



Finance, Budget and Enrolment Committee

Report No. 07 (Part A)

FBEC:007A
 Tuesday, April 2, 2024
 4:30 p.m.
 Hybrid Meeting
 Boardroom, 5050 Yonge Street

Members Present Trustees Zakir Patel (Chair), Michelle Aarts, Matias de Dovitiis, Liban Hassan, Shelley Laskin, James Li and Dan MacLean

Also Present Trustees Rachel Chernos Lin, Alexis Dawson, Sara Ehrhardt, Liban Hassan, Dennis Hastings, Patrick Nunziata, Weidong Pei, Neethan Shan, Anu Sriskandarajah and Deborah Williams

The meeting was a hybrid model with Trustees Aarts, Chernos Lin, Dawson, de Dovitiis, Hastings, Laskin, MacLean and Shan participating in person, and other trustees present participating by electronic means in accordance with [amendments to Section 7 of Ontario Regulations 463/97, Electronic Meetings](#)

Part A: Committee Recommendations

1. Contract Awards, Facilities [4686]

To be considered at the Board meeting on April 17, 2024

2. Contract Awards, Operations [4687]

To be considered at the Board meeting on April 17, 2024

3. York Memorial Collegiate Institute Update and Construction Tender Award [4689]

To be considered at the Board meeting on April 17, 2024

4. Proposed Options to Balance the 2024-25 Budget [4688]

The Committee considered a report from staff (see FBEC:007A, page 35 and attached) presenting options to balance the 2024-2025 budget.

Moved by: Trustee Li

Seconded by: Trustee Aarts

The Finance, Budget and Enrolment Committee **RECOMMENDS:**

Whereas, staff confirmed that the Toronto District School Board had a (\$20.8M) projected budget deficit for the 2024-2025 school year which increased by \$6.8M with the Finance, Budget and Enrolment Committee's decision to add back vice-principals and safety staff; and

Whereas, material reductions to programming have been recommended by staff to reduce the budget deficit; and

Whereas, FBEC has received extensive feedback from the community on the impacts of proposed program reductions and the broad benefits of adult education, outdoor education and after school programming; and

Whereas, Section 231 of the *Education Act* requires school boards to adopt a balanced budget;

Therefore, be it resolved:

That the following be approved:

(a) A reduction of \$17M of staff options to balance that involve operational efficiencies including:

- i. Central Staff (\$5M)**
- ii. School Renewal (\$5M)**
- iii. Supporting Staff Self-Wellness (\$7M)**

(b) That the Director:

- i. Present options to institute a fee-based revenue stream for one-to-one devices that will generate ~\$1M annually, that include parent/guardian/caregiver contributions, subsidies, donations, and an administrative cost benefit analysis to the next meeting of the Finance, Budget and Enrolment Committee;**
- ii. Delay the implementation of course time migration for International Language programs until an in-depth report on student impact can be reviewed at the Program and School Services Committee, while continuing to implement the recommended 25 student pre-register minimum;**
- iii. Delay the cancellation of General Interest / Seniors' Daytime courses until an in-depth report on community impact can be reviewed at the Program and School Services Committee;**

- iv. **Delay the changes to the Scarborough Outdoor Education School and provide a detailed plan, before the final vote on the 2024-2025 operating budget, to ensure students impacted by programming change at SOES will continue to receive outdoor education on-par with other students at the TDSB, and that the overall scope of the Board's outdoor education will not be reduced with the recommended changes;**
- v. **Review and consult with partner organizations on the TDSB's permit fee structure and subsidies and present a report to the Planning and Priorities Committee on recommended changes;**

(c) That the Chair:

- i. **Share the TDSB Budget and Continuing Education information with the City of Toronto's City-School Boards Advisory Committee and work with the City to align Continuing Education programming to address service gaps;**
- ii. **Explore operating agreements with the Ministry of Seniors to support subsidized access to continuing education;**
- iii. **Explore operating agreements with the City, and Provincial Ministries to support continuing education programming and skills development;**
- iv. **Promote, together with staff, Learn 4 Life programs to Toronto businesses and organizations and explore partnerships to support programming with current participants of the program;**

