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2025-26 Budget Estimates

To: Special Finance, Budget and Enrolment Committee

Date: 16 June, 2025

Report No.: 06-25-4923

Strategic Directions

- Commit to the implementation of the Truth and Reconciliation Commission of Canada: Calls to Action
- Belong - All students belong, are engaged, and valued in an inclusive environment
- Achieve - All students reach high levels of achievement, success, and personal development
- Thrive - All students graduate with the confidence, skills, and knowledge to thrive
- Revitalize - All students and staff learn and work in inclusive, safe and modern environments

Equity as a guiding principle: Equity is foundational to all TDSB work and will be embedded throughout the strategic directions.

Recommendation

It is recommended that the Board approve the proposed two-year plan for 2025-26 and 2026-27 to achieve a balanced budget.

Executive Summary

The Board is required to submit a balanced budget to the Ministry of Education and this report meets the Director of Education's statutory requirement to present a balanced budget to the Board of Trustees.

The Toronto District School Board (TDSB) has a structural deficit, meaning that the Board spends more than it receives in funding. Some reasons for the structural deficit include the underfunding of statutory benefits, the TDSB teacher grid, the inability to

close underutilized schools and the fact that the grants are not keeping pace with inflation. In addition, the Board does spend more than funded in other areas.

The Ministry released the Core Education Funding (Core Ed) on May 23, 2025. Based on the impact of Core Ed, the revised 2025-26 projected financial position is a deficit of \$34.4 million. Staff are providing recommendations to arrive at a balanced budget using guiding factors that include the Multi-Year Strategic Plan (2024 to 2028), the commitments to the Ministry as part of request to use Proceeds of Disposition to balance the 2024-25 budget, the Auditor General of Ontario recommendations, Ministry regulations (like class size and enveloping requirements) and Collective Agreements. As always, students are at the forefront of the budget recommendations made by staff.

Staff believe that this recommended budget supports the priorities of the Board while addressing the structural deficit. Even though enrolment is expected to decrease for TDSB, the proposed budget maintains the existing budget for special education, mental health and safety. In addition, math and literacy supports have been maintained. Staff recommendations have focused on administrative support as well as unfunded areas that are within the control of TDSB and outside of direct delivery of K to 12 curriculum.

During the budget process, there were significant opportunities to receive feedback from the public. These included:

- 4 budget town halls for the general public – 3 in person and one hybrid
- 1 hybrid budget town hall with students
- Presentation to/feedback from various Advisory Committees including SEAC and CUSCAC
- A staff-initiated survey that had over 14,000 responses
- Opportunities for delegation including written delegations

The feedback has been incorporated into the final options to balance.

In order to address the \$34.4 million deficit, staff is proposing a two-year plan that will result in a balanced budget in 2026-27. The plan includes:

- Providing outdoor education and swimming pools/programming on a cost recovery basis
- Efficiencies and additional revenue for continuing education

- A pause in the distribution of 1:1 devices in 2025-26; resuming in 2026-27 dependent on the results of the report that trustees have requested regarding impact
- An investment in 2025-26 into a renewed music program that will be implemented fully in 2026-27
- Projected savings in 2026-27 from a number a program reviews that are currently underway
- Potential savings related to replacement costs for sick leave that, if realized, will be reinvested to support the multi-year strategic plan
- Savings as a result of continued review of administration expenditures

The plan also includes the use of \$13.7 million of Proceeds of Disposition (POD) in 2025-26, subject to approval by the Ministry. The \$13.7 million represents the savings that will be realized with the completion of the phase-in of the amortization of the employee future benefit liability.

The plan results in a \$2.3 million deficit in 2025-26 and a \$0.3 million surplus in 2026-27. The approved budget is required to be submitted to the Ministry on June 30, 2025.

Context

Requirement to Pass a Balanced Budget

Section 231 of the Education Act requires school boards to pass a balanced operating budget each year. Budgets are intended to align both human and financial resources to system priorities. School boards are required to submit their annual balanced operating budget to the Ministry of Education (EDU or Ministry) by June 30th of each year.

The Ministry definition of a balanced budget is that a school board's estimated expenses for a fiscal year do not exceed its estimated revenues, unless any deficit can be covered by accumulated surplus from a previous year and is less than 1% of the operating budget.

