



**Weekly Update – March 15, 2015**  
**Special Update on Operating Budget 2015-16**

**TDSB Approves Balanced Budget**  
*Putting the Board in strong financial position for 2015-16*

Toronto, ON, March 11, 2015 - At this evening's meeting of the Toronto District School Board, Trustees approved a balanced budget plan, including both operating expenditures and school-based staff allocations, to address the \$16.5 million projected deficit for the 2015-16 school year.

Last year, the Ministry of Education announced a change to the Special Education funding model that will reduce funding by an estimated \$22.3 million over 4 years for the TDSB. In managing this challenge, Trustees changed the report to keep 10 Special Education support staff positions in 2015-16, recognizing the needs of students across the system. As a result, 23.5 positions will be reduced next year and Trustees voted to increase the amount of in-year savings to \$3.5 million to balance the budget.

The budget plan includes a list of revenue generating activities and cost saving measures that have a minimal impact on students and the classroom, including a \$3.5 million reduction to central department operating budgets and changes to the Facility Services department to improve efficiencies.

**Quick Facts**

- The TDSB's operating budget is approximately \$3 billion and staff salaries and benefits represent approximately 83% of total expenses.
- School-based staff allocation decisions were based primarily on student enrolment. Staff affected by these changes will not necessarily lose their jobs as every effort will be made to place them into positions where people have left due to retirement or other reasons.
- Staff will attempt to find in-year savings by closely monitoring operational costs and holding back on replacing central positions that become vacant.

**Background on the Operating Budget**

The TDSB's 2015-2016 projected operating deficit is \$16.5M. Over the past few years, Trustees have made a number of difficult decisions to address the Board's structural deficit. That means changes have been made to the way the Board is run so that overall operating costs are reduced year over year. These decisions have helped put the Board on solid financial footing for the 2015-2016 operating budget.

The TDSB's balanced operating budget plan has a minimal impact on students and the classroom, despite ongoing provincial funding cuts. The plan includes a list of proposed cost savings and revenue generating activities. In addition, the balanced budget plan also includes the requirement to find \$3.5M of savings within the next school year. This amount increased from the total of \$2.9 in the committee report as Trustees added 10 Special Education Support Staff back during the Operating Budget discussions. Staff are confident that these savings can be found by closely monitoring operational costs and holding back on replacing central positions that become vacant.



**Examples of cost savings included in the plan:**

- Reduce central department operating budgets.
- Continue to improve productivity and efficiency in Facility Services through the ongoing use of GPS systems, effective scheduling and bundling of work orders, and additional cost-saving measures.
- Realign Special Education program delivery to address the significant provincial grant reductions while ensuring as little impact to students as possible and maintaining effective programs (see below for additional details).

**Examples of revenue generating activities included in the plan:**

- Projected increase to the number of Visa students attending TDSB schools next year.
- Work with the Toronto Parking Authority to use existing school parking lots as after-hours public parking in key areas of the downtown core.

**Has the Board included a contingency fund in the budget plan?**

To plan for any potential issues beyond the Board's control, such as major weather events and significant cost increases in utilities, \$5M of additional in-year savings are being recommended in the case of any unforeseen budget pressures. Staff are confident that this \$5M will be able to be found by closely monitoring operational expenditures next year.

**Background on School Based Staffing**

Board decisions about school-based staff allocations take into account legislative requirements including the Ministry of Education's Primary Class Size (PCS) and class size system average directives, Collective Agreement provisions and available resources. An administrative holdback of approximately 1.25% of Elementary Teachers, 2.25% of Secondary Teachers and an allocation of support staff will not be released until Ministry of Education Grants for Student Needs are announced and enrolment projections are realized. The funding source for the school-based staffing is the Ministry of Education Grants for 2015-2016. The cost for the teacher and support staff allocations is based on projected 2015-2016 average salary and benefits.

