



MEMORANDUM

Date 18 March 2013

To Trustees

From Vidya Rego
Business Services
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Subject **QUESTIONS AND ANSWERS REGARDING THE 2013-14 BUDGET FORECAST**

At the 4 February 2013 Budget Seminar, Trustees received a preliminary update regarding the 2013-2014 Budget Forecast and possible reductions.

Several questions were asked by Trustees. Business Services has provided answers to the financial questions posed, in the Q and A attached as Appendix A.

The following information is provided for the information of Trustees:

Appendix A Questions and Answers

Questions and Answers

Central Reductions/Savings

- Q1. The Board reduced the numbers of Family of Schools from 24 to 20 as of September 2012. How much were those savings and how were those savings achieved?
- A. The savings of 4 Family of Schools reduction was achieved as part of the overall administrative savings of \$7.3M outlined below:

Family of Schools and Executive Office Realignment		
Office of Chief Enrolment Officer	1	250,000
Executive Assistant	1	85,000
Superintendents of Education	4*	700,000
Administrative Liaisons to Superintendents of Education (Net of Chief Academic Officers)	4	320,000
Family Team Leads	4	480,000
Assistant Team Leads	7	611,800
Senior Manager Organizational Development	1	150,000
Principal Continuing Education	1	120,000
Literacy and Numeracy Coaches**	48	4,320,000
Central Coordinating Principals	2	300,000
Total Savings		\$ 7,336,800

* The reduction of 6 Family of Schools Superintendent positions was offset by creating two other positions which included a family of schools portfolio. The first was the organizational development/family of schools portfolio, and the second was a central co-ordinating superintendent portfolio.

** The Literacy and Numeracy Coaches were part of the March 2012 School-Based Staffing report

- Q2. Were there any other central reductions made for September 2012?
- A. Yes. In addition to \$1.9 M from centrally assigned teachers and administrators, the following additional central administrative savings were realized through position reductions and discretionary budget reductions.

DEPARTMENT	SAVINGS
Business Services	\$ 730,000
Employee Services	\$ 200,000
Strategy and Planning	\$ 110,000

Legal Services	\$ 770,000
Deputy Directors' Offices	\$ 190,000
Facility Services	\$1,590,000
Communications	\$ 320,000
Total Savings	\$3,910,000

Q3. What central reductions have been made historically?

A. The Board, over the period 2007-2008 to 2011-2012, has reduced central budgets by over \$55M. This does not include the \$177 M of renewal dollars redirected to support operating expenses.

Enrolment

Q.4 Is the Board's enrolment increasing or decreasing?

A. Enrolment is reported in many different ways. For Ministry funding purposes, the TDSB is experiencing declining enrolment. Please see the chart below which provides the different counts for 2011 and for 2012 for comparison purposes.

		Total Head Count (September 30)	Total Full Time Equivalent (September 30)	Total Average Daily Enrolment (average of October 31 and March 31)
Actual 2011	Elementary	172,518	158,176	154,401
	Secondary	86,069	85,666	82,967
	Total	258,587	243,842	237,368
Actual 2012	Elementary	172,664	162,306	154,213
	Secondary	83,884	83,493	80,615
	Total	256,548	245,799	234,828
Difference:	Elementary	146	4,130	-188
	Secondary	-2,185	-2,173	-2,351
	Total	-2,039	1,957	-2,540

Headcount:

- Each individual student is counted as "1".
- Can be measured for any day of the school year but the practice is to measure on the last day of each month.
- Key reporting months are September, October and March.

This count is used to allocate resources where each individual student has a need of the resource (ex. each individual student needs their own workbook).

Full Time Equivalent (FTE)

- Each student is counted by the amount of time they are registered for instruction - ex. if a student is

registered for half a day of instruction they are counted as "0.5".

- Can be measured for any day of the school year but the practice is to measure on the last day of each month.
- Key reporting months are September, October and March.

This count is used to allocate rooms and teaching staff.