For TDSB, 1% of the operating budget is estimated at \$33.4 million and the accumulated surplus available to assist in balancing the budget is currently estimated to be \$16.7 million on August 31, 2025, if the use of \$28 million of Proceeds of Disposition (POD) is approved. The estimate of the accumulated surplus has two major assumptions:

- The projected deficit of \$28 million for 2024-25 will not change.
- TDSB will be able to use \$28 million of proceeds of disposition to cover the deficit.

This plan results in a \$2.3 million deficit at the end of 2025-26 and a \$0.3 million surplus at the end of 2026-27. Staff believe this plan meets the requirements of the Education Act.

Use of Reserves

School boards have three types of reserves: Working Funds, Internally Restricted and Externally Restricted Reserves (not available to be used to address deficits). Working Funds are reserves resulting from prior year surpluses that have no defined purpose and available to the Board to address operating shortfalls. Internally Restricted Reserves are those funds set aside to address certain programs or expenditures such as benefit costs or school budget carryovers. Externally Restricted Reserves represent such things as future employee benefits, land values and school fund raising.

As a result of the recent operating deficits, TDSB has had to use both its working fund reserves as well as a portion of its internally restricted funds to offset the deficits. There currently are no available working funds remaining to offset future operating shortfalls or structural deficits. In addition, in the last few years, the Board has used its internally restricted reserves, which increases financial risk to the Board in these areas.

The chart below illustrates the status of reserves over the last 5 years:

Year	Working Funds	Internally Restricted (including sinking fund)	Committed Sinking Fund Interest Earned	Internally Restricted Available to Support Deficit	Available to Support Deficit	Externally Restricted
2020-21	22,720	179,034	14,271	164,763	187,483	- 132,903
2021-22	-	90,151	12,844	77,307	77,307	- 822,114

Year	Working Funds	Internally Restricted (including sinking fund)	Committed Sinking Fund Interest Earned	Internally Restricted Available to Support Deficit	Available to Support Deficit	Externally Restricted
2022-23	-	40,546	11,417	29,129	29,129	- 814,795
2023-24	-	26,733	9,990	16,743	16,743	- 830,943
Estimated 2024-25	-	26,733	9,990	16,743	16,743	- 830,943

Multi-Year Financial Recovery Plan

The Board submitted a budget to the Ministry in 2024-25 that requested to use \$28 million of Proceeds of Disposition (POD) in order balance. POD represent the revenue received from selling property and are required by Regulation to be used to address School Condition Improvement (SCI). Boards must ask permission to use POD for other purposes and POD are not a sustainable funding source for operating expenditures. As part of this approval, the Ministry can insist on additional requirements. The TDSB request to use POD for the 2024-25 budget had several conditions including commitments related to future budgets:

- A commitment to full cost recovery of non-Kindergarten to Grade 12 programs
- A commitment to make staffing adjustments when one-time funding has ended

In addition, the Board had to submit a two-year multi-year financial recovery plan (MYFRP), which was presented to the Special FBEC meeting on August 26, 2024 and submitted to the Ministry on September 30, 2024. Although the components of the plan were implemented in 2024-25, on April 24, 2025, the Minister stated that the Ministry had rejected the MYFRP. As a result, staff is presenting a revised two-year MYFRP for approval which projects a balanced budget in 2026-27.

Auditor General Performance Audit Recommendation

The Auditor General’s 2024 Annual Report, released in December 2024, included a Performance Audit of TDSB. One recommendation stated “We recommend that the

TDSB and the Ministry of Education work together to understand whether the TDSB has a structural funding deficit and how the TDSB's unique circumstances play a role in its financial challenges.”

Both the Board and the Ministry identified areas of concern about the structural deficit and committed to working together. TDSB staff reached out to EDU staff and continue to meet with them, as recommended.

In addition, another recommendation stated “that TDSB...regularly assess the programs and services TDSB currently delivers that are not fully funded (such as general interest programs and permit fees for community groups and organizations to use TDSB facilities); and redesign the program and services or fees charged for them so they can be offered on a cost-recovery basis.” This recommendation has been incorporated into the two-year plan.

Structural Deficit

The TDSB has a structural deficit. This means that the Board spends more than it receives in funding on an annual basis. There are a number of items contributing to the structural deficit – some that are not within the control of the TDSB and some that are.

