

2023-24 Budget Estimates Special Finance, Budget and Enrolment Committee

June 20, 2023



Agenda

- Budget Timelines
- Balancing the 2023-24 Budget and TDSB Reserves
- 2023-24 Projected Revenue
- 2023-24 Projected Expenditures
- 2023-24 Budget Drivers
- Financial Position and Proposed Options to Balance
- How the Budget Supports the Budget Drivers

Budget Timelines

Date	Committee/Meeting	Event
January 23	Finance, Budget and Enrolment Committee	Enrolment Projections
February 15	Finance, Budget and Enrolment Committee	Approval of Budget Drivers Presentation of Projected Financial Position
March 6 March 29	Special Finance, Budget and Enrolment Committees	Approval of School Based Staffing
April 24	Special Finance, Budget and Enrolment Committee	GSN Update and Updated Financial Position
May 23 June 1	Special Finance, Budget and Enrolment Committee	Review of Options to Balance

Budget Timelines

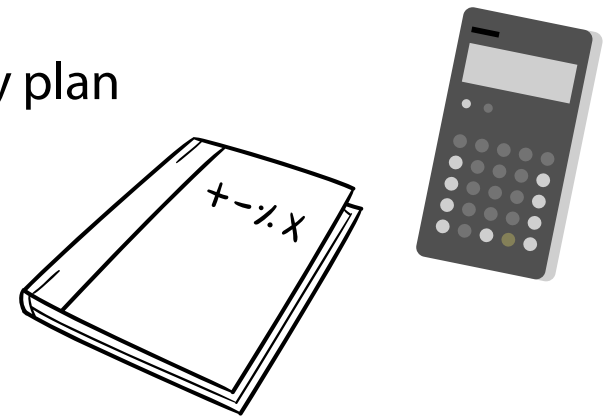
Date	Committee/Meeting	Event
Week of June 5	Budget Town Halls and Ward Forums	Public Webinars on Budget and Ward Forums
June 12	Special Finance, Budget and Enrolment Committee	Delegations from Public Related to Budget
June 13	Special Finance, Budget and Enrolment Committee	Review/Discussion of Budget Based on Public Feedback
June 20	Special Finance, Budget and Enrolment Committee	Recommendation to Board of Operating and Capital Budgets
June 22	Special Board	Approval of Operating and Capital Budgets

BALANCING THE 2023-24 BUDGET



Balancing the 2023-24 Budget

- Boards are required to submit a balanced budget per section 231 of the Education Act:
 - Under the regulation, the Board can have a deficit of 1% (up to max of reserve balance) without requiring permission from the Ministry. 1% is approximately \$28 million.
- However, the Board had a 1.4% deficit in 2022-23 and required approval from the Ministry for the deficit:
 - As part of the approval, the Board provided a 3 year deficit recovery plan
 - 2023-24 is year 2 of the 3 year plan
 - **The plan committed to a \$15.1 million deficit in 2023-24**



Balancing the 2023-24 Budget

- The Board has been operating with a structural deficit (where it is spending more than it is receiving in revenue) over the last number of years.
 - This results in a deficit on an annual basis which uses up the accumulated reserves
 - During the pandemic, the Board used an additional \$69 million in reserves to support student and staff safety.
 - The Board has advocated for the return of this funding.
 - As a result, at the end of 2021-22, the Board used all of its working fund reserve and some of its Internal Reserves.
 - It is necessary for the Board to balance the budget in order to not continue to use its internal reserves and build up its working fund reserve

Balancing the 2023-24 Budget

- The Deficit Recovery Plan is important due to the fact that at the end of 2021-22, the Board used all of it's working fund reserves:

	Working Funds	Internal Reserves	External Reserves	Total
2015-16	\$18,750	\$139,911	-\$290,558	-\$131,897
2016-17	\$26,398	\$141,504	-\$265,346	-\$97,444
2017-18	\$40,817	\$142,678	-\$224,578	-\$41,083
2018-19	\$29,325	\$147,813	-\$178,740	-\$1,602
2019-20	\$16,744	\$159,938	-\$152,116	\$24,566
2020-21	\$22,720	\$179,034	-\$132,903	\$68,851
2021-22	\$0	\$90,151	-\$109,410	-\$19,259

