a costs pressure in this area. The current trend is that utility costs are trending at 6% well above the EDU funding increase for inflationary costs of 2%. In addition, the new Greenhouse Gas Pollution Pricing on natural gas will increase the Board's utility costs by approximately \$1.0M.
- vi. ***The TCDSB retained a Parliamentarian and an Integrity Commissioner in the 2019-20 fiscal year.*** During the Special Board meeting on December 9th 2019, the Board of Trustees approved the following motions:
 - (a) That the Board retain an Integrity Commissioner for a six month period from one-time funding, until until such time as permanent funding is allocated through the upcoming budget process; and
 - (b) That the Board retain a Parliamentarian for a six-month period from one-time funding, until such time as permanent funding is allocated through the upcoming budget process.”
- vii. ***Priority Schools Initiative (PSI) (\$0.8M).*** The EDU eliminated program funding for this initiative. At the Audit Committee meeting, a motion was passed that these funds be made available during the 2020-21 budget process.

2) The table below summarizes at a high level the additional pressures for Board approved initiatives and Committee/TCDSB Staff requests for budget consideration:

<u>Presumed Cost Pressures for 2020-21</u>	\$M
Loss of Parking Revenues	6.40
Increased Contingency for Occasional Teachers	2.00
Green House Gas Pollution Pricing	1.00
Increased Contingency for Supply Education Assistants	1.00
Addition of Integrity Commissioner Office	0.15
Addition of Parliamentarian Services	0.05
Total	10.60
<u>Potential Other Cost Pressures for 2020-21</u>	\$M
Special Education Advisory Committee (SEAC) committee requests	4.20
Reestablishment of Priority School Initiative (PSI) for Community Use of School Facilities	0.80
Total	5.00

Phased Implementation of 2019-20 Budget Reductions

- viii. ***Bell time optimization at International Language Schools (\$1.6M)***. The board delayed the implementation schedule to operationalize the bell time optimization at International Languages Schools to September 2020. Trustees of schools affected by the bell times will be informed prior to communication to school communities. Principals and CSPC chairs of schools effected by bell time changes would be contacted, and TSTG and Board staff would be available to attend a CSPC meeting if required. Parents will be informed via letter of the changes to start and end times in the Spring of 2020.

- ix. ***Transportation Boundary Requirements (\$0.2M)***. The Board delayed the implementation of the Transportation Boundary Requirements Policy of 1.5 Km to 1.6 Km effective to September 2020. The Toronto Student Transportation Group (TSTG) is preparing communications for distribution by schools to parents impacted by the revision to distance criteria.

E. IMPLEMENTATION, STRATEGIC COMMUNICATIONS AND STAKEHOLDER ENGAGEMENT PLAN

1. Considering turnout from budget consultations since 2011-2019 and the budget considerations from 2019-2020 being similar to considerations for this budget cycle, the proposed consultation plan for the 2020-2021 Budget includes engagement of community stakeholders at the level of “Consult” – which may be used for regular annual budget consultations. The “Consult” level as defined in the policy is:

“To obtain input from community members and the general public on proposed Board directions and decisions.”

2. The consultation plan complies with Community Engagement Policy T.07, and reflects the desire expressed by the Board of Trustees to ensure that the community engagement process and communications plan includes multiple opportunities for TCDSB community stakeholders to participate.
3. Input and feedback received during this process will be presented at the May 14, 2020 Corporate Services meeting to inform Trustees as they finalize the budget for the 2020-2021 fiscal year for submission to the Ministry of Education by the June 30, 2020 deadline.
4. To optimize stakeholder input, through accessible means, the parameters for public consultation will include an enhanced TCDSB budget website with supporting documents and tools including a public survey for school communities to initiate local consultations through:
 - i) An online and printable survey;
 - ii) A Virtual Town Hall
 - iii) A public friendly budget video explaining the process;
 - iv) Frequently Asked Questions (FAQs) section that will be updated as questions are submitted;
 - v) Targeted in-person stakeholder consultations with parent engagement committees (CPIC, OAPCE-Toronto), Board advisory committees (e.g. SEAC), and Student leadership meetings (ESCLIT, CSLIT) and union representatives and
 - vi) Delegations at Board and Committee meetings related to budget priorities and considerations.
5. The Communications Plan will also be aligned to support the budget engagement process through:

- School Messenger notice to parents with links to budget webpage, toolkit and survey
- Email blast announcing launch of consultations to everyone on exchange including CPIC, SEAC, OAPCE, CSPCs, employee unions and associations, schools and staff
- Social media posts (i.e. Twitter, Instagram, Facebook)
- Targeted social media advertising of the survey and virtual town hall
- Director's Bulletin Board
- Weekly Wrap Up, web notices (TCDSB's external and internal portal)
- E-news (external reach)
- Trustee and school newsletters
- Collaboration with the Archdiocese to publish information for inclusion in individual parish bulletins and parish website links
- A customized translate tool so that all stakeholders can access all budget information in the language of their choice
- Translated paper surveys will be made available upon request (online survey can be customized using Google Translate feature on the website)
- Catholic School Parent Council (CSPC) identification feature in the survey will allow each CSPC to use their scheduled April meeting to complete the survey in consultation with and on behalf of their members

2011-2019 Consultation Summary:

In previous years, the board has explored a number of different engagement tools including regional sessions, delegations to board, online surveys and virtual town halls with varying levels of participation. Below for your reference is a summary of past consultation processes and applicable responses.