The main items that are not within the control of TDSB and the Ministry does not provide sufficient funding for include:

- *Unfunded Statutory Benefits*

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. There has not been a corresponding increase in funding to offset these costs and in 2024-25, the annual underfunding of CPP has increased to \$39.0 million for TDSB. Employment Insurance (EI) has also been increasing and the underfunded amount is \$4.7 million. The total unfunded statutory benefits are \$43.7 million.

- *Difference in Funding for Teacher Salaries vs. Actual Salary Cost*

In 2014, the Province began Central Bargaining and came up with a central salary grid for teachers. Funding for teachers is based on this central grid. At that time, the TDSB grid was higher than the Provincial grid resulting in an unfunded amount for each teacher. This amount continues to increase as the Province

bargains percentage increases each year. In 2024-25, the amount that is underfunded is projected to be \$26.1 million.

- *Difference in Funding for Designated Early Childhood Educator (DECE) Salaries vs. Actual Salary Cost*

DECEs were introduced in school boards across Ontario when Full Day Kindergarten was implemented in 2010. A benchmark was established for the grants at that time. TDSB already had an established job classification for DECE and therefore, already had a salary grid. This grid was higher than the benchmark funding. This amount continues to increase as the Province bargains percentage increases each year. In 2024-25, the amount that is underfunded is projected to be \$1.5 million.

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

Prior to 2015, the Ministry provided a grant called “Top-up funding under the School Facilities Operation and Renewal grant”. The Ministry stated that “This funding is provided for eligible schools to support the operation and maintenance of facilities where enrolment is less than capacity.” In other words, the Ministry recognized that there is a similar cost to operating a school with full capacity as a school that is underutilized. In 2015, the Ministry announced the phase out of this grant over three years. In the announcement, the Ministry stated “One effect of this funding has been to sustain schools in areas where it would make more sense from a program, fiscal, demographic and geographic perspective to rationalize school space through measures that might include closure or consolidation with nearby facilities and partnerships with coterminous school boards.” In other words, the Ministry encouraged Boards to close schools to deal with the excess capacity. The challenge is that, in June 2017, the Ministry announced a moratorium on school closures; thereby eliminating the ability of TDSB to develop and implement plans to maximize capacity while also reducing the funding received to assist with the operating these schools. The TDSB received \$35.5 million top up funding prior to the phasing out of this grant. Staff have estimated that the grant would be \$43.1 million in 2024-25 if the funding had continued.

- *Grant Revenue Not Keeping Pace with Inflation*

There have been multiple reports completed by third parties which show that grant revenue has not kept pace with inflation. There are different reports that estimate the gap between \$776 and \$1,500 per student. In the “Ontario Public School Board’s Association (OPSBA) Submission Regarding the 2025-2026 Core Education Funding and the Ministry of Education Funding Engagement Guide” on November 12, 2024, OPSBA indicated that “Adjusted for inflation, per pupil funding now stands at \$11,506.03, creating a gap of \$776.41 per student—marking the lowest level of funding in over a decade.” For TDSB a gap of \$776.41 per student equates to a funding gap of approximately \$184.5 million.

On March 27, 2025, staff presented a report to FBEC that included a list of unfunded/underfunded/overspent items that TDSB has some control over that also contribute to the structural deficit. It is these areas that staff have reviewed and are presenting recommendations that meets the expectations of the Ministry.

Enrolment

The Ministry of Education allocates funding to School Boards using a model that is based on enrolment and the needs of students in each board. Enrolment is based on Full-Time Equivalent (FTE) enrolment for October 31st and March 31st. These two fixed-in-time FTE enrolment values are combined to produce the annualized Average Daily Enrolment (ADE). TDSB enrolment projections are based on historical enrolment trends, expected new development and immigration as well as student retention rates. An estimated ADE of 163,163 elementary students has been used to develop the 2025-26 Budget Estimates which is a decrease of 913 ADE or 0.5% from the 2024-25 Revised Budget Estimates. An ADE of 72,648 has been estimated for secondary students, a decrease of 476 ADE or 0.7% from the 2024-25 Revised Budget Estimates. The overall projected ADE is 235,811 which represents a decrease of approximately 1,389 ADE or 0.6% decrease from the 2024-25 Revised Budget Estimates.