Average Daily Enrolment (ADE =October plus March enrolments divided by 2)

- Average of the full time equivalent enrolment measured on October 31 and March 31 - excludes International students and students aged 21 and over. Note: At this time the ADE does not reflect the phasing in of FDK - all JK and SK students are counted as "0.5" regardless of whether they are in a half day program or a full day program. **The Ministry funds TDSB on ADE through the Grants for Student Needs.**

Q.5 How much funding does the TDSB lose because of declining enrolment?

A. The Ministry provides a declining enrolment grant to help offset the impact of declining enrolment. However, the declining enrolment grant is phased in that you receive 100% of the declining enrolment grant in year 1, 50% of the year 1 allocation in year 2, and 5% of the year 1 allocation in year 3. The grant is intended to give Boards a period of time to adjust their cost structures.

Q.6 For every 10 students the Board's, how much funding does the TDSB receive?

A. The chart below shows the funding received for every 10 students.

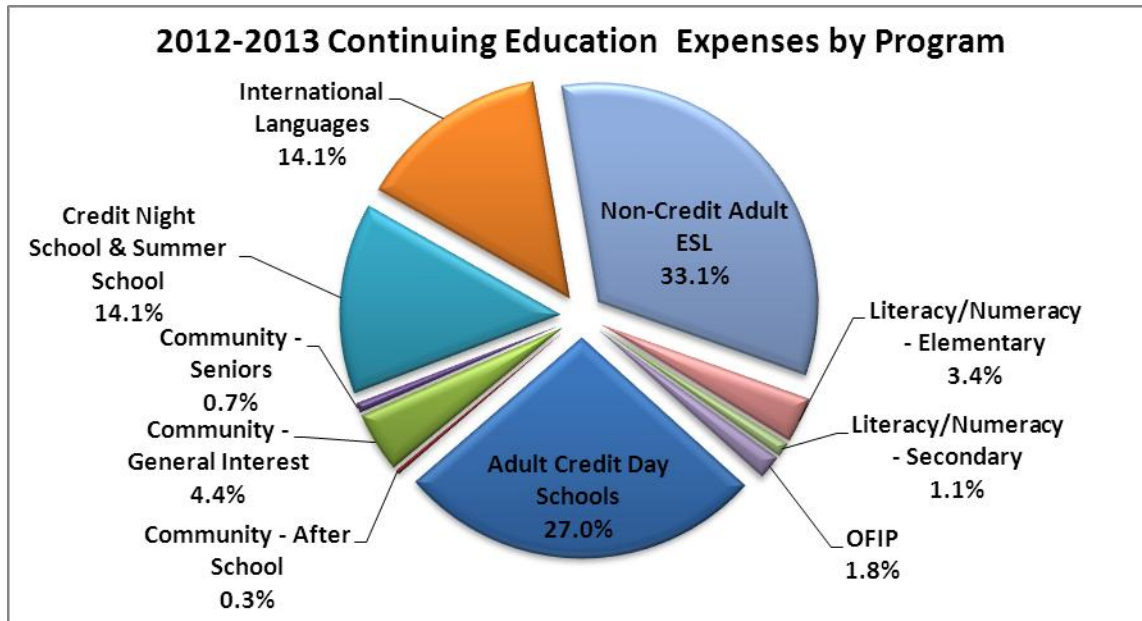
Illustration: Funding Reduction for a Decline in Enrolment of 10 Students

Grants impacted directly by enrolment	Elementary Grant Loss for 10 elementary students	Secondary Grant Loss for 10 secondary students
Pupil Foundation	54,287	57,475
School Foundation	5,235	4,823
Special Education	11,907	7,503
Learning Opportunity	63	395
Cost Adjustment and Teacher Qualification and Experience	7,558	8,582
Administration and Governance	2,347	2,347
School Operations	9,093	11,944
First Nation, Métis and Inuit Education Supplemental Allocation	25	26
Safe Schools	168	197
School Renewal	1,335	1,787
Total Grant changes on an Annual Basis	92,018	95,079

Continuing Education

Q. 7. How is continuing education funding spent?

A. The following chart shows the breakdown of expenditures for Continuing Education.



Q.8 Are Continuing Education programs funded by the Ministry of Education and are they fully cost-recovery?

