

Balancing the 2015-2016 Operating Budget

Ward Forum Presentation



Introduction

- Introduction of staff
- Brief outline of presentation
 - TDSB Profile
 - Operating versus Capital Budgets
 - Operating Expenditure – School Budgets and Staffing
 - Budget Risks
 - 2015-2016 financial forecast
 - Proposed options to balance budget
- Next Steps
- Capital Directions and Challenges
- Questions and Answers

Profile

- 246,000 students in 589 schools
- Over 100,000 adult learners
- 56% of students home language other than English
- Annual operating budget of \$3.1B
- Funding Sources:
 - ✓ Provincial grants = \$2.8B
 - ✓ Other revenues = \$0.3B
- Capital budget totaling \$137M
- 29,000 school based and school support staff
- 1,200 central staff

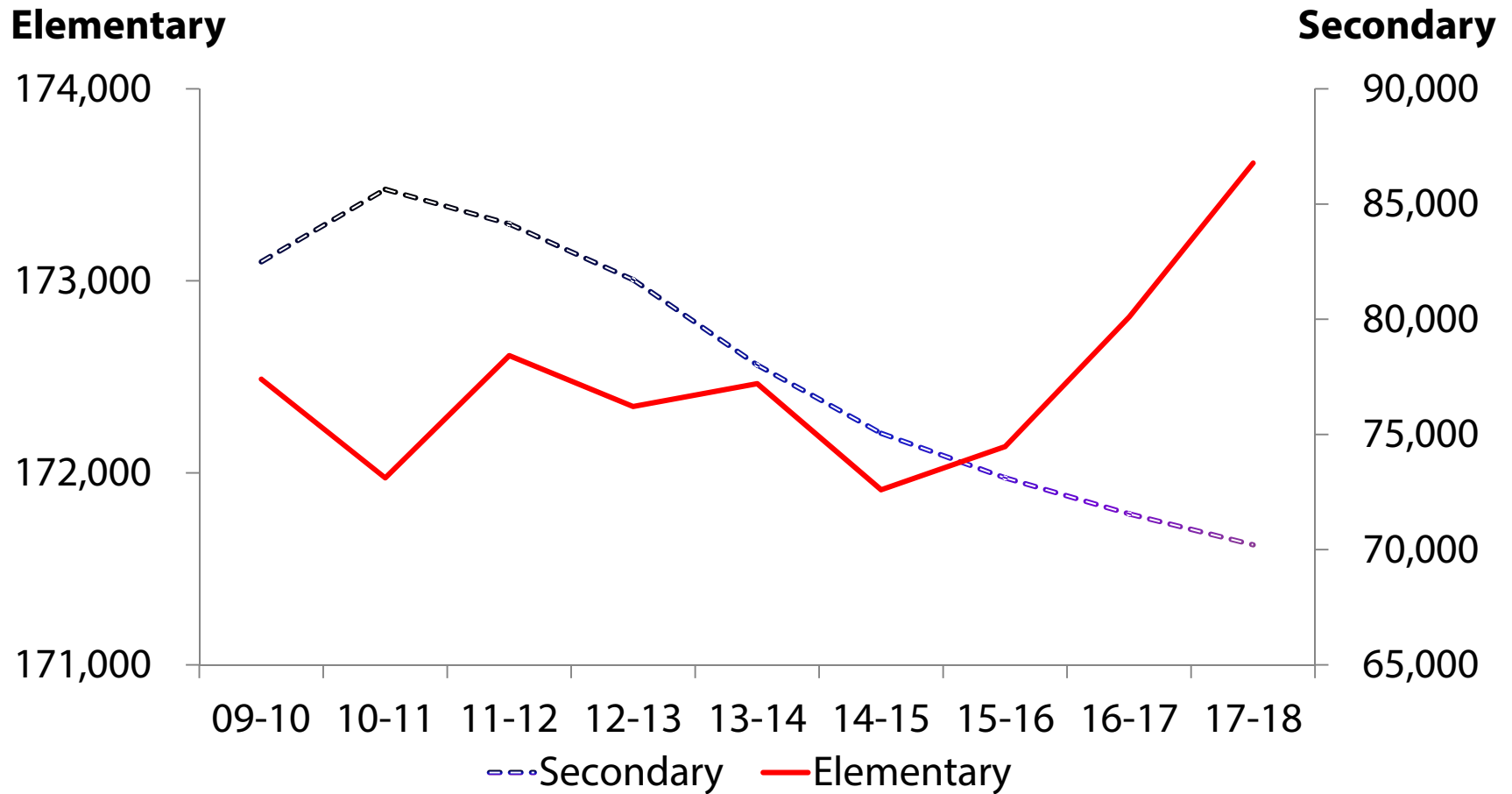
Operating vs. Capital Budgets

- Operating budget (March) and a Capital Plan & Budget (May)
- An Operating Budget represents the annual expenditure plan for the board, supporting student learning and board operations.
- The Capital budget is a plan for addressing growth and retrofitting school facilities.

Simplified Budget Process for 2015-16

- In March, the Board will vote on the full operating budget for the 2015-16 school year.
- Similar process to the 2014-15 budget cycle.
- Goal of new approach is to provide a complete financial plan for well in advance of the start of the school year.