2023-24 PROJECTED REVENUES



2023-24 Projected Revenue

	2023-24	2022-23	Difference
Grants for Student Needs	\$ 3,062,376,000	\$ 2,998,463,000	\$ 63,913,000
Other Ministry Grants	\$ 32,849,000	\$ 30,892,000	\$ 1,957,000
Miscellaneous	\$ 177,414,000	\$ 176,973,000	\$ 441,000
	<u>\$ 3,272,639,000</u>	<u>\$ 3,206,328,000</u>	<u>\$ 66,311,000</u>

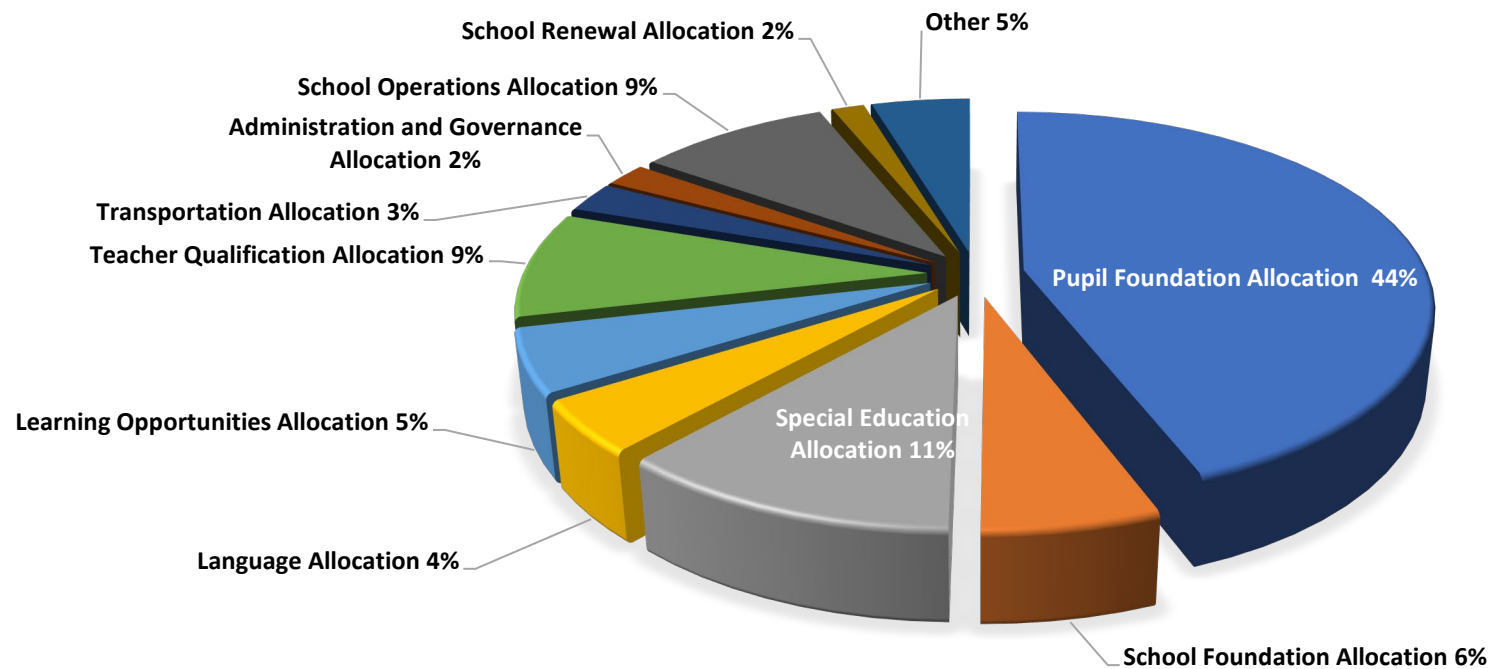
Grants for Student Needs (GSN)

- The majority of funding for school boards comes from the GSN
- The GSN is mostly dependant on enrolment
- The GSN for 2023-24 is projected to be \$3.1 billion