Revenue

Core Education Funding (Core Ed)

The Core Ed was released by the Ministry on May 23, 2025. The Core Ed funding increased by 1.9% to \$3.49 billion in operating grants. Highlights included:

- Labour related increases
- 2.75% for teaching staff and P/VPs

- \$1/hour for education workers
- Phase in of Census Changes resulting in \$5.7 million decrease in funding
- 2% increase in non-staff benchmarks of school operations allocation

The increases related to labour have a corresponding increase in expenditures.

Other Ministry Grants

Other Ministry Grants have increased by approximately \$1.0 million from the prior year. Not all grants have been announced yet and will be added as more information becomes available.

Most of the other Ministry grants come from Responsive Education Program (REP) funding and some of the key highlights of the REP funding for 2025-26 are:

- Grants that support staffing have increased to fund increases in salaries
- The “Math Recovery Plan” funding has continued for 2025-26.
- The funding to support Early Reading and Reading Intervention has continued for 2025-26

Miscellaneous Revenue

Miscellaneous operating revenues includes such things as interest revenue, permit revenue, lease revenue and international student fees. Currently the other revenues are anticipated to be \$177.1 million which is a \$15.0 million decrease over 2024-25. This is primarily due to the loss of \$8.8 million in interest revenue and \$6.0 million in federal grants.

Expenditures

TDSB’s 2025-26 operating expenditures are estimated at approximately \$3.78 billion. Expenditures are allocated as follows:

- Salaries and benefits – 86.6%
- Supplies and services – 7.7%
- Fees and contractual – 4.6%
- Other – 1.1%

Salaries and Benefits

The major changes in the salaries and benefits include:

- Increase in salaries based on Collective Agreements and Terms and Conditions:
- 2.75% for teaching staff
- \$1.00/hour for education workers
- Increase in statutory benefits like CPP

School-Based Staffing

School-based staffing was approved by the Board in March 2025, representing 72.8% of the entire budget. There was a \$29.8 million decrease in school-based staffing as a result of decreased enrolment.

Other Expenditures

Highlights to changes in other expenses include:

- Increase in expenses as a result of contractual obligations
- Decrease in insurance costs
- Decrease in utility costs as a result of the elimination of the federal carbon tax
- Increase in other costs related to inflation

Updated Financial Position

On June 4, 2025, staff provided an update of the financial position based on the increase in grants from the Core Education Funding (Core Ed), the increase in Responsive Education Program (REP) funding and increases in expenditures, mainly related to the provisions of the collective agreements. The updated financial position is a deficit of \$34.4 million.

Public Feedback Opportunities

During the budget process, there were significant opportunities to receive feedback from the public. This included:

- 4 budget town halls for the general public – 3 in person and one hybrid
- 1 hybrid budget town hall with students
- Presentation to/feedback from various Advisory Committees including SEAC and CUSCAC

- A staff-initiated survey that had over 14,000 responses – mostly parents/guardians and caregivers.
 - Highlights of the results of the survey indicated that the top three areas that survey respondents indicated that should be considered for reduction/cost recovery were:
 - Transportation not fully funded by Ministry
 - Permit fees
 - Continuing Education
 - In addition, the top three areas that survey respondents did not think should be considered for reduction were:
 - Special Education
 - Mental health supports
 - Safety related expenditures
 - In the open responses, the main themes related to looking for reductions in senior staff and not reducing, and in fact increasing, direct supports for students to support the pillars of the multi-year strategic plan.
- Opportunities for delegation including written delegations

Guiding Factors to Consider While Balancing the Budget

In order to balance the budget, the Board has to decrease spending by \$34.4 million. Staff have considered a number of guiding factors when proposing the recommendations to balance the TDSB budget by 2026-27:

- The Multi-Year Strategic Plan (2024-2028) - The MYSP will help to determine where it is important to allocate resources to support the plan.
- Ministry regulations - including class size regulations and other spending requirements
- Collective agreement provisions – including timelines and protected complements
- Direct impact on TDSB students
- Commitments as part of request to use POD to balance the 2024-25 budget
- Auditor General of Ontario recommendations

Recommendations to Balance the Budget

Appendix A shows the proposed recommendations to balance the budget over a two-year period. In order to present a realistic plan, 2026-27 includes \$19.5 million in known changes that the Board has no control over. Examples include contractual obligations

for transportation, the phase in of the impact of the census changes and unfunded benefit increases. If the Ministry were to provide funding for these areas in 2026-27, this would improve TDSB's financial position.