Enrolment Trends



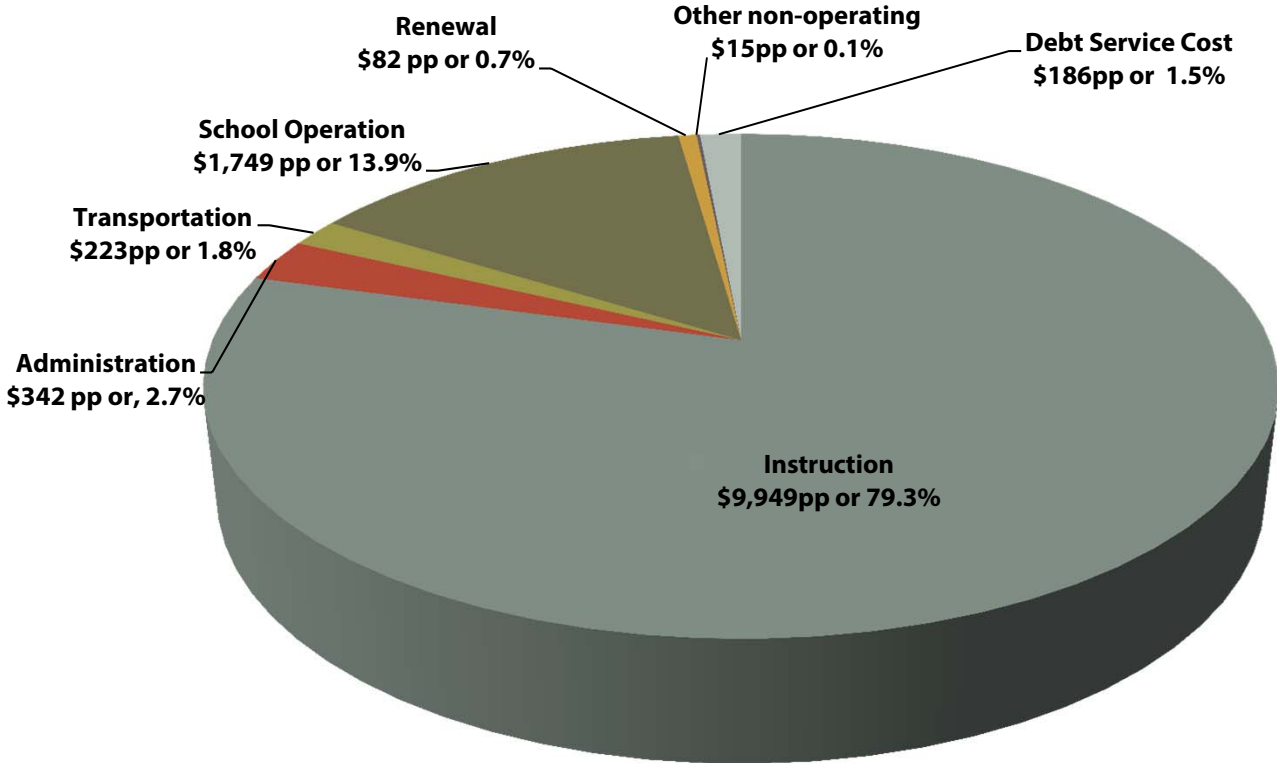
Elementary Day School Enrolment (Head Count)

Elementary	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017
Kindergarten	34,382	35,153	36,149	36,513	36,124	36,075	36,089	36,259
Grades 1 to 3	51,465	51,864	52,579	53,127	53,992	54,348	54,281	53,981
Grades 4 to 8	86,464	84,793	83,748	82,603	82,213	81,362	81,640	82,445
International Students	177	164	136	103	136	128	128	128
Total	172,488	171,974	172,611	172,346	172,465	171,913	172,137	172,812
Year over Year Change in Enrolment		(514)	638	(266)	120	(552)	224	675
Changes in %		-0.30%	0.37%	-0.15%	0.07%	-0.32%	0.13%	0.39%
Note: FDK program start in 2010-2011 and completely implemented by 2014-2015								

Secondary Enrolment

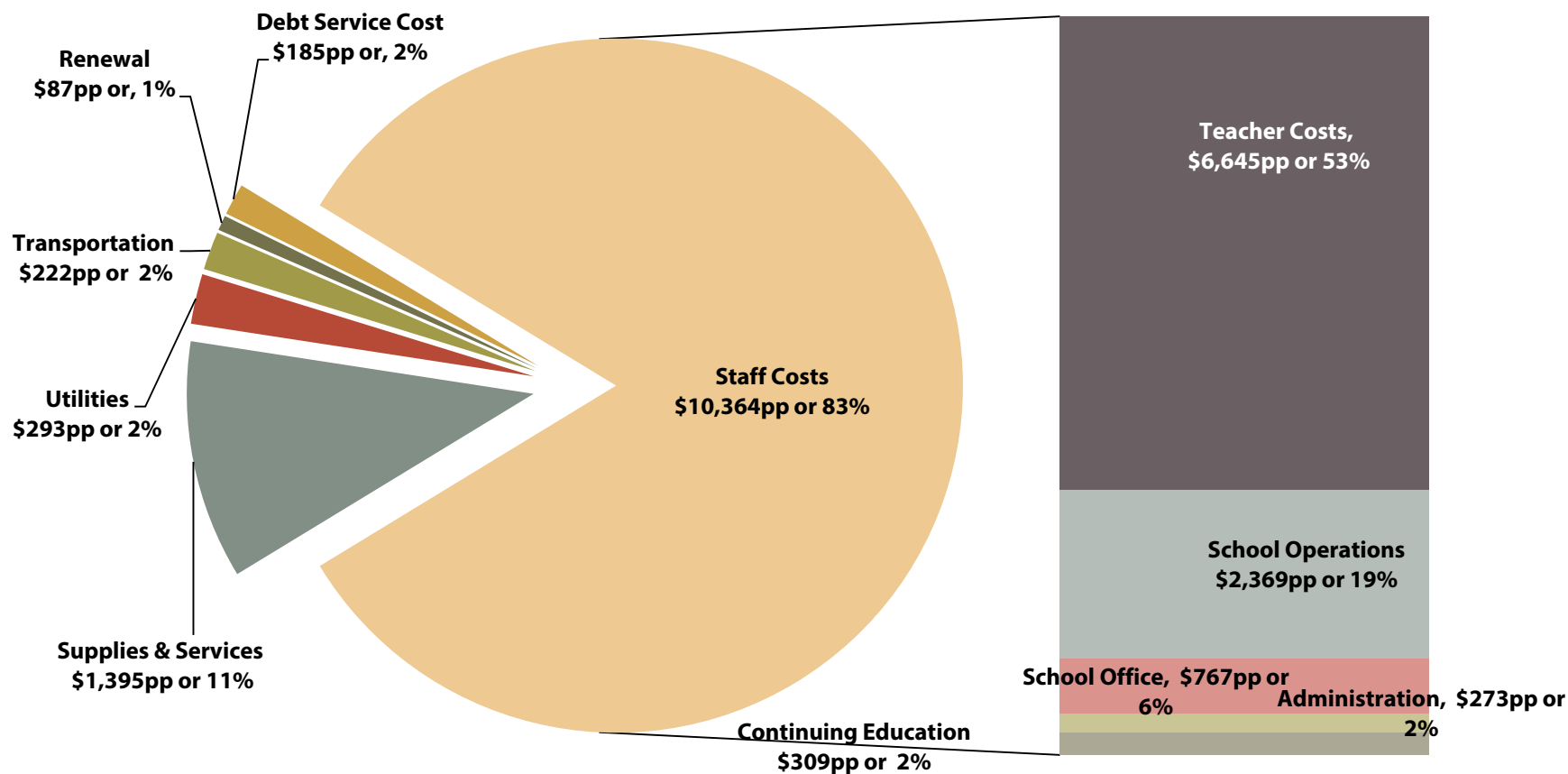
	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017
Regular Day School	84,473	84,506	82,967	80,444	76,219	73,312	71,389	69,845
High Credit					548	338	338	338
Students over 21	216	214	156	146	118	131	120	102
International Students	806	923	1,019	1,132	1,134	1,272	1,272	1,272
Total	85,496	85,642	84,142	81,721	78,019	75,054	73,119	71,557
Year over Year Change in Enrolment		147	(1,501)	(2,420)	(3,702)	(2,965)	(1,935)	(1,561)
Changes in %		0.17%	-1.75%	-2.88%	-4.53%	-3.80%	-2.58%	-2.14%
Note: Ministry High Credit funding change started in 2013-2014								