(d) That the Chair write a letter to the Ministry of Education explaining the status of the Board's budget. That it include:

- i. **There is still a deficit despite making significant operational efficiencies;**
- ii. **There is still a deficit due to a structural deficit (CPP, EI, Salary Gapping and the inability to consolidate schools due to the moratorium);**
- iii. **There would be significant reserves if the Toronto District School Board were fully compensated for the funding spent to keep its schools safe during COVID and if the TDSB were compensated for funding it ought to have if it were funded for CPP, EI, the salary gap and the costs of the moratorium;**
- iv. **That the letter also include the challenges to accept all staff options to balance due to the impact on the Board's communities;**

- v. **Request the Minister consider these very real funding concerns and address these in the upcoming GSNs;**
 - vi. **That the letter be shared with all TDSB parents/caregivers and stakeholders, Federations and Union partners and all Toronto MPPs;**
- (e) That the Chair work with the Director to plan two to three Trustee consultations with stakeholders, during the month of April to consult on staff recommended efficiencies and that the Director work with the Chair and Vice-chair of the Finance, Budget and Enrolment Committee to create a survey to issue broadly, that can also be used in Trustee townhall outreach.**

Carried

Staff had recommended that the Board approve the options to balance, as presented in the report.

The motion moved by Trustees Li and Aarts, was presented and considered in substitution.

The parts of the motion were voted on separately.

On amendment of Trustee Shan, seconded by Trustee de Dovitiis, “Delay the changes to SOES and” was added before “provide a detailed plan” and “before the final vote on the 2024-2025 operating budget” was added after “provide a detailed plan” at Part (b) (iv).

On amendment of Trustee Chernos Lin, seconded by Trustee de Dovitiis, “together with staff” was added after “Promote” at Part (c) (iv) and “That the letter be shared with all TDSB parents/caregivers and stakeholders, Federations and Union partners and all Toronto MPPs” was added at Part (d) (vi).

At the Committee meeting, the following moved by Trustee Shan, on behalf of Trustee King, and seconded by Trustee de Dovitiis, was defeated by the Committee:

That “Delay the resumption of International Baccalaureate fees until an in-depth report on community impact can be reviewed at PSSC”, be added at Part (b).

Minority Report (submitted in accordance with Bylaw 5.14.13)

Trustee Shan disagreed with the decision of the Committee and recommends instead that the amendment be approved.

At the Committee meeting, during consideration of the matter, the meeting resolved into private to discuss private personnel and legal matters.

5. Business Arising: Lifting the Ministry of Education's Moratorium on School Closures

At the Committee meeting, Trustee MacLean, seconded by Trustee Aarts, moved the following as business arising following the matter, Proposed Options to Balance the 2024-25 Budget [4688]. At the March 19, 2024 meeting of the Finance, Budget and Enrolment Committee, the matter was provided as notice of motion and for consideration at the April 4, 2024 meeting of the Planning and Priorities Committee, which was subsequently cancelled.

Moved by: Trustee MacLean

Seconded by: Trustee Aarts

The Finance, Budget and Enrolment Committee **RECOMMENDS:**

Whereas, the moratorium on school closures has been in effect since 2017, limiting the ability of school boards to close and amalgamate under-utilized and under-enrolled schools; and

Whereas, the operation of under-utilized and under-enrolled schools creates costly operational budget pressures and programming challenges; and

Whereas, prior to 2015, the Ministry of Education provided "top-up" funding through the School Facilities Operation and Renewal Grant to support the operation and maintenance of facilities where enrolment was under capacity; and