Budget Year	Consultation Process	Survey Respondents	Attendance
2011-2012	Regional in person sessions: Brebeuf, St. Thomas More, Our Lady of Lourdes, St. Robert Online surveys and hard copy surveys distributed	225	Some sessions had between 0-1 in attendance while one session had ~30
2012-2013	Online surveys and hard copy surveys distributed	482	N/A
2013-2014	Online surveys with distribution	238	N/A
2014-2015	Virtual Town Hall requesting minimum of 1 response per school	87	~24 questions submitted
2015-2016	Multi-year recovery plan consults included virtual town hall, online survey, targeted in-person engagements	N/A	~12 questions submitted
2016-2017	Online survey, delegations to board, targeted in-person engagements	1139	N/A
2017-2018	Online survey, delegations to board, targeted in-person engagements *Proposal to charge for parking at all school sites was under consideration	4360	N/A
2018-2019	Online survey, delegations to board, targeted in-person engagements	435	N/A
2019-2020	Online survey, public consultation, virtual town hall, delegations to board, targeted in-person engagements	1,942 (73 included from CSPCs)	13 (public consultation) 60 (virtual town hall) 16 (delegations)

F. ACTION PLAN

DATE	PUBLIC CONSULTATION ACTIVITY
<p>1) Wednesday, April 1, 2020 Community Consultation Launch (Subject to Board of Trustees Approval at March 12, 2020, Corporate Services meeting)</p>	<ul style="list-style-type: none"> • GO LIVE with online HTML web-based 2020–2021 Budget consultation webpage, toolkit and survey. • Invitation letter from Chair and Director to everyone on exchange, parents, principals and chairs of CSPC, CPIC, OAPCE (Toronto), SEAC, CSLIT/ECSLIT about the launch of the budget engagement process. • Communication sent to Archdiocese (via Communications Dept.) for distribution to individual parishes to encourage Catholic community/ stakeholder
<p>2) April 1 – April 30, 2020 Budget Survey</p>	<ul style="list-style-type: none"> • Survey will be open for duration of a month to allow for optimal engagement
<p>3) Thursday, April 2, 2020 Student Achievement Committee</p>	<ul style="list-style-type: none"> • Opportunity for public delegations regarding budget considerations
<p>4) Thursday, April 16, 2020 Corporate Services Committee Meeting</p>	<ul style="list-style-type: none"> • GSN and Budget update for 2020-21 • Opportunity for public delegations regarding budget considerations
<p>5) Wednesday, April 22, 2020 Special Education Advisory Committee (SEAC) Meeting</p>	<ul style="list-style-type: none"> • Budget discussions with SEAC members for input and recommendations.

DATE	PUBLIC CONSULTATION ACTIVITY
6) Thursday, April 23, 2020 Regular Board Meeting	<ul style="list-style-type: none"> • Budget consultation update for Trustees. • Opportunity for public delegations regarding budget considerations
7) Tuesday, April 28, 2020	<ul style="list-style-type: none"> • Virtual Town Hall allows the public to ask questions of senior staff related to the budget using an easy to access online portal
8) April, 2020 (TBD) OAPCE-Toronto Meeting	<ul style="list-style-type: none"> • Budget discussions with OAPCE-Toronto members for feedback
9) April, 2020 (TBD) ESCLIT/CSLIT	<ul style="list-style-type: none"> • Budget information and options discussed with student leaders
10) April, 2020 (Date TBD) Meeting with Union Partners	<ul style="list-style-type: none"> • Consultation and discussion of budget.
11) Thursday, May 7, 2020 Student Achievement Committee Meeting	<ul style="list-style-type: none"> • Opportunity for public delegations regarding budget considerations
12) Thursday, May 14, 2020 Corporate Services Committee Meeting	<ul style="list-style-type: none"> • Presentation of results from Budget engagement process • Opportunity for public delegations regarding budget considerations
13) Monday, May 11, 2020 CPIC Meeting	<ul style="list-style-type: none"> • Budget discussions with CPIC members for feedback
14) Tuesday, June 9, 2020 Corporate Services Committee meeting	<ul style="list-style-type: none"> • Final opportunity for delegations. • Final vote on approval of 2020-2021 Budget for submission to the Ministry of Education by June 30, 2020.

G. STAFF RECOMMENDATION

- 1.** That the budget setting framework and community consultation plan for 2020-21 budget be approved; and
- 2.** That staff present the finalized budget estimates for 2020-21, which will be reflective of the Community Consultation and feedback received at various Committee meetings, and finally to the Board of Trustees at the Corporate Services meeting scheduled for June 9th 2020