Enrolment

	2023-24	2022-23	Difference	
	ADE	ADE	ADE	%
Kindergarten	31,187.0	31,761.0	- 574.0	-1.8%
Grades 1 to 3	49,411.0	49,530.0	- 119.0	-0.2%
Grades 4 to 8	82,277.0	82,271.0	6.0	0.0%
Total Elementary	162,875.0	163,562.0	- 687.0	-0.4%
Secondary	70,652.0	70,164.0	488.0	0.7%
Total Enrolment	233,527.0	233,726.0	- 199.0	-0.1%

2023-24 Grants for Student Needs (GSN)



Highlights of Grants for Student Needs

- In 2023-24, the GSN was released on April 17, 2023
- Some of the key changes were:
 - New Transportation Funding Model – positive impact for TDSB
 - Funding for Remote Learning Administration
 - Realignment of Indigenous Education Funding
 - Labour-Related Changes
 - Labour rate increases for school support staff and teaching staff
 - Some temporary grants were moved into GSN
 - Non-staff benchmarks for school operations increased by 2%

Highlights of Grants for Student Needs

- Discontinuation of COVID Learning Recovery Fund
- In 2021-22 and 2022-23, the Ministry provided temporary funding to support COVID learning recovery
 - This funding was discontinued for 2023-24
- For TDSB, this equals 522.0 Full Time Equivalent (FTE) totalling \$31.5 million
 - Of these 522.0 positions, 99.0 have been included in the 2023-24 budget
 - 40.0 School Based Safety Monitors
 - 16.0 Social Workers
 - 15.0 Child and Youth Counsellors
 - 20.0 Elementary Vice Principals
 - 8.0 Secondary Vice Principals

Positions Funded by COVID Learning Recovery Fund in 2021-22 and 2022-23

	Funded by COVID Learning Recovery Fund	Included in 2023-24 Budget Estimates	Total Reductions Related to COVID Learning Recovery Fund
Elementary Teachers	45.5		45.5
Secondary Teachers	20.0		20.0
Vice Principals	38.5	28.0	10.5
Child and Youth Workers	35.0		35.0
School Office Clerical	28.5		28.5
School Based Safety Monitors	40.0	40.0	-
Lunchroom Supervisors	200.0		200.0
Caretaking	78.5		78.5
Social Workers	16.0	16.0	-
Child and Youth Counsellors	15.0	15.0	-
Virtual Learning Administration	5.0		5.0
	<u>522.0</u>	<u>99.0</u>	<u>423.0</u>

Other Ministry Grants

- The majoring of Other Ministry Grants come from Priorities and Partnerships Funding (PPF)
 - supplemental to the GSN and provides time-limited funding which is reviewed and assessed by the ministry each year
- The Ministry usually provides an agreement with the Board that outlines how the funds must be spent.

Key Changes to Priorities and Partnerships Funding

- The \$4.5 million in "Math Strategy" PPF has been discontinued. However, there is a new "Math Recovery Plan" which is approximately the same amount.
- The \$1.5 million in "Professional Assessments and Systemic Evidence-Based Reading Programs" has been discontinued. However, there is new funding to support Early Reading and Reading Intervention totalling \$9 million.
- There is \$11.1 million of new funding to fund staff to support de-streaming and transition to high school.
- In all of these instances, the Board is awaiting more detailed information to determine the requirements for this spending. In some cases, this funding may support existing programs.

Miscellaneous Revenue

- The final component of revenue for TDSB includes:
 - Permit revenue
 - Lease revenue
 - Interest revenue
 - International student fees
- During COVID, a number of these grants decreased due to limitations and restrictions that were in place.
 - Revenue has started to increase again to pre-pandemic levels.