The recommendations are based on the options to balance that have previously been provided to trustees and take into account the feedback received as the reports were presented throughout the budget process.

Outdoor Education

As indicated in the report presented at the Special FBEC meeting on May 15, 2025, staff is proposing a renewed model for outdoor education that enables a cost recovery approach and focuses on program, structure and organization.

TDSB currently spends \$4.7 million more than it receives in Core Ed funding and user fees. The impact of implementing this recommendation is a savings of \$4.7 million in 2025-26.

The key aspects of the renewed model include the temporary closure of the Scarborough Outdoor Education School which is being closed until the necessary renewal work can be completed. In addition, the proposal also recommends the closure of the Sheldon Centre for Outdoor Education.

It is important to note three main points with regards to this proposal:

- Staff is continuing to work to identify an appropriate site for Indigenous Land Based Learning.
- The capacity that is remaining after sites are closed can still accommodate the number of students that have been accessing overnight facilities annually.
- The long term goal is to investigate setting up a land trust to run the facilities that would allow all sites to be appropriately maintained and operated on a cost recovery basis. More information will be provided to trustees as it becomes available.

Pools and Swim Programming

Appendix B provides additional information regarding the recommendation related to pools. The recommendation has been adjusted based on feedback from Trustees, the Community Use of Schools Community Advisory Committee and permit holders. The recommendation allows for the pools to be operated on a cost recovery basis in 2026-

27 while maintaining stability for permit holders in 2025-26, keeps as many pools open as possible and maintains swim programming at all schools, recognizing that the programming will be reduced.

This option provides \$2.4 million of budget savings in 2025-26 and the remaining \$10.9 million in 2026-27.

Continuing Education

This recommendation is the implementation of the proposed option that was presented to the Board in the April 30, 2025 FBEC report. The \$2.3 million is savings in 2025-26 is a result of:

- Increased fees for general interest leading to cost recovery
- Increased revenue for certain other continuing education programs
- Improved efficiency in program delivery

1:1 Devices

The option to balance proposed to Trustees in the April 30, 2025 FBEC report was to delay the start date of the 1:1 device program from Grade 5 to Grade 7. As this was being discussed, trustees passed a motion requesting additional information about the 1:1 device program, mainly assessing impact, which would contribute to the ability to make this decision.

Since this report will not be available until the fall of 2025, staff is recommending a pause in the distribution of any 1:1 devices in 2025-26. Currently, any student that requests a device in Grades 5 to 12, has a device. There are approximately 112,000 devices deployed through this program.

If this program were to be paused for 2025-26, all students in Grades 6 to 12 who have requested a device will continue to have one. The devices that are returned by the current Grade 12 students will be assessed and distributed to schools as necessary.

Between the number of devices already in schools that are not part of the 1:1 device program and the devices that can be distributed to schools from the devices return by Grade 12 students, schools will have a discretion over how these devices are used.

In 2026-27, budget has been added for the distribution of one grade of devices. The grades included in the program will be finalized once the report requested by trustees has been presented.

This results in a savings in 2025-26 of \$9 million and then \$4.5 added back to the budget in 2026-27.

Reduction in Positions Funded by One-Time Funding

The Ministry has shared its expectation that when one-time funding is eliminated, the corresponding staffing should also be adjusted. The exception to this expectation is when a permanent funding source is identified. In 2021-22 and 2022-23, school boards across Ontario received one-time funding to support learning recovery as a result of COVID. For TDSB, this equated to approximately 500 positions. In 2023-24, the TDSB budget did adjust for approximately 400 of these positions. However, 93 positions totalling approximately \$10.3 million were maintained.

This recommendation eliminates the 93 positions funded by the learning recovery fund in 2026-27. At the same time, there is a recommendation to use Core Ed funding to “add back” (maintain) the 23 positions that support mental health and the 40 school based safety monitors.

This results in a net savings of \$4.7 million in 2026-27.

Renewed Music Program

The detail regarding the recommendation for a renewed music program was included in the April 30, 2025 FBEC report. Based on feedback that staff have heard, the revised recommendation is to add \$1 million to the 2025-26 budget to support the implementation of the renewed music program in 2026-27. This increases the budget related to the music program from \$5 million to \$6 million. When the renewed program is implemented in 2026-27, there is a proposed reduction of \$5 million which allows the continuation of \$1 million in budget to support the transition.