- The number of staff in a school depends on the number of students, their needs and what each school needs too.
- Next year, the number of students will decline reflecting the overall decline of students and where families are settling in Ontario.
- Each school board in Ontario is funded by the Ministry of Education based on the number of students enrolled.
- Because there will be less students next year at the TDSB, positions will be reduced to match the amount of students enrolled and the funding that the Board receives.
- In addition, the TDSB hires different school-based staff above levels the Ministry of Education funds us for. This is a decision the Board makes on how to serve the specific learning needs of students. This includes:
  - Vice-Principals in both elementary and secondary schools;
  - School office clerical staff; and,
  - Classroom teachers.



- Next year's decline in enrolment and total staffing numbers does not necessarily mean that staff will lose their jobs. For those who are affected by these changes, placement into jobs where people have left their positions (for example, retirement or another job offer) will occur.
- Although there are staffing reductions for next year, the TDSB continues to hire occasional school-based staff. Last year, approximately 4000 people were employed as occasional teachers and it is expected that approximately another 300-400 people will be hired this year.

### Approved School Based Staffing 2015-16

School-Based Staff	2014-15 Actual FTE	2015-16 Approved FTE	Reductions FTE
Teachers - Elementary	10,807.0	10,719.0	88.0
Teachers - Secondary	5,065.0	4,896.5	168.5
Vice-Principals - Elementary	179.5	177.5	2.0
Vice-Principals - Secondary	162.0	162.0	-
Educational Assistants	9.0	9.0	-
Early Childhood Educators	1,264.0	1,264.0	-
Special Education Support Staff	2,586.0	2,462.5	23.5
Office Clerical	1,052.0	1,043.5	8.5
School-Based Safety Monitors	199.0	199.0	-
Lunch Room Supervisors (headcount)	2,779.0	2,779.0	-
Aquatics Instructors	92.5	92.5	-
Food Program Assistants	46.0	46.0	-
Caretaking	2,159.0	2,159.0	-

FTE – Full-Time Equivalent

#### Note –

The reduction in 88.0 FTE elementary teachers is primarily driven by the decline in ESL teachers. The numbers of ESL teachers are direct result of the number of recent arrivals to Canada residing in Toronto. The reduction of Special Education teachers is being recommended to reflect reduction in Special Education grants that occurred in the 2015-2016 school year. As a result, the total reductions of Elementary Teachers include – 7 (regular program), 59 (ESL) and 22 (Special Education)

The reduction of 168.5 FTE in secondary teachers is as primarily a result of declining secondary enrolment in both regular day school and ESL. The reduction of Special Education teachers is being recommended to reflect reduction in Special Education grants that occurred in the 2015-2016 school year and the decline in secondary enrolment. As a result, the total reductions of Secondary Teachers include – 115.5 (regular program), 34 (ESL), 3.5 (Library/Guidance), 14.5 (Special Education) and 1 (Profile Teacher).

#### What Does this Mean for ESL Programming?

- Students who need access to ESL programming will not be affected by these changes. Over the last 10 years, fewer students have taken ESL programs.



- Because there are less students needing ESL programs, fewer ESL teachers are required. To balance this change, a reduction of 59 teachers in elementary schools and 34 in secondary will need to take place. The same supports for students will continue because the number of ESL teachers who teach at multiple locations will increase.
- There are currently three Newcomer Reception Centres. One will close, but will reopen annually during peak times at the end of August and beginning of September; students will still have access to the other two Newcomer Reception Centres throughout the year.