A. Continuing Education programs are funded by different Ministries and some programs are funded by fees. The following chart summarizes the funding source. The Continuing Education Department is intended to be cost recovery in its entirety if not by program area.

Departments (note 1)	Funding Source	2012-13		Surplus/ (Deficit)
		Revenues (note 2)	Expenses	
Adult Credit Day Schools	Ministry of Education	17,069,957	14,979,040	2,090,917
Community - After School	Fees	145,305	176,192	(30,887)
Community - General Interest	Fees	2,558,749	2,465,586	93,163
Community - Seniors	Fees	179,820	408,202	(228,382)
Credit Night School & Summer School	Ministry of Education	7,741,768	7,793,523	(51,755)
International Languages	Ministry of Education	5,124,231	7,821,580	(2,697,349)
Non-Credit Adult ESL	Ministry of Citizenship and Immigration	18,429,908	18,357,558	72,350
Literacy/Numeracy - Elementary	Ministry of Education	2,223,460	1,860,097	363,363
Literacy/Numeracy - Secondary	Ministry of Education	1,154,287	610,933	543,353
Ontario Focused Intervention Program	Ministry of Education	983,930	983,930	0
		55,611,415	55,456,641	154,774

Notes

- 1 - The expenses and revenues for the Administration department has been reallocated to all departments (based on expenses) except Non-Credit Adult ESL and OFIP.
- 2 - Revenue includes both other revenue generated by the program and GSN, also the Continuing Education's portion of School Operations Accommodation Grant.

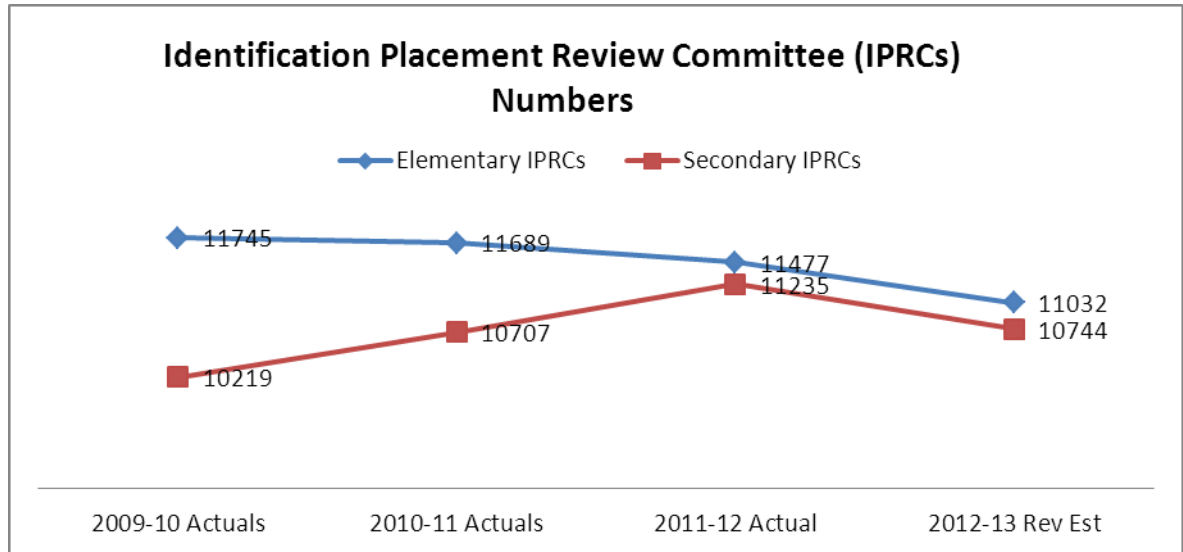
Special Education

- Q.9 How much does the Board receive in funding to support special education programs and how much does the Board spend?
- A. The following chart provides the sources of special education funding and the total expenditures for Special Education as reflected in the 2011-2012 Financial Statements.