Program Reviews in Process

As indicated in previous reports, the Board is currently undergoing a number of program reviews that should produce efficiencies that have will be incorporated into the 2026-27 budget. The estimated savings is \$5 million.

Other Budget Savings

Over the two-year period, staff will continue to review central spending, including senior team as requested by trustees. The projected savings over the two-year period for all potential central reductions is estimated at \$2 million - \$0.5 million in 2025-26 and \$1.5 million in 2026-27.

Reduction in Replacement Costs for Sick Leave and Corresponding Investment in Support for the Multi-Year Strategic Plan

At the March 5, 2025 Special Board meeting, Trustees passed a motion “that the Director present a special report to the Finance, Budget and Enrolment Committee on multi-year reinvestments needed centrally to ensure the implementation of the Multi-Year Strategic Plan, for example to address sick/leave attendance management, the modernization strategy, an enterprise business and information system, to replenish reserves and other central department priority needs as determined by the Director.”

This recommendation helps to identify a funding source in the 2026-27 budget to support this motion.

As the Attendance Support Program is fully implemented and the Board works towards the provincial average for the number of sick days, it is anticipated that there could be an additional \$5 million in savings in 2026-27. This amount will be monitored to determine the feasibility and the corresponding investment in support for the multi-year strategic plan will be adjusted accordingly.

Use of Proceeds of Disposition

Staff does not recommend using POD as a sustainable way of balancing the budget.

However, included in the 2025-26 budget is a \$13.7 million expense related to the amortization of the employee future benefits liability. The liability will be fully amortized in 2025-26 and this will free up \$13.7 million of budget in the 2026-27 budget.

Therefore, staff believe that it is reasonable to request the use of POD of \$13.7 million to assist in balancing the 2025-26 budget as this is a one-year expense. It is important to note that the request has to be approved by the Ministry and that the approval may have some additional requirements for the Board.

Action Plan and Associated Timeline

The 2025-26 budget estimates are due to the Ministry on June 30, 2025.

In addition, staff will submit the approved two-year plan to the Ministry. This updated plan will assist the Ministry in making the decision to allow the Board to use the \$28 million POD requested to balance the 2024-25 budget and maintain an accumulated surplus balance.

Resource Implications

Section 231 of the Education Act requires school boards to pass a balanced operating budget each year. Budgets are intended to align both human and financial resources to system priorities.

This two-year plan addresses TDSB's structural deficit and will allow the Board to use increases in funding in future years to address Board priorities.

Communications Considerations

Staff will ensure that all relevant information is provided to stakeholders.

Board Policy and Procedure Reference(s)

Not applicable.

Appendices

- Appendix A: Proposed Two-Year Budget
- Appendix B: Recommendation Related to Pools and Swim Programming

From

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APPENDIX A

		2025-26	2026-27
Projected Deficit		-\$ 34.4	-\$ 16.5
Projected Changes for 2026-27			
Projected Phase In of Census Related Reduction			- 5.5
Increase in Expenses Based on Contractual Obligations and Inflation			- 10.0
Benefits/Employee Future Benefits Increases			- 4.0
Completion of Amortization of Employee Future Benefit Liability			13.7
			- 5.8
Updated Projected Deficit		- 34.4	- 22.3
Recommended Changes			
Outdoor Education		4.7	-
Pools		2.4	10.9
Continuing Education		2.3	-
1:1 Devices		9.0	- 4.5
Reduction in Positions Funded by One Time Funding		-	10.3
Add Mental Health Supports		-	- 3.0
Add School Based School Monitors		-	- 2.6
Renewed Music Programming		- 1.0	5.0
Program Reviews in Process		-	5.0
Other (permit fees, administration)		0.5	1.5
Reduction in Replacement Costs for Sick Leave			5.0
Investment in MYSP			- 5.0
		17.9	22.6
Ending Deficit		-\$ 16.5	\$ 0.3
Use of POD to Offset the Final Year of Phase-In of Employee Future Benefit Liability in 2025-26.		13.7	
		-\$ 2.8	\$ 0.3

Recommendation Related to Pools and Swim Programming

The Toronto District School Board (TDSB) is committed to providing diverse and enriching opportunities for student learning, well-being, and extracurricular engagement. Swimming is part of this engagement.