Whereas, the Toronto District School Board (TDSB) previously received \$35.5 million in "top-up" funding per year prior to the phasing out of the School Facilities Operation and Renewal Grant beginning in 2015; and

Whereas, the Ministry of Education eliminated the "top-up" funding in 2018; and

Whereas, in recognition of the costs incurred by and programming limitations associated with under-utilized and under-enrolled schools, TDSB Trustees passed the Secondary Review recommendations in November of 2020, committing to:

- i. have fewer but larger secondary schools that provide greater access, improved programming, and rich pathways as close to home as possible, ideally serving a minimum of 1000-1200 students each;**
- ii. strengthen the role of the neighbourhood secondary school;**

- iii. **continue to support specialized schools and programs, with a focus on increased access for all students; and**
- iv. **have larger neighbourhood schools with the flexibility to respond to students needs and interests by creating programs they desire, supported by strong enrolment;**

And

Whereas, TDSB staff project potential operational savings of \$585,000 per year for each of the Pupil Accommodation Reviews in the Long-Term Program and Accommodation Plan (LTPAP) associated with each school consolidation project. These potential savings do not include the deferred maintenance that could be eliminated should school consolidations be allowed to proceed, creating even further savings; and

Whereas, the TDSB has strongly advocated for many years now, along with other school boards and the Ontario Public School Boards' Association (OPSBA), on behalf of all school Ontario boards, for the lifting of the moratorium on school closures; and

Whereas, the Provincial government, including the Ministry of Education, repeatedly asks school boards to provide feedback on potential efficiencies and cost savings, and based on provisions included in Bill 98 seems particularly interested in superfluous landholdings of school boards;

Therefore, be it resolved:

- (a) That the Chair of the Board and the Director of Education write a letter to the Minister of Education:**
 - i. advocating once again for the removal of the Ministry of Education's 2017 moratorium on school closures;**
 - ii. proposing that if the Ministry of Education is unable to lift the moratorium, that they grant the Toronto District School Board a special exemption allowing the TDSB to provide improved programming for students by doing up to four school consolidation projects per year, until such a time as the moratorium is lifted provincially;**
 - iii. indicating that this will allow the TDSB to both operate in a more financially efficient manner, while at the same time, better serve the needs and aspirations of students, families, and communities in the district;**
- (b) That the Ontario Public School Boards' Association (OPSBA) and all Toronto area MPPs be copied on the correspondence at Part (a).**

Carried

On amendment of Trustee Chernos Lin, seconded by Trustee Shan, “by closing up to four schools per year” was changed to “by doing up to four school consolidation projects per year” at Part (a) (ii).

Part B: For Information Only

6. Call to Order and Acknowledgement of Traditional Lands

A meeting of the Finance, Budget and Enrolment Committee was convened on Tuesday, April 2, 2024, from 4:31 to 10:53 p.m. with Zakir Patel, presiding.

7. Approval of the Agenda

On motion of Trustee Aarts, seconded by Trustee Laskin, the agenda was approved.

8. Declarations of Possible Conflict of Interest

No matters to report

9. Delegations

re School Council Account Service

1. Lu Sun, Claude Watson School For The Arts Parent Council

10. Adjournments

On motion of Trustee de Dovitiis, seconded by Trustee Shan, the meeting adjourned at 10:53 p.m.

Part C: Ongoing Matters

No matters to report

Submitted by: Zakir Patel, Committee Chair

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2024-25 Budget

Finance, Budget and Enrolment Committee

April 2, 2024



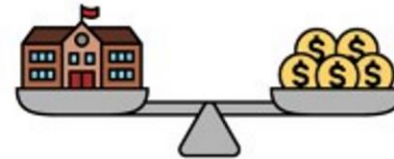


Updated Financial Position

- On March 19, 2024, staff estimated a projected deficit for 2024-25 of \$20.8 million
 - \$36.7 million if use of Proceeds of Disposition (POD) not approved
- A motion was approved to add \$6.8 million of staff to the deficit
- Updated financial position is \$ **27.6 million** if motion is passed
 - \$43.5 million without use of POD