Special Education Allocation	2011-12 Actual (\$ in Mil)
Special Education Per Pupil Amount (SEPPA)	163.2
High Needs Amount (HNA)	127.6
Special Equipment Amount (SEA)	7.3
Special Incidence Portion (SIP)	5.4
Behaviour Expertise Amount (BEA)	0.7
Section 23 Care and Treatment Amount (FA)	13.1
2011-12 Special Education Allocation	317.3
Plus: Net SEA carryover	1.4
Total funding	318.7
Incremental Expenditures	339.0
Spending in Excess of Grants	20.3

Q.10 How have the numbers of students with Identification Placement Review Committees (IPRCs) changed over the last four years?

A. The following graph shows the trend in IPRCs by panel for the last four years. The number of students with IPRCs is declining in both the elementary and secondary panel. However, we still have over 42,000 students with Individual Education Plans (IEP's).

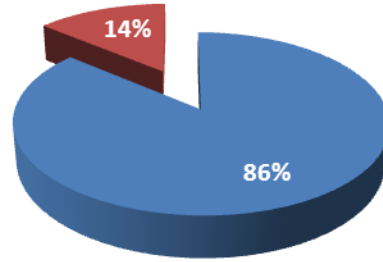


Q.11 Has the proportionate amount of special education spending as compared to the amount spent on regular day school changed over the last four years?

A. Over the last four years, the proportionate amount of spending has increased slightly with special education accounting for 14% of the total school based expenditure in 2008-2009 and representing 15% of the Board's total school based expenditures in 2012-2013.

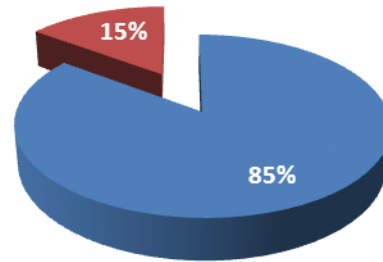
2008-2009 Regular Day School vs. Special Education Spending

■ Regular Day School Spending ■ Spec Ed Spending



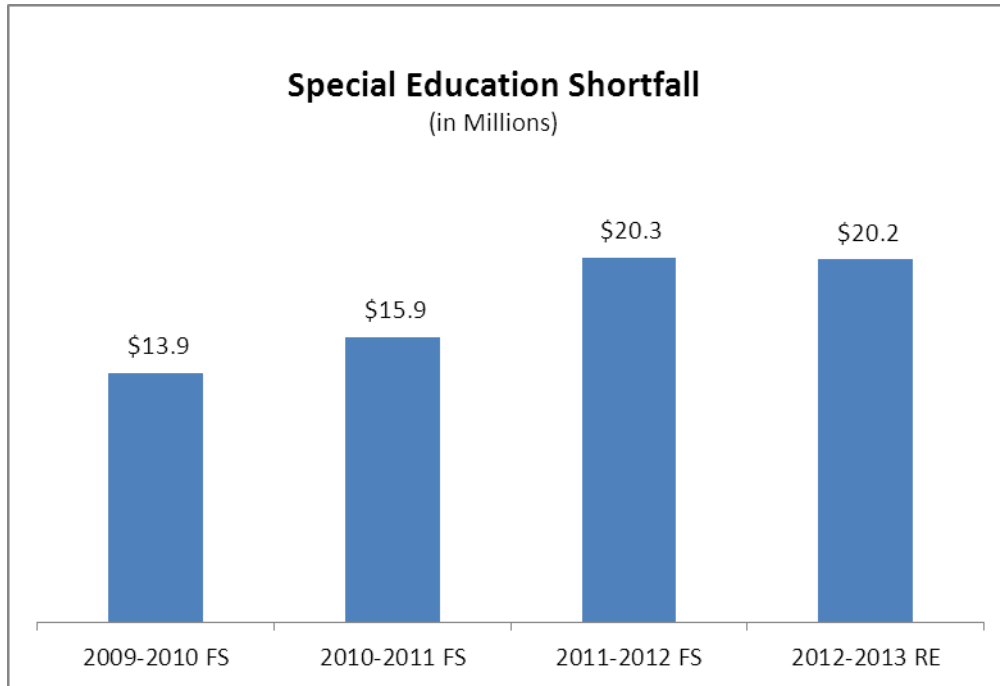
2012-2013 Regular Day School vs. Special Education Spending

■ Regular Day School Spending ■ Spec Ed Spending



Q.12 How much has the special education shortfall changed over the last few years?