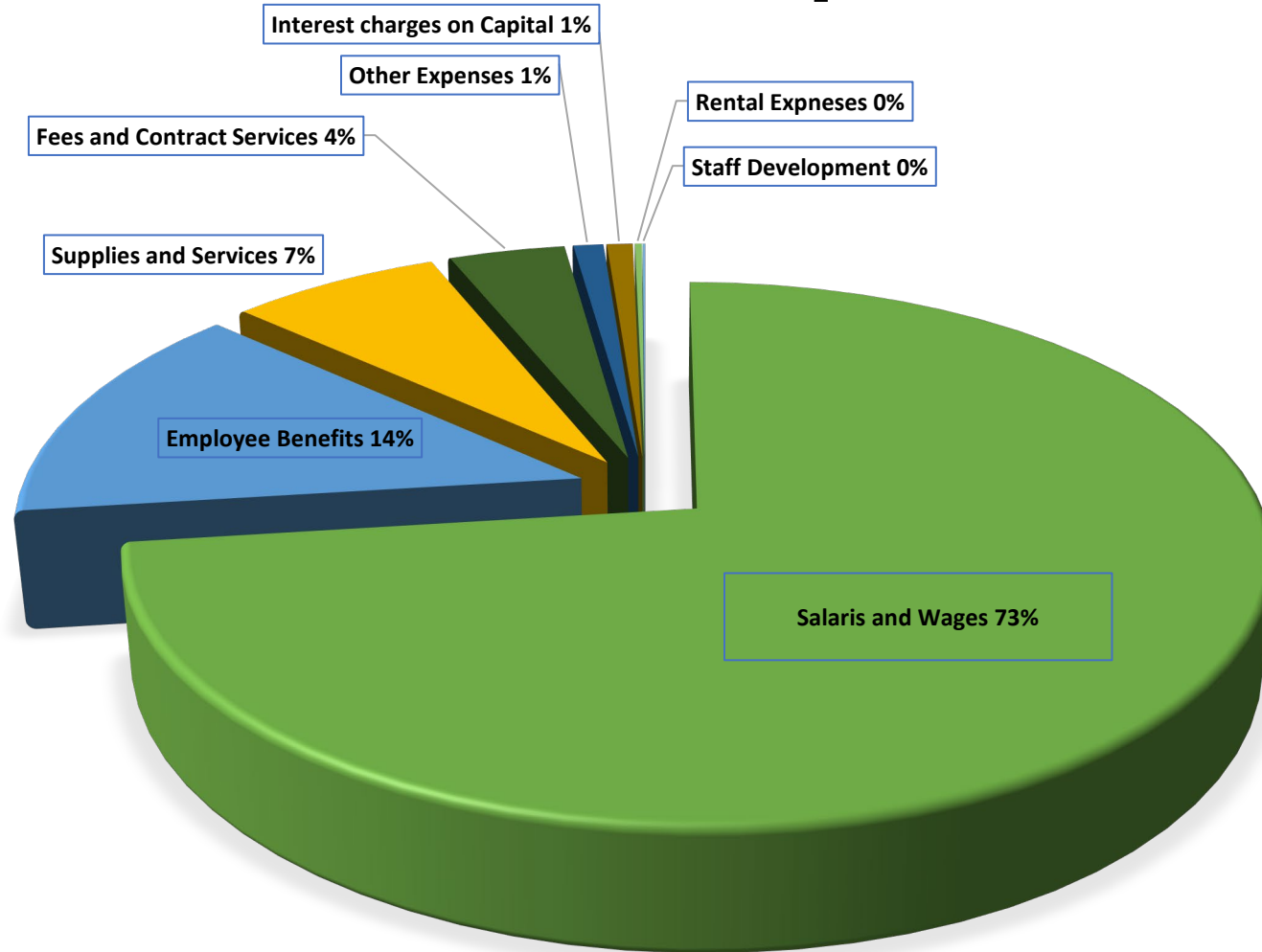
2023-24 PROJECTED EXPENDITURES



2023-24 Projected Expenditures

- Total projected operating expenditures for 2023-24 are estimated at \$3.3 billion.
- Instructional Expenditures – 81%
- Building Operations and Maintenance – 13%
- Transportation – 2%
- Administration – 2%
- Other – 2%

2023-24 Estimated Expenditures



2023-24 Projected Expenditures

- Salaries and benefits represent 87% of projected expenditures
- Changes in staffing have happened for 3 main reasons:
 - A reduction in positions funded by one-time funding:
 - Mainly COVID-19 Learning Recovery positions
 - An increase or decrease in positions as a result of projected changes in enrolment
 - A reduction in positions as a result of decisions made to support balancing the budget.
- The chart on the next page shows the projected changes in FTE between 2022-23 and 2023-24