Operating Expenditure Plan by Ministry Defined Categories



Notes: Dollar amounts represent the expenditures on a per pupil basis.
School Operation includes building amortization.

Operating Expenditure Plan



Note: Dollar amounts represent the expenditures on a per pupil basis.

School Budget Model

<http://www.tdsb.on.ca/AboutUs/BusinessServices/BudgetsandFinancialStatements/SchoolBudgetAllocations.aspx>

School Budget Model Template 2014-2015	
The detailed 2014-2015 School Budget has been developed using the projected enrolment data from Oct. 31, 2014.	
The credit information was obtained from Trillium data, October 31, 2013.	
A.	Enrolment/Staffing Data
1	F.T.E. Enrolment
2	Special Education Teachers
3	Special Needs Weighted Enrolment (Learning Opportunities)
4	French Immersion/Extended Enrolment
5	F.T.E. Enrolment, Grades 6, 7 + 8
B.	Course Credit Program Supplement Information
1	Instrumental Music
2	Tech Ed (Special allotments - high tech vs non tech)
3	Arts
4	Family Studies
C.	Funds Distribution
1	Base School Allotment
	Elem @ \$5,000/school
	Sec @ \$10,000/school
	Alt Schl on stand alone sites @ \$5,000
	Add'l Base - FTE <= 200 \$5,000; FTE >200<=250 \$2,500; FTE >250<=300 \$1,500
2.a	General Per Pupil Allocation
	Elem @ \$96.5/pupil
	Sec @ \$150.5/pupil
2.b	Library Allocation
	Elem @ \$17/pupil
	Sec @ \$26/pupil
3	School Office Per Pupil Allocation (including Alt Schls)
	Elem @ \$23.5/pupil
	Sec @ \$31.85/pupil
4	Learning Opportunities Grant
	Elem @ \$15/weighted enrolment
	Sec @ \$8/weighted enrolment
5	Student Financial Assistance @ \$13/weighted enrolment Sec
6	Program Supplements
6.1	Elem Grade 6, 7 + 8 (excl. JK-6) @ \$38/pupil
	Sec = Course Credit Enrolment X factor as follows:
6.2	Instrumental Music @ \$50/credit
6.3	Arts @ \$15/credit
6.4	Family Studies @ \$30/credit
6.5	Tech Credit, High Tech Schools = \$30 - \$46.50/credit
6.6	French Imm/Ext @ \$15/pupil
6.7	Special Education Allotment per teacher
7	School Council Allocation
	Elem/Sec @ \$1.25/pupil (Min \$300; Max \$1,000)
8	Professional Development @ \$5/pupil
9	IB Program
	Elem & JHS \$20,000/site
	Sec (Base \$35,000 plus \$800 x (FTE Prj # of exam/6 exam per student) in Gr. 11&12
	New Sec Site @ \$10,000 -address Staff Training & Site Fee
10	Manipulatives Gr 7 to 12 @ \$4/pupil
11	Other Special Supplement for Specialized Program
	Grand Total

School-Based Staff Allocation

School-Based Staff Allocation Process

The critical path for school-based staff allocation includes:

- Finalization of school-based staffing in early-March; and
- Allocation of school-based teachers and support staff to schools in mid-March.

These timelines are necessary in order to provide schools with sufficient time to comply with collective agreements (i.e., school organization model and declaration of surplus).

Guiding Principles for the Staff Allocation Process

- Board decisions.
- Collective agreements.
- Legislation and regulations.
- Changing Ministry of Education program requirements.
- Student enrolment – which is the principle driver of staff allocation for most categories.

Elementary Classroom Teachers: Full Day Kindergarten

<i>Data Sources</i>	Projected enrolment on October 31 for the upcoming year.
<i>Notes</i>	Ministry of Education funding has a system average class size of 26.0.
<i>Ministry of Education Funding Benchmark 2014-2015</i>	Funded primarily through the Pupil Foundation Allocation.

Elementary Classroom Teachers: Grades 1-3

<i>Data Sources</i>	Projected enrolment on October 31 for the upcoming year.
<i>Notes</i>	<ul style="list-style-type: none">• Primary class size cap of 20 for 90% of classes.• Cap of 23 for 10% of classes.• Cap of 23 for grade 3/4 combined classes.
<i>Ministry of Education Funding Benchmark 2014-2015</i>	Funded primarily through the Pupil Foundation Allocation.

Elementary Classroom Teachers: Grade 4-8

<i>Data Sources</i>	Projected enrolment on October 31 for the upcoming year.
<i>Notes</i>	<ul style="list-style-type: none">• Ministry of Education funding has a system average class size of 24.5.• Collective Agreement target is a system-average class size of 23.24 (which results in additional costs).
<i>Ministry of Education Funding Benchmark 2014-2015</i>	Funded primarily through the Pupil Foundation Allocation.

Elementary Teachers: ESL Self-Contained/Resource

<i>Data Sources</i>	Number of students who arrived in Canada within four years and who were born in a non-English speaking country.
<i>Notes</i>	Board Motion directed 75% of the total ESL Grant to be used to for ESL purposes.
<i>Ministry of Education Funding Benchmark 2014-2015</i>	No specific benchmark within language funding allocations.

Elementary Teachers: Library

<i>Data Sources</i>	Projected enrolment on October 31 for the upcoming school year.
<i>Notes</i>	Board Motion has established a 0.5 base of the allocation at all regular schools.
<i>Ministry of Education Funding Benchmark and Staffing 2014-2015</i>	Ministry of Education Benchmark - 203.5. TDSB Allocation - 234.5.