A. Special education expenses have historically exceeded special education revenues for the last few years. The graph below shows the variance between revenues and expenses for special education over the last few years.



FS = Financial Statements

RE = Revised Estimates

Full Day Kindergarten

Q.13 Is Full Day Kindergarten (FDK) funded through the Grants for Student Needs (GSNs)?

A. Full Day Kindergarten (FDK) is funded partially through the grants for student needs and partially through an Education Program Other (EPO) which is a specific grant outside the GSNs.

Q.14 How is the enrolment of a FDK student counted?

A. For planning purposes, every FDK student is counted as 1. For funding purposes under the GSNs, a FDK student is counted at 0.5.

Q.15 How does the funding for a FDK student compare to the funding provided for 2 JK students or a grade 1 student?

A. Because FDK is funded through two streams, namely the GSNs and an EPO, the funding for a FDK student varies from the funding provided for a grade 1 student. Additionally, the FDK class size average is 26 and a grade 1 class size average is 20. The reason an FDK class can have an average of 26 is due to the second adult, the early childhood educator, being in the classroom.

Funding	FDK with ECE Funding	Grade 1 GSN Funding	FDK Funding Without ECE Funding
Teacher	1,268		1,268
Early Childhood Educator (ECE)	1,668		
School Operation & Other staff Support and Material	618		618
Spec Ed (SEPPA&BEA)	458		458
Spec ED (HNA)	262		262
Spec Ed (SEA)	13		13
Teacher's Q&E	164		164
ECE Q&E	156		
Transition Grant	446		446
FDK funding through EPO	5,054		3,231
Add the balance of funding from the GSN	5,392		5,392
Total funding	10,446	10,784	8,623

The following chart shows the funding differential for FDK compared to the funding provided for a Grade 1 student.

Q.16 How much does TDSB pay for an ECE compared to the funding, and why does the variance exist?

A. The TDSB receives \$1,824 per student to support the cost of an ECE. The Board currently pays \$2,110 per student for an ECE. Prior to the introduction of Full Day Kindergarten (FDK), the TDSB was one of a few Boards who had ECE's. The TDSB had two ECE's prior to FDK. Because the employee group existed within TDSB and their wages were in the CUPE collective agreement, all future ECE's hired by the Board had to be paid equivalent wages.

Q.17 Are ECE's the only employee group which the TDSB pays more than what is the Ministry funds?

A. No. Other TDSB's employee groups earn average salaries higher than the Provincial average. Some examples secondary school office clerical for which the funding average is \$56,000 and the Board pays \$64,000. Elementary principals are funded at an average of approximately \$126,150 and the Board pays an average of \$133,000.

Funding vs. Expenditures

Q. 18. Are there other areas of Board expenditures where the TDSB spends more than it receives in direct funding (that is funding specifically to support those expenses)?

A. The following chart shows some of the other areas where the Board's expenses exceed the funding provided specifically for these purposes. The additional expenses are offset by using other sources of grants or revenues so that the Budget is balanced.

Year Over Year Direct Funding vs Expenditure Comparison		
	(in \$millions)	
		12-13 Rev Estimate
Special Education	Direct Funding	314.3
	Expenses	334.5
	(Spending in Excess of Funding)	(20.2)
School Operations	Direct Funding	279.2
	Expense	279.7
	(over)/Under Spending	(0.4)
	Less Maintenance Deferral	9.9
	(Spending in Excess of Funding)	(10.3)
Transportation	Direct Funding	47.3
	Expenses	54.1
	(Spending in Excess of Funding)	(6.8)
ECE	Direct Funding	29.0
	Expenses	33.3
	(Spending in Excess of Funding)	(4.3)
Non School Based Teachers and Administrators (Coordinator and Consultants)	Direct Funding	17.6
	Expenses	23.7
	(Spending in Excess of Funding)	(6.0)
School Budget	Direct Funding	46.1
	Expenses	55.3
	(Spending in Excess of Funding)	(9.2)
Board Administration	Direct Funding	64.9
	Expenses	64.8
	(Spending in Excess of Funding) /Below funding	0.1

Q.19 How much has the Transportation deficit grown over the last few years.