### **What Does this Mean for Special Education?**

- As a result of declining enrolment, there was a reduction of staffing positions for next year. For the most part, school board funding is based on the number of students enrolled in schools. There are fewer students across the province and staff positions are adjusted each year to balance.
- The Special Education funding for TDSB was reduced in the 2014-2015 Grants for Student Needs (GSN) by \$7.3 million. Year 2 of the 4 year phase in will be announced by the Ministry when 2015-2016 GSNs are released.
- There has also been a decline in Special Education students at the TDSB and a decline in the number of students attending Intensive Support Programs (ISP).
- In addition to declining enrolment, last year the Ministry of Education announced a change to the Special Education funding model that will reduce funding by an estimated \$22.3 million over 4 years for the TDSB. The TDSB already spends approximately \$22 million over what the Province funds the Board for Special Education.
- Every year, the Special Education department reviews student and program needs and realigns services to ensure they are organized effectively to best serve students. This is an annual process that involves consolidating classes with a low number of students.
- When classes are closed students participate in a transition program to orient them to the new school with principal and teacher support.
- This year, 35 students returned to their home school after participating in an IPRC review process. This purpose of inclusion was not to cut supports for students. The process involved the parents, teachers, principals/ vice principals and special education staff. After careful review and consent from their parents it was decided that these students were ready to return to their neighborhood schools. Transition plans are being developed to support the students and teachers as these students return to their neighborhood school.
- We recognize that inclusion is not the solution for every student and congregated sites will continue to serve students at the TDSB.
- Next year's decline in enrolment and total staffing numbers does not necessarily mean that staff will lose their jobs. For those who are affected by these changes, placement into jobs where people have left their positions (for example, retirement or another job offer) will occur.
- If student and program needs change before September 2015, staff may be left without a position. In this case, affected staff will enter a recall period and could be reassigned as early as the first few weeks of the school year.
- If you have concerns with regard to the programming should your child be identified requiring Special Needs, please contact your Principal.



### What Happens Next?

- Now that these are approved as part of the Operating Budget, Employee Services will begin to allocate staff to schools based on the final student enrolment numbers for 2015-2016.
- Staff who are affected by these changes will be notified within the time that is set out in collective agreements.

### What are the next steps?

The proposed budget plan for 2015-2016 was approved by the Board meeting at its meeting on March 11, 2015. Departments can begin planning and those requiring reductions can implement their action plans at the beginning of the school year. However, in the coming weeks, the Ministry of Education will release next year's Grants for Student Needs (GSNs), which are the grants provided to fund school boards. Last year, the TDSB approved its budget in March but changes to the funding model announced by the Province as part of the GSNs resulted in significant funding reductions, including a \$7.3M reduction to Special Education funding. The Board was able to find these savings in-year and did not need to re-open its budget.

**Should additional cuts from the Province be announced this year, the TDSB will make every possible effort to ensure these provincial cuts have a minimal impact on students and the classroom. If significant decreases to grants are announced, the Board may need to revisit its balanced budget plan.**

Please note that even though we are balancing our operating budget, significant gaps exist between our student needs and provincial funding.

Details on the Operating Budget can be found at the end of this Report.

For detailed background information, please see [Financial Facts 2015](#).



## Projected Three Year Financial Position

Millions

Description - increase/(decrease)	2015-2016	2016-2017	2017-2018
<b>Change In Grant Revenue</b>			
Special Education High Needs Amount	\$(5.0)	\$(5.0)	\$(5.0)
Administration and Governance Allocation	(0.5)	(0.5)	(0.5)
Enrolment Changes and Teacher Q&E	(24.9)	(20.0)	(12.8)
Declining Enrolment Grant	0.1	0.4	0.5
<b>Total Grant Changes</b>	<b>\$(30.3)</b>	<b>\$(25.1)</b>	<b>\$(17.8)</b>
<b>Change in Costs</b>			
Change in Classroom Teacher cost resulting from change in enrolment	\$(17.3)	\$(13.5)	\$(10.9)
Omers and Payroll Taxes	1.5	1.5	1.5
Benefit costs increase		2.6	2.6
Utilities	2.0	2.0	2.0
Contingency	5.0		
<b>Total Cost Changes</b>	<b>\$(8.8)</b>	<b>\$(7.4)</b>	<b>\$(4.8)</b>
<b>Projected Net Financial Position - Surplus/(Deficit)</b>	<b>\$(21.5)</b>	<b>\$(17.7)</b>	<b>\$(13.0)</b>