Elementary Teachers: Itinerant Guidance

<i>Data Sources</i>	Actual grade 7 and 8 enrolment on October 31 for the current school year.
<i>Notes</i>	Family of Schools Superintendents determine the precise scheduling of itinerant guidance within their Family of Schools.
<i>Ministry of Education Funding Benchmark and Staffing 2014-2015</i>	<ul style="list-style-type: none">• Ministry Benchmark - 31.0.• TDSB Allocation - 40.0.

Secondary Teachers: Classroom

Data Sources	<ul style="list-style-type: none">• Projected average daily enrolment of the upcoming school year.• Type of courses for each school.• Average credit count for each school.
Notes	Unique school divisor based upon course types. The TDSB class size for the secondary panel is expected to be 21.6 (which results in additional costs).
Ministry of Education Funding Benchmark 2014-2015	Funding provided to meet Ministry of Education average class size standard of 22:1.

Secondary Teachers: ESL

Data Sources	Number of students who arrived in Canada within four years and who were born in a non-English speaking country.
Notes	Board Motion directed 75% of the total ESL Grant to be used for ESL purposes.
Ministry of Education Funding Benchmark 2014-2015	No specific benchmark within language funding allocations.

Secondary Teachers: Library and Guidance

Data Sources	Projected average daily enrolment of the upcoming school year.
Notes	<ul style="list-style-type: none">• Library allocations are added to guidance allocations and rounded to the nearest 0.17 or section.• Principals have flexibility in the utilization of this allocation category.
Ministry of Education Funding Benchmark and Staffing 2014-2015	<ul style="list-style-type: none">• Ministry library benchmark - 78.5.• TDSB allocation for library - 91.• Ministry of Education guidance benchmark - 185.5.• TDSB allocation for guidance - 203.5.

Elementary Vice-Principal

Data Sources	Actual enrolment on October 31 for the current school year and Learning Opportunities Index (LOI) Ranking.
Notes	Allocation requires specific number of 1.0 and 0.5 positions.
Ministry of Education Funding Benchmark and Staffing 2014-2015	<ul style="list-style-type: none">• School Foundation Grant allocation• Ministry Benchmark - 147.0 FTE• TDSB Allocation - 179.5 FTE/234 Headcount (i.e., 109 vice-principals have half-time teaching responsibilities).

Secondary & Junior High Vice-Principal

Data Sources	Actual number of teachers on October 31 for the current school year.
Notes	<ul style="list-style-type: none">• All allocations are 1.0 positions.• Additional vice-principals may be acquired using TDSB-approved resources designated for school safety.
Ministry of Education Funding Benchmark and Staffing 2014-2015	<ul style="list-style-type: none">• School Foundation Grant allocation.• Ministry of Education benchmark - 149.5.• TDSB allocation -165.0.

School Office

Data Sources	<ul style="list-style-type: none">• Actual enrolment on October 31 for the current school year.• Actual number of secondary teachers as of October 31 for current school year.• LOI ranking.
Notes	Minimum allocation per regular day school is 1 FTE.
Ministry of Education Funding Benchmark 2014-2015	<ul style="list-style-type: none">• School Foundation Grant allocation• Ministry Benchmark - 1040.0.• TDSB Allocation - 1052.0.

Early Childhood Educators

<p>Data Sources</p>	<p>Projected enrolment on October 31 for the upcoming school year.</p>
<p>Notes</p>	<p>Allocated to kindergarten classes with more than 15 students.</p>
<p>Ministry of Education Funding Benchmark and Staffing 2014-2015</p>	<ul style="list-style-type: none"> • Benchmark based on enrolment parameters only, not taking into account temporary replacement costs included in funding. • Ministry Benchmark - 1388.0. • Adjusted Ministry of Education benchmark based on TDSB costs: 1180.0. • TDSB Allocation: 1264.0 <p><i>NOTE: Differential in Ministry salary and benefits benchmark and temporary replacement costs are in excess of funding.</i></p>

Caretaking

Data Sources	Square footage, number of pools, child care centres, permits, portables, legal and operational complexity, and enrolment.
Notes	Approximately 10% of the allocation is reserved for the replacement pool.
Ministry of Education Funding Benchmark 2014-2015	Funded by school operations allocation. No specific benchmark within allocation model.

Other School Based Staff

- School-Based Safety Monitors
- Lunchroom Supervisors
- Aquatic Instructors
- Food Program Assistants

Budget Assumptions

- Projected enrolments
 - Number of classes and teachers adjusted to enrolment
- Provincial grants based on 2014-15 funding model and announced changes
- Inflationary adjustments (utilities and payroll taxes)
- Contingency
- Labour contract settlements funded through current funding model or additional funding

Budget Risks

- Enrolment projections to actuals
- Provincial grant changes
- Inflation assumptions
- Unanticipated events (weather, public health, labour disruption, government policy changes)
- Legal

2015-2016 Projected Financial Position

	Items	Amount (in millions)
Revenue		
	Change in GSN revenue due to enrolment	\$(24.8)
	Special Education High Needs Amount	\$(5.0)
	Administration and Governance Allocation	<u>\$(0.5)</u>
	Change in Revenue year over year	\$(30.3)
Expenditure		
	Changes due to enrolment and staffing demographics	\$(17.3)
	Other payroll and benefit changes	\$1.5
	Utility increases	\$2.0
	Contingency	<u>\$5.0</u>
	Change in Expenditures	<u>\$8.8</u>
Projected Financial Position – Surplus/(Deficit)		\$(21.5)

Proposed Options to Balance

- Transcript Fees
 - Recommendation is to increase the fee for a student transcript to \$24 (maximum allowed under regulation). Currently the school board charges \$22 for one copy and \$5 per additional copy. Last year the Board issued approximately 16,000 transcripts to students. The increase of \$2 would represent approximately \$32,000 of additional revenue to the Board. Below is a listing of what school boards charge for transcripts.

