



August 13, 2020

Dear Trustees

As you now, Minister Lecce made an announcement this afternoon with regard to funding for smaller class sizes in Ontario. The Minister indicated that he is permitting school boards to use reserve funds to achieve smaller class sizes this September. Further to the email we shared last week, the TDSB has reserve funds — set aside to support ongoing projects, school budget carryovers and future benefit liabilities — of approximately \$131 million:

- \$105.6M is our benefit fund reserve. The breakdown of the fund is as follows as at 18-19 yearend:
 - \$4.5M is Dental and Health which is going to be used at end of 20-21 for health plan conversion.
 - \$12.8 is Group Life of which we are using \$10M to balance current budget deficit. Also, some of these funds (approx. \$1M) are staff contribution from unit B
 - \$88.2M is the LTDI (Long Term Disability Insurance) benefit plan for staff. The exact amount of our liability may change depending on actuarial estimates and assumptions around future claims so we don't yet know the exact amount of our future obligations.
- School Support funds are both for school budget/NAC10 (additional Ministry funding to support Indigenous Education) carryovers of \$17.7M and IT projects carryover for current work being done in the amount of \$1.3. Principal PD funds and various department carryover for projects underway total \$2.4M.
- Environmental Legacy and Artificial Turf totals \$3.6M. There may be projects against some of these funds already underway.

Staff's position is that because this money is already set aside for future obligations, using these funds would lead to future financial risks for the board. It would not be prudent or good financial management if we were to use a large amount of reserve funds to cover the entire cost of smaller class sizes. Instead, staff are looking at whether some of these reserves could be used to augment the TDSB's share of the previously announced \$30 million for staffing (for Ontario) so that we could meet the 15-20 model. The Ministry is expected to launch the application process for this \$30M fund today. Staff will be submitting the TDSB's business case for this funding as soon as possible.

As you will recall, the 15-20 model included two options — \$20 million (shorter school day to accommodate teacher prep time at the end of the day) and \$190 million (hiring of additional





teachers to cover prep time throughout the instructional day). Staff strongly believe that the \$190 million option is not feasible. As a result, we believe that we may be able to secure the lower cost option if additional ministry funding is provided. Please note that it is possible that the \$20M number that was previously estimated may be higher due to changes in enrolment. A firmer number will be available for next week's Committee of the Whole meeting, during which staff will bring forward a more fulsome recommendation.

You may also recall that school boards are only permitted to have a deficit of the lower of 1% of their GSN revenue or reserves without Ministry approval. The Minister has indicated that he will now allow boards to go to a 2% deficit

Should the lower cost option be chosen, a shorter school day would be required (to allow for teacher prep time) and all ETFO members, including centrally-assigned staff (i.e. librarians, guidance counsellors, coaches), would be reassigned to a classroom cohort. Other factors to consider are:

- With smaller class sizes, we would also require additional space for classes at a number of our schools. Staff have been working to secure sufficient space to accommodate the additional classrooms required.
- There may not be sufficient capacity to transport all students if several new locations are added. At a minimum, there will be a delay in establishing new route plans to these additional sites so transportation may be delayed for the first month of school for these sites.
- Shorter school days would require Ministry approval and the reassignment of staff would require an agreement be made with their respective unions.
- Given this significant change, staff would have to assess if the necessary arrangements could be made in time for the first day of school on September 8.

With regard to the \$50 million announced today by the Minister for immediate HVAC upgrades. Staff are looking at what will be possible in the short time before school starts and we will provide a further update when available.

Sincerely,

A handwritten signature in black ink, appearing to read 'Carlene Jackson'.

Carlene Jackson
Interim Director of Education