Options to Balance  
 As at March 11, 2015

Department	Type of Savings	Description	Amount (Millions)
Transcript Office	Revenue	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.	\$0.03
Parking Fees	Revenue	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.	\$0.10
International Partnership - CIS Vietnam school	Revenue	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.	\$0.20





		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.	
Central Departments	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.	\$3.50
Transportation	Operating Expenditures	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	\$1.00
Facilities	Operating Expenditures	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.	\$1.00





		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.	
School Based Staffing	Staffing	Enrolment changes in ESL resulting in funding decrease of approximately \$9.5M. Partial compensating reduction in ESL teacher allocation of 59 Elementary and 34 Secondary equivalent to \$7.65M.	<b>\$(1.86)</b>

Department	Type of Savings	Description	Amount (Millions)
School Based Staffing	Staffing	Staffing changes in Vice-Principals of \$0.63M representing declining enrolment and a small adjustment to staffing allocation vs benchmark. School office savings of \$0.43M is a result of declining enrolment in the secondary panel. These changes in staffing are outlined in the School Based Staffing Allocation Report.	\$1.06
Special Education	Staffing Changes	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 is 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 \$4.0M.	\$4.00



		These changes will realize the required savings while still maintaining effective student programs.	
Continuing & International Education	Staffing	Over the past three years, the department has undertaken an assessment of programs to ensure they are staffed according to student enrolment levels while being delivered effectively in order to meet the diverse and evolving needs of our communities. As a result, staffing structures have been amended to provide a more effective and efficient model of support. Beginning in 2015-16, an ESL Site Manager position is being eliminated through attrition. Responsibilities will be shared among all site tenants.	\$0.10
Outdoor Education	Staffing and Revenue	Savings will be achieved by utilization of the accumulated budget carryover amounting to \$0.6M. In additional operational expenditure reductions will be made amounting to \$0.2M. Previous suggested increases to fees and transportation costs will not be implemented.	\$0.80
Continuing & International Education	Visa Revenue	Based on growth in student enrolments, a \$1M increase in revenue net of commissions for 15-16 is projected.	\$1.00
Permits	Revenue	Under the <i>Canada Elections Act</i> , the Board can charge the federal government for the use of premises as polling stations for the federal election. With the anticipated federal election in the fall, and using information from the election in 2011, we project approximately \$200,000 revenue for the use of our facilities.	\$0.20
Information Technology Services	Revenue	TDSB currently has a project underway to increase Wi-Fi Access points across the Board. The Implementation of system-wide Wi-Fi in classrooms that currently do not have access to wireless networking began in the fall of 2014. CODE funding of 1.8M will be used to allow TDSB to achieve its goal of increasing the number of access points in schools across the district to support TDSB's EDuTECH Strategy for the modern Digital Classroom.	\$1.80



Student Success	Staffing	We are applying the \$900K to pay for profile staffing for Student Success programs that serve students across the district (e.g. Cisco, Citi Motive, Sunnybrook, School within a College etc.).	\$0.90
Executive Offices	Staffing	Executive Compensation adjusted per Ministry Directive.	\$0.20
School Based Staffing	Staffing	Reinstatement of 10 FTE Reading Recovery teachers initially proposed for reduction.	<b>\$(0.97)</b>
In-Year Savings	TBD	Staff will closely monitor operational expenditures to look for in-year efficiencies that result in cost savings.	\$3.44
<b>Total Proposed Savings</b>			<b>\$16.50</b>
<b>Forecasted Deficit</b>			<b>\$21.50</b>
<b>Less: Contingency to be found in-year</b>			<b>\$(5.00)</b>
<b>Net Deficit</b>			<b>\$16.50</b>
<b>Net Financial Position</b>			<b>\$0.00</b>