Fee Structure for Request for Transcripts

BOARD	ONE COPY	ADDITIONAL COPIES
Toronto DSB	\$22.00	\$5.00
Toronto CDSB	\$22.00	\$5.00
Durham DSB	\$10.00	\$20.00 up to a maximum
Halton DSB	\$20.00 for two	\$5.00
Halton CDSB	School level not consistent but seems around \$10.00	
Ottawa Carlton DSB	\$24.00	\$5.00
Peel DSB	\$20.00	\$5.00
Dufferin-Peel CDSB	\$20.00 graduates prior to September 2009	\$5.00
Waterloo DSB	\$15.00	\$5.00
York Catholic	\$25.00	\$5.00
York Region DSB	\$25.00	\$5.00
Kawartha-Pine DSB	Does not charge	

Proposed Options to Balance (con't)

- Parking Fees
 - There has been an opportunity identified to establish Toronto Parking Authority (TPA) parking lots on school sites that reside in key areas within the downtown core. TPA has indicated that similar operating lots generate substantial revenue on an annual basis. The advantage of partnering with TPA is that we would access zoning exemptions available to the TPA and utilize their expertise in managing parking lots. The proposal would have the potential of generating an estimated \$100,000 in revenue in the start-up year and would increase in future years. Efforts will be made to ensure the impact to students evening and weekend events are minimized, if possible.

Proposed Options to Balance (con't)

- International Partnership – CIS Vietnam School
 - The Board signed a consultancy agreement with CIS Vietnam school to provide staff recruitment, curriculum and e-learning services to them. These services will be provided by existing staff, thereby bringing additional funds to the board without incurring any significant additional costs.
 - The projected revenue improvement to the Board is \$1,000,000US over the 3 year agreement. For 2014-2015, the agreement provides for approximately \$330,000US in consultancy fees to be paid in 3 installments. To date, revenue improvement to the Board is approximately \$200,000.

Proposed Options to Balance (con't)

- Central Department Operating expenditures
 - A review of the historical spending in central departments based on the last three year averages has identified approximately \$3.5M of savings. Based on this analysis department budgets would be set at the lesser of the prior year budget or the three year average.
- Transportation
 - The method and calculations for the allocation of student transportation costs between the Toronto District School Board and the Toronto Catholic District School Board will be reviewed to ensure that expenses incurred by the TDSB are reflective of the services delivered to our students. These costs include the home to school, school to school transportation costs, as well as the allocation of costs for administration of the consortium. This has been an ongoing issue but worth investigating for equity and savings.

Proposed Options to Balance (con't)

- Facility Services continues to make use of the GPS systems installed in all maintenance and construction vehicles to improve productivity and scheduling of work. This has resulted in saving in fuel and vehicle maintenance expenses of more than \$100,000. Effective scheduling and bundling of work orders has resulted in more "time on tools" Increased effectiveness of in-house trades staff will reduce the need to use contractors for overflow work
 - Other initiatives to increase savings include:
 - Introduction of a centralized phone in line for trades staff to obtain PO reducing time spent on procurement and ensure that TDSB obtains best pricing from vendors through use of SAP procurement contracts
 - Maximization of use of truck stock best practices to reduce procurement time and take advantage of savings from increased standardization
- As these new processes continue to be implemented and improved, and with full implementation of the Phase 2 Telematics project , additional savings of approximately \$1M will be achieved in 2015-2016

Proposed Options to Balance (con't)

- Toronto Foundation for Student Success (TFSS)
 - Currently the TDSB provides TFSS with \$560,000 in funding support, as well as free space in one of our administrative sites. \$400,000 goes to support the administration of TFSS, \$160,000 supports secondary nutrition.
 - It is proposed that other organizations receiving benefit from TFSS should be asked to contribute to the administrative costs of TFSS. The amount of contribution from other organizations would reduce TDSB's contribution to this shared service provider.
 - No reduction of supports to students would be impacted by this undertaking.

Proposed Options to Balance (con't)

- Special Education
 - The Ministry during the GSN announcement for 2014-2015 funding outlined a four year phase-in of a change to the High Needs Allocations (HNA) within the Special Education funding. The HNA funding has been reduced in 2014-2015 by \$7.3M. To date the Ministry has not confirmed what the next three years funding reduction will be. As part of the forecast for 2015-2016, staff estimated a further reduction of \$5M.
 - As a result of the reduction in 2014-2015 the Special Education department has reviewed their staffing and recommended changes to reconfigure services to students amounting to \$4.5M. These changes will realize the required savings while still maintaining effective student programs.

Summary of Currently Proposed Options to Balance for 2015-16

	(\$)
Options	Amount Recommended
Transcript Office Fees	32,000
Parking Fees Pilot	100,000
International Partnerships – CIS Vietnam School	200,000
Central Department Operating Budget Reductions	3,500,000
Transportation realignment of costs	1,000,000
Facilities routing and scheduling savings	1,000,000
Special Education Staffing Reduction due to grant reduction	4,500,000
Total Recommended Savings to Date	<u>\$10,332,000</u>

Operating Budget – Next Steps

- Community Budget Sessions throughout February
- Proposed Balanced Budget to Board March 11th
- Community Information Sessions on Proposed Long Term Program and Accommodation Plan – April/May
- Multi-year Proposed Capital Budget to Board end of May

Capital Directions and Challenges



Overview – The Context

The Renewal Challenge

- **588** operating schools
- **102** Schools below 60% capacity
- **66** properties sold
- **\$405 M** in proceeds
- **\$3.0 B** in current renewal needs
- **\$5.6 B** projected by 2028
- **226** schools in *critical** condition
- **55** schools need extensive renovations

Annual grant for school renewal:

\$45.5 M (2014-2015)

Grant for School Condition Improvement:

\$29.4M (2014-2015)