Projected Staffing Changes Between 2022-23 and 2023-24

Classroom Teachers			
Elementary	10,427.5	10,512.0	(84.5)
Secondary	4,762.0	4,681.5	80.5
Total Classroom Teachers	15,189.5	15,193.5	(4.0)
Early Childhood Educators	1,128.0	1,105.0	23.0
Special Education Support Staff	2,799.0	2,834.0	(35.0)
Professionals & Para-Professionals	836.0	853.4	(17.4)
School Administration			
Principals	537.0	537.0	0.0
Vice Principals	345.5	358.5	(13.0)
School Office Administration	1,042.0	1,073.5	(31.5)
Lunch Room Supervisors	2,355.0	2,628.0	(273.0)
School Based Safety Monitors	243.5	211.5	32.0
Other Classroom Supports	182.0	189.5	(7.5)
Total School Administration	4,705.0	4,998.0	(293.0)
Continuing Education	765.7	765.7	0.0
	25,423.2	25,749.6	(326.4)
Program Support			
Board Administration & Governance	1,467.6	1,471.6	(4.0)
School operations & Admin Support	3,117.1	3,246.9	(129.8)
Transportation	29.0	29.0	0.0
Total Program Support	4,613.7	4,747.5	(133.8)
TOTAL STAFFING	30,036.9	30,497.1	(460.2)

2023-24 Projected Expenditures

Program Instruction:

Classroom Teachers	1,675,471,000	1,614,264,000	61,207,000
Principal and Vice-Principals	139,217,000	142,254,000	(3,037,000)
Coordinators and Consultants	18,118,000	23,396,000	(5,278,000)
Library and Guidance	64,497,000	71,810,000	(7,313,000)
Instructional Staff Development	6,444,000	11,673,000	(5,229,000)
Department Heads	3,314,000	3,325,000	(11,000)
Supply Staff	125,710,000	119,507,000	6,203,000
Special Education Support Staff	136,220,000	130,741,000	5,479,000
Early Childhood Educator	66,324,000	63,314,000	3,010,000
Professionals Paraprofessionals and Technicians	206,770,000	201,254,000	5,516,000
Classroom Texts and instructional Supplies	68,840,000	69,455,000	(615,000)
Instructional Computers	19,167,000	33,293,000	(14,126,000)
School Administration	82,605,000	84,024,000	(1,419,000)
Continuing Education	92,263,000	101,727,000	(9,464,000)
	<u>2,704,960,000</u>	<u>2,670,037,000</u>	<u>34,923,000</u>

Program Support:

Board Administration & Governance	82,968,000	83,877,000	(909,000)
School Operations and Renewal	386,056,000	383,786,000	2,270,000
Transportation	74,476,000	65,979,000	8,497,000
	<u>543,500,000</u>	<u>533,642,000</u>	<u>9,858,000</u>

Non-Operating:

	<u>55,177,000</u>	<u>43,049,000</u>	<u>12,128,000</u>
	<u>3,303,637,000</u>	<u>3,246,728,000</u>	<u>56,909,000</u>

Budget Expenditure Challenges in 2023-24

- There are a number of budget challenges that TDSB will experience in 2023-24:
 - Increase in statutory benefits
 - Increase in replacement costs related to sick leave
 - Inflationary increases in expenses that are greater than increase in funding
 - Increase in spending related to school safety in 2022-23 that will be maintained for 2023-24
 - Spending greater than funding in a number of areas. Examples include:
 - Special Education
 - Lunchroom Supervision
 - Student Nutrition
 - Outdoor Education

Benefit Costs Pressures

- There was no increase in the GSN for statutory benefits or costs related to sick leave.
- The projected incremental unfunded benefit costs from 2018-19 to 2023-24 are as follows:

Benefit	Incremental Costs
Long Term Disability (LTD)	\$13.9M
Workplace Safety Insurance Board (WSIB)	\$(8.2M)
Canada Pension Plan (CPP)	\$28.8M
Employment Insurance	\$1.0M
Sick Leave School Based	\$11.8M
Total	\$47.3M

2023-24 BUDGET DRIVERS



Budget Drivers

- On March 8, 2023, the Board approved the strategic budget drivers to guide the development of the 2023-24 budget. The top six based on public consultation are:
 - Staff allocation to support students
 - Student and staff safety, mental health and well-being
 - Student success and engagement
 - Equitable access to learning opportunities, including Indigenous Education
 - Human rights
 - Modernization and accessibility
- Staff have taken these drivers into account when proposing the options to balance. The budget drivers not only determine where reductions may be made; they also help to decide what is being proposed to be kept.