A. The chart below outlines the growth in the difference between Transportation funding and expenses.

Transportation				
Transportation	2009-10	2010-11	2011-12	Projected 2012-13
Number of students transported	17,034	15,679	16,832	17,897
Board owned fleet costs	2,929,874	3,157,434	3,140,991	3,306,073
Contract Services costs	42,641,754	46,934,063	48,649,503	49,846,066
Transportation Admin costs	1,426,299	1,043,159	902,922	950,780
Total Transportation Expenditure	46,997,927	51,134,656	52,693,415	54,102,919
Grant	47,998,737	48,235,553	48,963,212	47,260,053
Deficit	1,000,810	(2,899,103)	(3,730,203)	(6,842,866)

Q.20 How much does the Board receive in Education Program Other Grants?

A. The chart below shows what has been received to date for the 2012-2013 year. The shaded EPO's are sent directly to schools, and some EPO's are used to support programs and services the TDSB could not offer if it did not receive the EPO.

**Toronto District School Board
Education Program Other (EPO) Grants for 2012-13**

Initiative	2012-13 Allocation (\$)
Family of Schools and Schools	
Student Success-Differentiated Instruction	717,783
Student Success-Inquiry for Instructional Impact	-
Student Success-Effective Mathematics Instruction	165,090
Student Success-Literacy for Adolescents	165,090
Outreach Budget for Schools	287,480
Re-Engagement Initiative	233,914
Ontario Focused Intervention Program (OFIP)	23,000
Schools in the Middle/OFIP	-
School in the Middle - Regional Networking	-
Speak Up Projects	80,860
Specialist High Skills Major	344,750
Student Success School & Cross Panel Teams	165,090
Student Work Study	875,000
Student Work Study - additional SSI teacher	100,000
Teacher Learning & Leadership Program (TLLP)	31,252
Student Success School Support Initiative (SSI)	658,334
Other	
Aboriginal Education: FNMI Implementation	37,152
ABA Training Opportunities	373,760
Board Leadership & Development Strategy (BLDS)	369,621
2012-13 Capacity Building Project	297,000
Collaborative Inquiry for Learning -Early Primary	-
Collaborative Inquiry for Learning-Mathematics	121,523
Community Use of Schools - Outreach Coordinators	484,000
Community Use of Schools - Priority Schools	2,618,000

Equity & Inclusive Education Implement. Network	125,000
Implementation of Draft Full-Day Early Learning-Kindergarten Program	165,600
Focus on Youth	2,800,000
Social Sciences and Humanities, Gr 9-12	-
eLearning Contact Project	110,000
Library Staff	780,935
French as a Second Language	529,639
Mental Health & Addictions	138,223
Mental Health Leaders	-
Managing Information for Student Achievement (MISA)	119,787
Ontario Youth Apprenticeship Program (OYAP)	446,555
Outdoor Education	2,526,240
Parents Reaching Out (PRO) Regional/Provincial	21,000
Parenting and Family Literacy Centres	4,457,437
Research (Beyond 3:30)	50,000
Research (Paediatrics Clinic)	50,000
Safe, Inclusive and Accepting Schools	-
Safe Schools - Student Support Leadership	314,038
Supervised Alternative Learning (SAL) Pilot	5,070
New Education & Career/Life Planning Initiative	99,184
Support Students with Special Education Needs Kindergarten to Grade 12 (K-12)	135,251
Transition Funding on Benefit Plan Reform	975,000
Tutors in the Classroom	100,000
	\$22,097,658