***Capital funding for
growth since 2008-2009:
\$107.3 M***

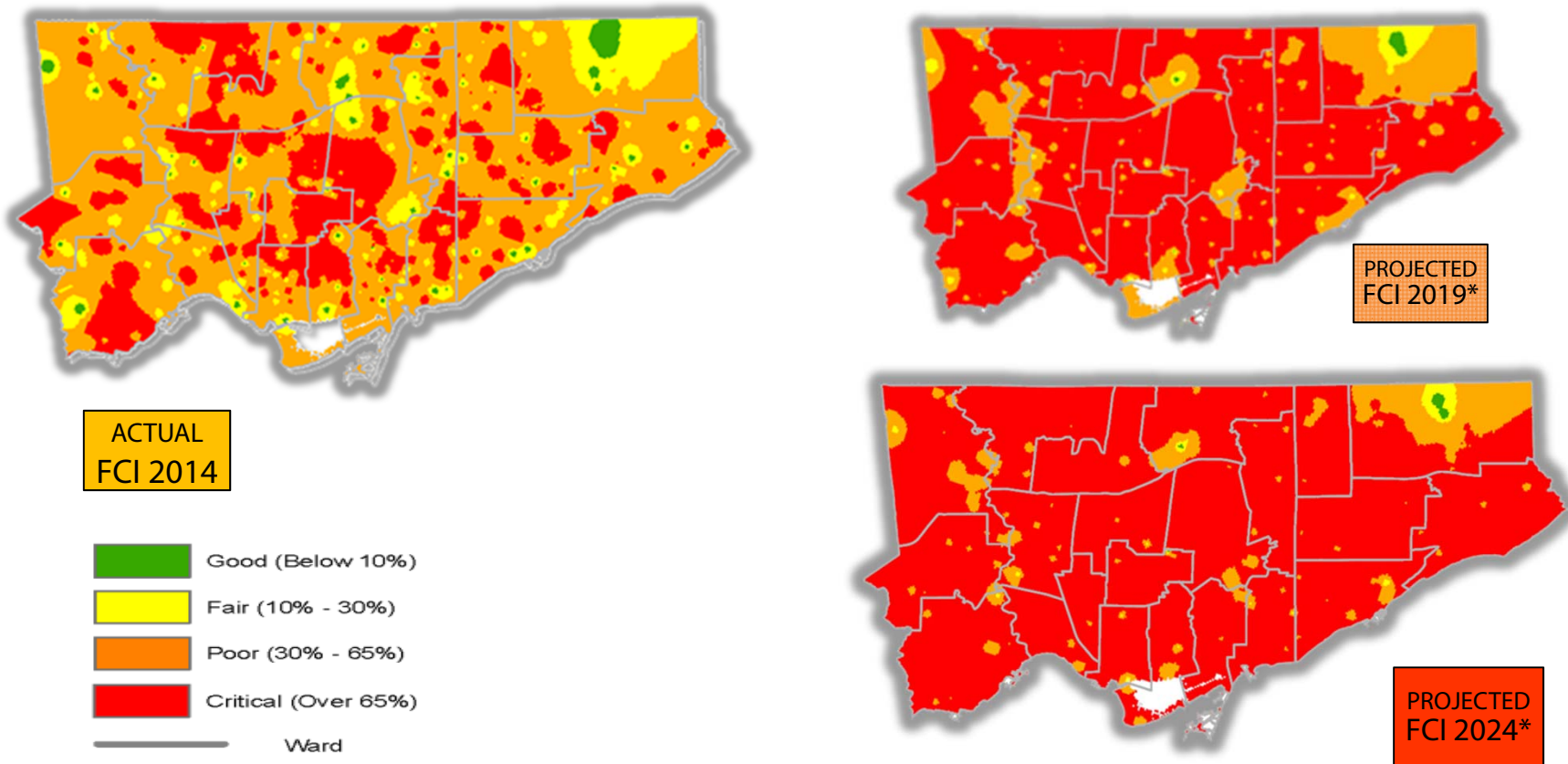
The Growth Challenge

- City's Residential Intensification continues
- Building applications for **275,000** residential units in process
- Enrolment up by **20,000** students by 2039
- **\$300 M** lost in potential Education Development Charges

**Ministry of Education FCI ranking: critical = >65%*

The Renewal Challenge

Facility Condition Index Projections



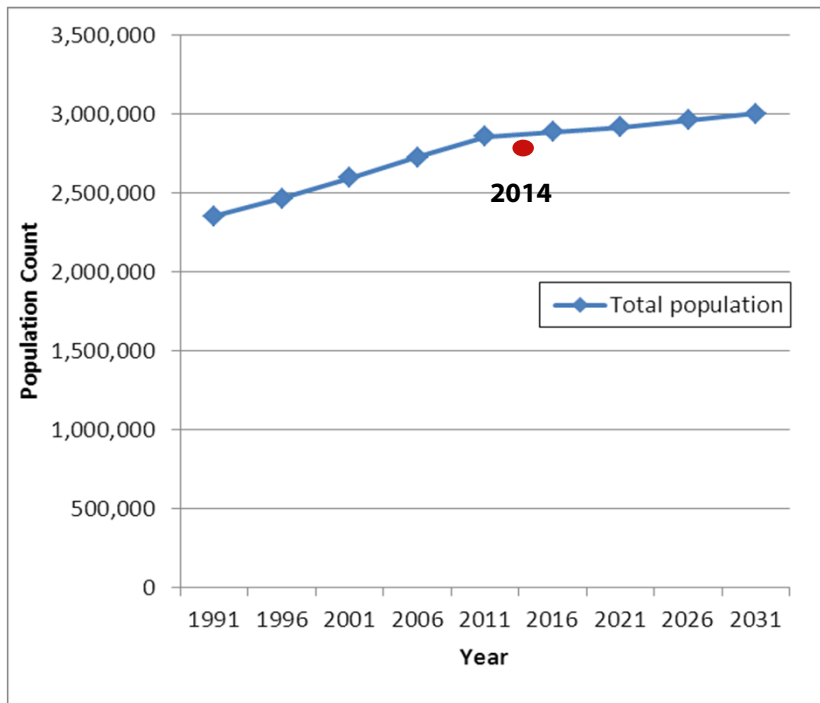
Source: TDSB Planning Department

*THESE FCI PROJECTIONS ARE BASED ON THE MOST RECENT MINISTRY FCI DATA AND REFLECT THE CURRENT (2014) STATUS OF TDSB'S INFRASTRUCTURE.

The Growth Challenge

City of Toronto Population Projections

By 2031, the City of Toronto will be home to 3.2 million people.



Source: Flashforward: Projecting Population and Employment to 2031 in a Mature Urban Area, Toronto Urban Development Services, June 2002

A fast-growing city

2,615,060: Toronto population in 2011

7.8% of Canada's total population (2011 Can. Census)

Growing much faster than before

111,779: Toronto's population increase from 2006-11

5 times the population growth rate during previous five-year period

Growing much faster than GTA as a whole

22.4% of all the growth in the GTA from 2006-2011, up from just 4.6% during 2001-2006

34.0% of GTA increase in occupied dwelling units between 2006 and 2011.

Sources: City of Toronto "Backgrounder", Feb. 8, 2012; 2011 Canada Census, Population and Dwelling Counts

Note: The above projections include adjustments for undercoverage. Undercoverage is the portion of the population that is not captured by the Census.