On April 30, 2025, staff presented their proposed recommendations related to pools and swim programming. At that time, there were a number of questions and concerns raised. Based on the feedback received and the progress made by Toronto Lands Corporation (TLC), staff has revised the recommendations to support a two-year plan.

Background

Funding

The Ministry of Education does not provide funding to support the maintaining and operating of pools. Across the province, pools are owned and operated by municipalities.

TDSB receives revenue from lease agreements and permit fees for use after hours, although the costs are higher than the revenue collected. In 2024-25, lease revenue is projected to be \$6.1 million and permit fees are projected to be \$3.5 million.

The operation of pools would be something that the Ministry would consider outside of the “core mandate” of school boards and therefore, there is an expectation that the operation of pools would be on a cost recovery basis.

Operating Costs

There are many costs associated with operating pools including:

- Water treatment
- Utilities
- Additional caretaking for cleaning and for after hour usage
- General maintenance

The financial cost of operating the sixty-six pools during the 2024-25 school year is projected to be \$17.2 million.

Renewal Costs

Ensuring pools meet health and safety standards requires ongoing investments in equipment and facility repairs and there are significant renewal/capital costs associated with keeping pools operational. TDSB is responsible for all these costs for its permitted pools as well as its leased pools even though the Ministry does not

provide funding for these costs. In the last 10 years, TDSB has spent \$27.6 million in pool renewal. This year, TLC engaged an external consultant to perform audits of all pools and the renewal needs total approximately \$126.9 million.

Aquatic Instructor Costs

TDSB employs 86.0 FTE aquatic instructors at a cost of \$5.7 million annually. The instructors support programming during the school day at sixty-four of the sixty-six pools across the city. In addition, the Board employs four additional aquatic instructors that support the two congregated sites. The leasees provide their own lifeguards when they are using TDSB pools after hours and the Swim to Survive program is provided by the City of Toronto aquatic instructors.

Currently, elementary schools require two aquatic instructors at a time to support programming and secondary schools require one aquatic instructor. To comply with Ontario Provincial Pools Regulation 565, the Ontario Physical and Health Education Association (OPHEA) and the Lifesaving Society, secondary schools will require two aquatic instructors starting in 2025-26. The Ontario Teachers Aquatic Standard (OTAS) for secondary teachers is no longer valid as a lifeguarding certificate and the regulation states that two individuals holding lifeguarding certification must be present on the deck. Therefore, 39.0 additional aquatic instructors would be required in 2025-26 to maintain the same level of programming at a cost of approximately \$2.8 million. This would increase the cost of aquatic instructors to \$8.5 million.

Per the jurisdictional scan, TDSB is the only school board that employs aquatic instructors. In addition, upon review of wages paid to lifeguards/aquatic instructors across the City of Toronto, the wages range between \$17/hour and \$22.94/hour. TDSB pays its aquatic instructors between \$28.37 and \$29.79 per hour.

Swim to Survive

Swim to Survive is a program developed by the Lifesaving Society that teaches the essentials needed to survive an unexpected fall into deep water. It is an important first step to being safe around water.

The Lifesaving Society aims to have every Grade 3 student in Ontario achieve the Swim to Survive standard. The Society has a school grant program to make this happen. At TDSB, this is a pre-existing program and has successfully expanded at schools that do not have pools within the last few years. There are 142 schools registering and 5,527 students participating in the program this year. In the 2023-2024 school year, this initiative engaged over 2,942 Grade 4 students across 85 schools.

The program utilizes City of Toronto pools and staff, and as indicated, is fully funded through the Ministry of Education, including transportation, pool time and instruction.

Recommendations and Next Steps

Given the challenges identified above, including:

- No funding for school boards to operate pools,
- Challenges with renewal costs associated with aging TDSB pools, and
- Equity of access to pools and programming across TDSB

The recommendations to address the challenges are as follows:

1. Continue to Permit Pools for the 2025-26 School Year

Based on the work that is required by TLC to secure leases for pools and based on the feedback received from permit holders and the Community Use of Schools Community Advisory Committee, staff is recommending that pools continue to operate in 2025-26 and TDSB continue to permit pools. It is also recommended that permit fee be increased to the final proposed amount, rather than a phase in of the permit fees. This results in an estimated \$500,000 in additional revenue for 2025-26.