Requirement to Submit Balanced Budget

- Requirement under the Education Act to submit a balanced budget
- In a regular year, the Board is allowed to submit a deficit of the greater of:
 - 1% (approximately \$30 million); or
 - The Board's Accumulated Reserves (approximately \$13.8 million)
- However, the Board is in year 3 of its 3 year deficit recovery plan
 - The original commitment was a surplus of \$8.2 million to start to build back the reserves that have been used to offset the structural deficits in previous years





Structural Deficit

- TDSB is operating a structural deficit
 - Planned spending is greater than expected revenue
- In some cases, TDSB is choosing to spend more in certain areas than funded based on priorities.
- In some cases, TDSB is not fully funded for certain areas

Reasons for Structural Deficit

- Canada Pension Plan (CPP) has been gradually increasing from 4.95% in 2019 to 5.95% in 2023. In 2024, a second additional contribution rate was added.
- Employment Insurance (EI) has also been increasing over this period of time
- There has not been a corresponding increase in funding.
- The total underfunding for these statutory benefits in 2024-25 will be \$35.2 million.



Statutory Benefits
(Canada Pension Plan
and Employment
Insurance)

Reasons for Structural Deficit



Difference in Funding
for Teacher Salaries vs.
Actual Salary Cost

- In 2014, the Province began Central Bargaining and came up with a central teacher grid.
 - Funding for teachers is based on this grid.
- At that time, the TDSB grid was higher than the central grid leading to an unfunded amount per teacher
- The amount continues to increase annually as the centrally bargained percentages are applied.
- The amount that is unfunded in 2023-24 is \$22.3 million.

Reasons for Structural Deficit

- TDSB has more capacity than it has students
- This results in underutilized schools and the potential to close schools to reduce operating costs
- The issue is that the Provincial moratorium on school closures prevents TDSB from closing schools
- In addition, the Ministry eliminated the “top up” grant that recognized that it costs the same to operate an underutilized school as a fully utilized school and then prevented Boards from being able to fix this issue.
- The top up grant for TDSB was approximately \$35 million in 2014/15 and enrolment has decreased since this time.




Cost of Operating
Under-Utilized
Schools due to
School Closure
Moratorium

Reasons for Structural Deficit



Replacement Costs
for Sick Leave

- The Putting Students First Act changed the allocation of sick leave in 2012.
- Since this change, School Boards' Co-operative Inc. (SBCI) says that the Provincial average use of sick days has doubled from 8 to 16 days
- Each school day costs the Board approximately \$600,000 in replacement costs.



Things to Consider

- Draft Multi-Year Strategic Plan
 - Report approved at March 21, 2024 PPC
 - Commitment to Truth and Reconciliation Commission of Canada: Calls to Action
 - Equity is foundational to all our work
 - Four draft strategic directions Belong, Achieve, Thrive and Revitalize
 - Ministry of Education Student Achievement Plan expectations
- Ministry Regulations
- Collective Agreements
- Impact of Decisions on Direct Support to Students



Consultations/Feedback Opportunities

- To date, the Board has provided a number of opportunities to receive information about and provide feedback related to the 2024-25 Budget. They include:
 - 4 Ward Forums covering 9 different wards
 - 2 Budget Town Halls
 - Presentation to/Feedback from various Community Advisory Committees including SEAC and CUSAC.
 - Presentation to/Feedback from Student Senate and the Equity Collective
 - 2 evenings of delegations on the Options to Balance and written delegations



Options to Balance

- The proposed options to balance were provided on March 19, 2024
- The options are:
 - Reduction in Replacement Costs Related to Sick Leave
 - Continuing Education
 - Restructuring International Language/African Heritage Programs to be delivered in fewer sites while ensuring equity of access
 - Eliminating General Interest/Seniors' Daytime Programs and referring participants to other available programs
 - Restructuring Adult Day Schools to be delivered in fewer sites while maintaining robust programming