The Growth Challenge

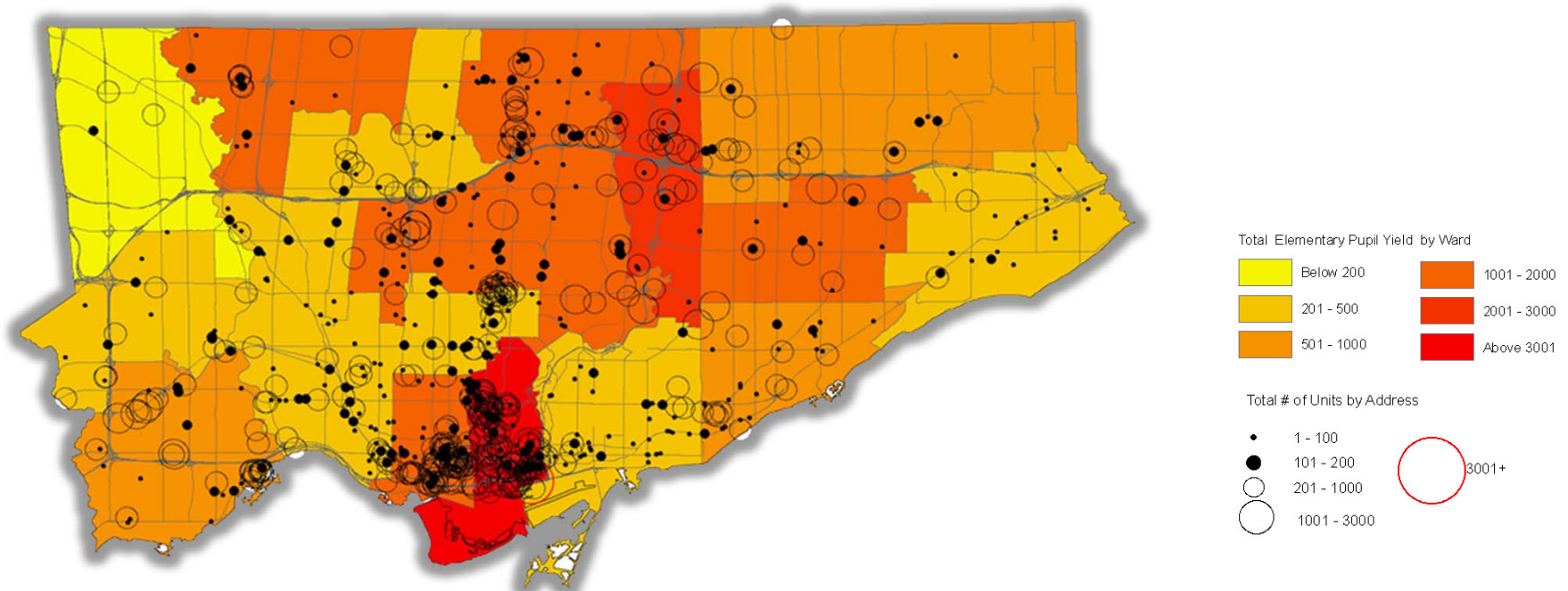
Planned Future Residential Development

Current Active Development Project Applications expected to yield:

275,000 residential units

19,000 projected elementary TDSB students

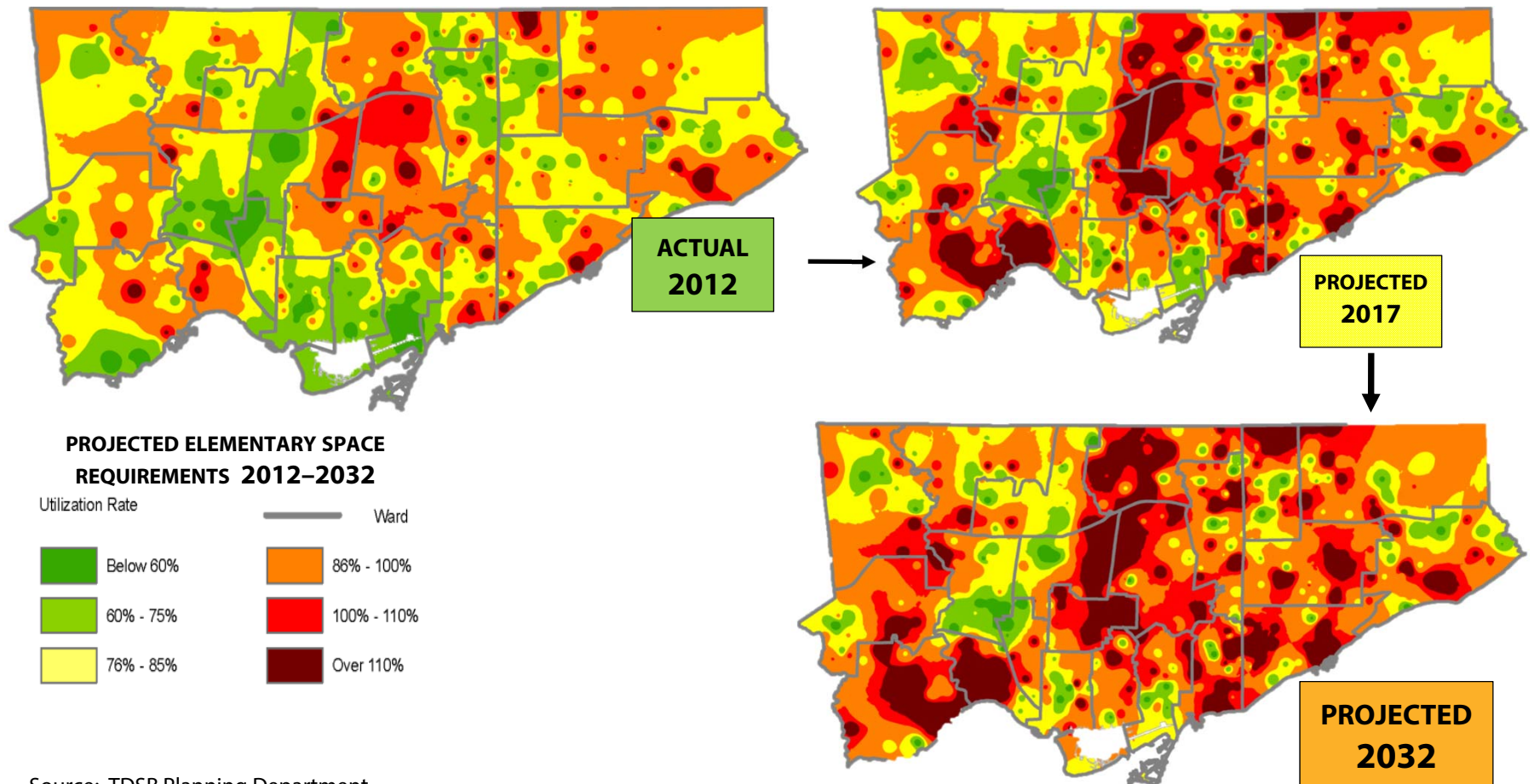
10,000 projected secondary TDSB students