FINANCIAL POSITION AND PROPOSED OPTIONS TO BALANCE



2023-24 Projected Financial Position

- On February 15, 2023, a report was presented to the Board's Finance, Budget and Enrolment Committee (FBEC) that showed a projected deficit of \$61 million
- When school based staffing was approved, a further \$2.3 million was added to the budget in order to maintain 40.0 SBSMs that were funded by COVID
- When the GSN was released, \$1.6 million was added
- **Therefore, the starting position for the 2023-24 projected deficit is \$61.7 million.**

School-Based Staffing

- School-based staffing makes up 68% of the Board's total budget
- School-based staffing is approved by Board in March in order to allow schools to prepare their staffing allocations for the next year
- In March, \$9.4 million of reductions was approved by the Board in addition to the reduction in the COVID learning recovery positions
- In May, the Board approved adding back 8.0 Secondary Vice Principals and 20.0 Elementary Vice Principals
 - 18.0 of these positions will be funded by one-time funding carried forward from previous years.
 - 10.0 of these positions will add \$1.4 million to the budget
- In June, the Board approved adding back 6.0 Aquatic Instructors
 - \$400,000 will be added to the budget
- Therefore, the net decrease in school-based staffing is \$7.6 million.
 - This represents 0.4% decrease

Motion to Add Back Social Workers and Child and Youth Counsellors (CYCs)

- On June 14, 2023, the Board approved a motion to add back 16.0 social workers and 15.0 CYC for a total of \$3.7 million.

2023-24 Projected Financial Position After School-Based Staffing

Projected Deficit	-\$61.7
Reduction Related to School-Based Staffing	7.6
Addition of Social Workers and CYCs	<u>-3.7</u>
Updated Projected Deficit	<u>-\$57.8</u>

- The Board's deficit recovery plan requires the Board to get to a deficit of \$15.1 million in 2023-24.
- Therefore, further reductions of \$42.7 million are required to achieve this amount.

Options to Balance – Increase in Special Incidence Portion (SIP) of Special Education Allocation

- The SIP is a claims based allocation
 - School boards may apply for SIP funding on behalf of students who require more than two full-time equivalent board-paid staff providing intensive support for the health and/or safety of the applicant student, other students and/or staff.
 - The deadline for application is usually in December of the school year and the supports must already be in place when submitting a claim.
- The Ministry has agreed to expend the deadline for TDSB to ensure that all eligible claims are submitted.
 - The estimate of the additional funding to be received is \$5 million.

Options to Balance – Central Teaching and Administration

Central Teachers	FTE
Early Reading Coach, Elementary	20.0
K-12 Coach, Elementary	16.0
K-12 Coach, Secondary	8.0
	<hr/>
	44.0
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The 44.0 FTE represent 11.0 FTE per learning centre.

The reduction in centrally assigned principals (CAP) represents a decrease of 5.0 FTE.

The total proposed reduction is \$5.6 million.

Options to Balance – Central Department Discretionary Budget

- Central departments were asked to reduce discretionary spending by 5%
 - Departments are able to decide where reductions can be made. I.e. supply purchases, PD, technology, etc.
- In addition, staff are reviewing all licence agreements to determine if any can be paused or discontinued.
- The projected savings is \$1.7 million.

Options to Balance – General Interest Courses

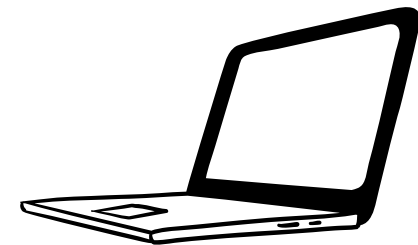
- The Board offers general interest courses to adults. Examples include pizza making, dance classes, art classes
- Currently, the expenditures for general interest exceed revenues by \$600,000
- Policy P019, Continuing Education, state that “Community programs should be fully funded by user fees and other revenues.”
- Staff will review ways to fully fund general interest programs including possible fee increases and enrolment thresholds

Options to Balance – Review of Other Grants and Possible Efficiencies

- The Board receives other funding outside of the GSN (e.g. PPF) and/or certain GSN allocations are enveloped.
 - Some of these grants were not spent during COVID due to restrictions that were in place
- Staff will be reviewing all the grants to ensure that eligible expenses are charged to this funding.
- In addition, staff will be reviewing all programs to ensure they are operating efficiently
- As a result of this work, staff estimates \$4.6 million of GSN to be available to assist in balancing the budget.