2. Negotiate New Lease Agreements with the City of Toronto

TDSB has twenty-seven pools that are currently leased by the City of Toronto. The lease for these pools expires in the current year and TDSB, assisted by TLC, must negotiate with the City of Toronto to ensure that pools are being operated on a cost recovery basis. This work has begun with the intention of having new leases in place by January 1, 2026, at the latest. This results in a projected increase in lease revenue of \$900,000 for 2025-26.

3. Explore Lease Opportunities for All Other Pools

As a result of Board motion, TLC has presented a plan to secure third-party leases for as many of the remaining pools as possible. Based on the feedback received, it is expected that these leases will be in place for September 1, 2026.

As indicated in the report to PPC on June 11, 2025, “TDSB’s goal is to secure sustainable, long-term community use of the pools through agreements that achieve full cost recovery at a minimum or, similar to Permit Category C – Commercial, have a profit component. The description of Category C includes “sports and social clubs owned by individuals and schools and classes such as dancing, music, driving schools operated for private gain”. TLC will work with TDSB to determine how the profit would be used but it would likely support swim programming while potentially securing additional funding to establish a capital reserve fund to improve the state of the facilities on a case-by-case basis.”

4. Close Pools that are Not Leased in 2026-27

TDSB does not have funding to continue to operate pools that are not leased by the city or a third party on a cost recovery basis. Based on the interest expressed by third parties over the two-week period that TLC has been receiving expressions of interest, the current report does not anticipate the closure of pools. If there is no lease secured, however, the date of closure would be scheduled for September 1, 2026.

5. Continue to Provide Programming at the Two Congregated Sites

The swimming pools in TDSB's two congregated sites are beneficial for students with complex disabilities in those schools as they offer a safe, controlled, supportive and low-impact environment that supports physical and sensory regulation and also emotional well-being for students. Water and buoyancy can help improve mobility, coordination and gross motor skills as well as promote social interaction skills which are areas of need for many of the students in these schools. Having an accessible pool with transfer and other specialized equipment on-site ensures that students with complex disabilities can participate in a differentiated physical education program, as schools with pools can tailor programs to individual student needs. Four aquatic instructors will remain in these two sites.

6. Continue to Provide Reduced Programming in All Other Sites

There are currently 86 other aquatic instructors (in addition to the four for the congregated sites) in the budget. Of these 86 positions, 12 are currently vacant.

It is recommended that the 2025-26 budget be reduced to 74 aquatic instructors (the current number).

As a result of the changes in guidelines, two aquatic instructors are required at all pools to support programming. Therefore, the 74 aquatic instructions support running 37 programs at a time. To support the programming at all 64 pools, a reduction in programming will be required. TDSB staff are currently working with the union to be able to support this change. In addition, staff are preparing a schedule for operations which will take into account many factors including the existing programming and the enrolment of the schools.

7. Expand Programming in Other Schools that Do Not Have Pools

TDSB is reviewing how to provide opportunities to access Swim to Survive for all schools. Ongoing discussions will continue with the City of Toronto as well as looking at how to use TDSB pools at the times they are not allocated to the home school.

Resource Implications

Staff believe that these recommendations meet the goals that were expressed through the budget process. The recommendations do the best to keep pools open as a community asset, while still maintaining programming, in a cost recovery manner.

Once this plan is implemented, the impact on the budget will be a savings of \$2.4 million in 2025-26 and a further \$10.9 million in 2026-27. See details in Appendix B.1.

APPENDIX B.1

		Current Projection	2025-26		Recommended	
			Sept - Dec	Jan - Aug	Total	2026-27
Revenue						
	Leases	6.1	2.0	5.0	7.0	22.0
	Permits	3.5	4.1	→	4.1	-
		9.6	6.1	5.0	11.1	22.0
Expenditures						
	Operating Expenses	17.2			17.2	17.2
	Aquatic Instructors	5.7			4.8	4.8
		22.9			22.0	22.0
		-			-	-
		13.3			10.9	-
			\$2.4 million savings		\$10.9 million savings	
NOTES						
1	Projected increase of \$900,000 in leases for 2025-26 Projected increase of \$600,000 in permit revenue for 2025-26 Projected decrease of \$900,000 in aquatic instructor budget. Therefore, there is budget improvement of \$2.4 million in 2025-26.					
2	2026-27 assumes cost recovery.					