Source: TDSB Planning Department

The Growth Challenge

Dispelling the Myth of Elementary Underutilization

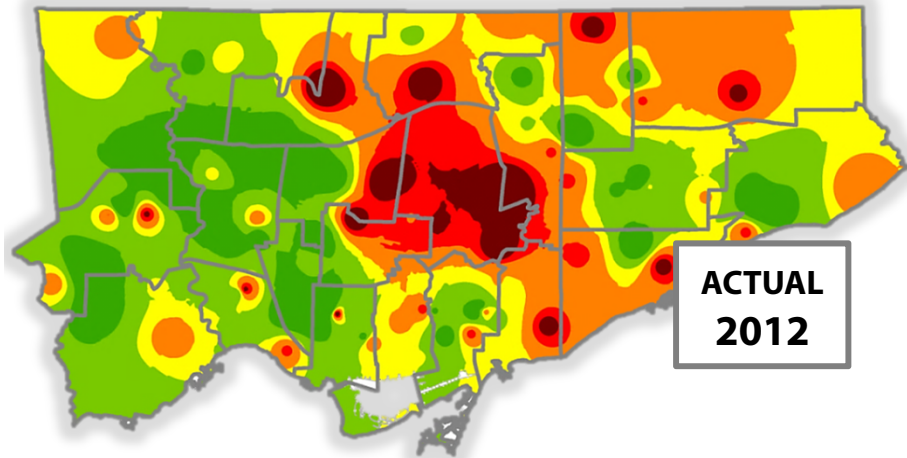


Source: TDSB Planning Department



The Growth Challenge

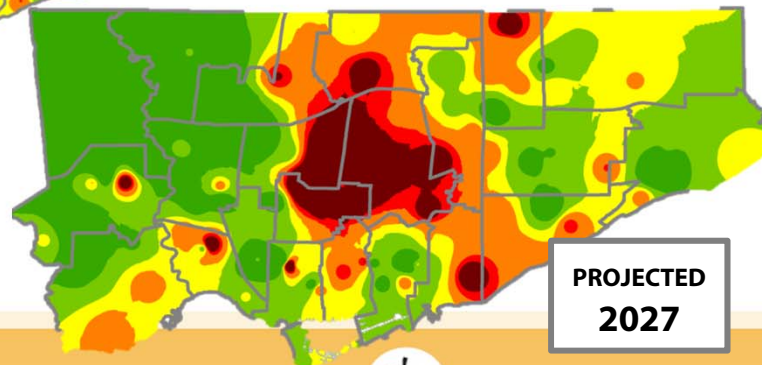
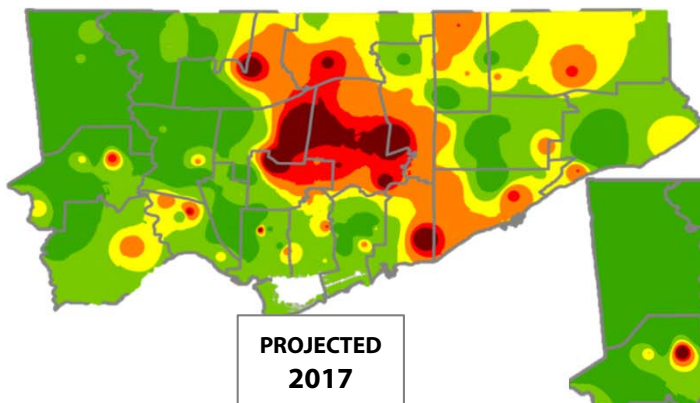
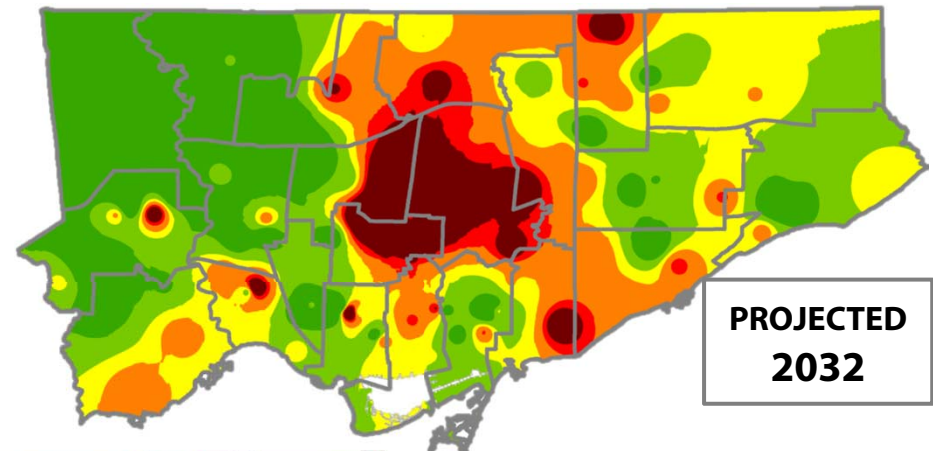
Secondary Utilization: A More Complex Picture



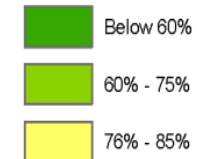
Secondary numbers expected to return to 2013 levels by 2038.

BUT other factors will affect actual capacity, including:

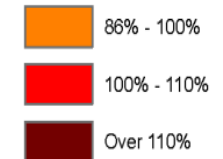
- Transit expansion
- Unpredictable policy changes



Utilization Rate



Ward



Source: TDSB Planning Department



Shifting the Paradigm and Sharing the Load

THE CONCEPT:

Under a formal partnership agreement, responsibility for TDSB school sites is shared with the City of Toronto. Both parties benefit as a valuable community asset is shared.

Good for the City and for Our Communities

- Preserves precious neighbourhood green space in the City's park-deficient areas.
- Keeps public assets in public hands, allowing for shared use.
- Supports community planning and cooperation between levels of government.

Good for TDSB

- Provides a stable, sustainable source of revenue for TDSB infrastructure renewal.
- Reduces TDSB's costs for maintaining school fields.
- Supports cooperation and community planning between levels of government.
- Potentially reduces and/or eliminates the cost of building permits and other municipal fees.

Questions?