Options to Balance – 1:1 Device Deployment

- Devices are purchased in the summer prior to the school year.
 - Therefore, the devices for 2023-24 school year will be purchased with the 2022-23 budget
- A pause in the 1:1 device deployment budget for 2023-24 means the devices cannot be purchased next summer for 2024-25
 - They can be considered as part of the 2024-25 budget and purchased in the fall with a delay in deployment
 - Staff will be reviewing if the budget for 1:1 can be reduced
- The annual allocation is \$9 million.



Options to Balance – Additional Virtual School Enrolment

- TDSB is providing remote learning for students in 2023-24
- Per the Ministry memo related to the GSN
 - “For students who wish to enroll in remote learning, school boards may offer remote learning instruction directly, they may partner with another school board to provide remote learning instruction on their behalf, or they may work with other school boards to deliver remote learning collaboratively.”
- TDSB has been approached by neighbouring school board to provide remote learning for secondary students on their behalf.
 - Staff is working with the Board and expect an increase in revenue by approximately \$300,000

Options to Balance – Use of POD

- As a result of the moratorium on school closures, TDSB does not have the ability to deal with excess capacity
- The Ministry no longer provides funding that recognizes that the cost of operating schools does not significantly differ whether the school is at full capacity or not.
- Staff estimates the operating costs associated with not being able to close schools at \$12 million
- In addition, the addition of the social workers, CYCs and aquatic instructors will represent an increase in the use of POD by \$3.9 million
- Staff is recommending a request to the Ministry to use \$15.9 million in POD to assist in balancing the budget.
 - The uncommitted POD balance is currently estimated at \$85 million and will increase as we sell surplus properties.

Summary of Proposed Options to Balance

Increase in SIP Special Education Allocation	\$5.00
Central staffing	5.60
Central department reductions	1.70
General interest courses	0.60
Review of other grants and possible efficiencies	4.60
1:1 device deployment	9.00
Additional virtual school enrolment	0.30
Use of POD	15.90
	<u>\$42.70</u>

Updated Financial Position if Board Approved Options to Balance

Projected Deficit	- \$57.8
Options to Balance	42.7
Updated Projected Deficit	<u>- \$15.1</u>

This means that if all options are approved, the Board would meet the commitment in the three-year deficit recovery plan.

HOW THE 2023-24 PROPOSED BUDGET SUPPORTS THE BUDGET DRIVERS



Budget Drivers

- The top six based on public consultation are:
 - Staff allocation to support students
 - Student and staff safety, mental health and well-being
 - Student success and engagement
 - Equitable access to learning opportunities, including Indigenous Education
 - Human rights
 - Modernization and accessibility

How the 2023-24 Proposed Budget Supports the Budget Drivers

- No direct decreases to staff allocations that directly support students other than classroom teachers (enrolment driven), special education resource teachers and COVID positions
- Increase in teaching positions that directly support early reading intervention, math supports and destreaming based on the PPF
- Keeping 99.0 of the COVID Learning Recovery Fund positions to support well being and safety
- No reductions to school budget allocations
- No reductions to budgets that directly support equitable outcomes ie. The Model Schools Program, Centre of Excellence for Black Student Achievement
- Increased budget related to Indigenous Education
- Increased budget related to Human Rights investigations

Thank you!

Executive Council, Employee Services, Planning and Enrolment, Finance and Budget, Capital

Executive Officer, Finance Craig Snider – Executive Officer, Finance
Sri Alageswaran - Comptroller, Budget & Financial Reporting
Rajani Nelson – Assistant Comptroller, Budget & Financial Reporting
Shakil Abdulla, Manager, Budget & Financial Reporting
Lori Moore, Centrally Assigned Principal

Finance, Budget and Enrolment Committee



QUESTIONS?