Options to Balance (cont'd)

- Outdoor Education
 - Eliminate **weekend** Grade 6 Outdoor Education school trips to Scarborough Outdoor Education School (SOES) at Camp Kearney and **accommodate these overnight excursions during the weekdays at other sites**
 - Share Transportation to overnight Outdoor Education Centres with participating schools
 - Increase user fees for visits to Outdoor Education Day Centres
- Increase in/Resumption of User Fees
 - International Baccalaureate (IB) Fees
 - Permit Fees
 - 1:1 Device Repair Costs
- Reduction in Central Staff
- Reduction in Renewal Costs Included in the Operating Budget and Overspending on School Operations





Options to Balance

- There were a number of questions related to the options to balance that staff has provided answers to in Appendix A of the report.
- A couple that were asked a number of times and staff wanted to highlight included:
 - Cost recovery of space for general interest courses
 - Charging of fees for 1:1 devices

Other Areas Where the Board is Spending More Than Funded

- There are areas of the budget where TDSB spends more than funded, or there is no funding provided.
 - The chart represents the major departments/areas
- It should be noted that the areas identified in this section have value and are an important part of fully implementing the Board’s priorities, obligations, resolutions and operations.

| DEPARTMENT/AREA | Millions |
|--|------------------|
| Cafeterias | (\$0.9) |
| Continuing Education | (\$6.9) |
| Early Years Programming - EDP and EarlyON | (\$0.6) |
| Elementary Supervision (Lunchroom) | (\$12.9) |
| Outdoor Education | (\$3.2) |
| Safe & Caring | (\$9.2) |
| School Based Safety Monitors | (\$15.1) |
| School Office Administration | (\$7.0) |
| Special Education | (\$40.6) |
| Itinerant Music Instructors | (\$4.4) |
| Statutory Benefits | (\$48.0) |
| Supply costs (Teachers, Educational Assistants & Designated Early Childhood Educators) | (\$11.9) |
| Student Nutrition | (\$1.2) |
| Pools | (\$6.1) |
| Transportation | (\$0.8) |
| School Operations | (\$22.9) |
| Information Technology | (\$47.5) |
| Total | (\$239.1) |



How does the Board reduce by \$4.2 million?

- Increase the speed on implementation for continuing education and permit increases
- Make additional reductions
- Request use of additional Proceeds of Disposition to balance
- Await the release of the GSN and determine if the grants reduce the deficit

Financial Position After Options to Balance


Updated Projected Financial Position -\$27.6

Reductions Based on Options to Balance

| | |
|---------------------------------|------|
| Continuing Education | 2.0 |
| Outdoor Education | 1.0 |
| International Baccalaurate Fees | 0.8 |
| Permit Fees | 2.6 |
| Central Staff | 5.0 |
| School Renewal | 5.0 |
| Sick Leave | 7.0 |
| | 23.4 |

Financial Position After Options to Balance -\$4.2





Use of Proceeds of Disposition

- Proceeds of Disposition (POD) are received when the Board sells a property
- The Regulation states that POD should be used to address deferred maintenance needs in schools
- Boards can request exceptions to use POD in other areas
- POD are not a sustainable way of balancing the budget
- Included in the current budget is \$22 million related to the amortization of the employee future benefits liability
 - The liability will be fully amortized halfway through 2025-26 and this will start to free up \$22 million annually in the budget
- As a result, staff would support a one-time request of up to \$22 million to assist in balancing the 2024-25 budget
- It is anticipated that the Ministry may have additional requirements in approving this request.



Next Steps

- The GSN is expected to be released in April
 - Staff will use this information to calculate actual revenue for 2024-25 and adjust the financial position, if required
- Capital budget
- The capital and operating budget are due to the Ministry on June 30

