



## COMMITTEE OF THE WHOLE (BUDGET) Report No. 24-039

20 February 2024

### 2024-2025 Budget Process

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#### PURPOSE:

1. To present information on the 2024-2025 budget cycle timelines and processes as well as the anticipated challenges impacting the development of the budget.

Ottawa-Carleton District School Board (OCDSB) is currently under financial supervision based on the financial health of the organization. The passing of a balanced budget or the budgeting of a small surplus should be considered to bring the board back into financial health in accordance with Ministry guidelines while providing the necessary data to the Board to advocate for high needs areas.

Recognizing the current environment, the goal for this year's budget should be to maintain, to the extent possible, existing core services and support provided by educators. The Board should also endeavor to prioritize services and supports for students who may be at risk, students who have traditionally been underserved by typical structures, and students with the highest needs. However, any new investments by the Board should be offset by provincial funding (Grants for Student Needs (GSN) or Enveloped, or Priorities and Partnerships Funding) or by realigning internal expenditures.

#### STRATEGIC LINKS:

2. The 2023-2027 Strategic Plan is built on three areas of focus: learning, well-being and social responsibility. Review and analysis of financial results, in relation to the Board's approved budget and revised estimates helps to inform future financial planning and decision-making. Responsible and transparent fiscal practices will ensure the successful implementation of all three areas of focus of the plan for current and future students and employees at the OCDSB.

#### CONTEXT:

3. The District operates on a fiscal year that runs from 1 September to 31 August. Prior to the start of each fiscal year, and in compliance with the *Education Act*,

the Board is required to approve a budget before the end of June that articulates how the District will use its resources to meet the needs of its students and the broader school community.

Planning for the 2024-2025 fiscal year has already commenced. However, the preliminary guidance from the Ministry of Education has not yet been received. District staff anticipate that the budget approval timeline established by the *Education Act* will be met.

## KEY CONSIDERATIONS:

### 4. Budget Development Schedule

An important consideration when developing the District's budget schedule is the need to ensure that committee members have sufficient time to consider staff's approach and recommendations and allow time for public consultation to occur.

As previously noted, the provincial guidance is that the District's 2024-2025 Budget must be approved by the Board by the end of June 2024. To meet this timeline, key meeting dates for the budget process are as follows:

<b>Monday, December 11, 2023</b>	<b>Committee of the Whole, Budget</b> 2024-2025 Budget Process and Overview 2022-2023 Financials Results 2023-2024 Revised Estimates Financial Analysis of Priority Areas: <ul style="list-style-type: none"> <li>• Transportation;</li> <li>• Special Education;</li> <li>• Mental Health and Well-Being;</li> <li>• Cost pressures related to facilities, renovations and new builds;</li> <li>• Employee Replacement Costs; and</li> <li>• Cybersecurity.</li> </ul>
<b>Tuesday, January 30, 2024</b>	<b>Committee of the Whole, Budget</b> 2023-2024 Revised Estimates 2024-2025 Budget Process Needs Analysis
<b>Tuesday, February 20, 2024</b>	<b>Committee of the Whole, Budget</b> Presentation 2024-25 Budget Process Presentation for Discussion 2024-2025 Academic Staffing
<b>Tuesday, March 19, 2024</b>	<b>Committee of the Whole, Budget</b> Presentation for Approval 2024-2025 Academic Staffing
<b>Tuesday, May 14, 2024</b>	<b>Committee of the Whole, Budget</b> Update, including information on Ministry grants (GSNs)

<b>Monday, May 27, 2024</b>	<b>Committee of the Whole, Budget</b> Presentation of the staff-recommended budget
<b>Monday, June 3 2024</b>	<b>Committee of the Whole, Budget</b> Public delegations and committee questions Budget debate commences
<b>Monday, June 10, 2024 (if required)</b>	<b>Committee of the Whole, Budget</b> Budget debate (if required) and recommendation to the Board
<b>Wednesday, June 12, 2024 (if required)</b>	<b>Committee of the Whole, Budget</b> Budget debate (if required) and recommendation to the Board
<b>Monday, June 24, 2024</b>	<b>Board</b> Budget Approval

The approval of the academic staffing recommendations represents an important budget decision. The approval will commit approximately 60% of operating costs in advance of having confirmed the funding that is available to support all budget needs. The decisions are made in March to meet collective agreement obligations as well as to ensure there is sufficient time for the staffing process to be completed prior to the start of the new school year.

The Ministry is not expected to announce the GSN until mid-late April 2024. Staff requires access to the Education Finance Information System (EFIS) and the technical papers to provide more accurate funding estimates as EFIS is used to calculate Board-specific grant information.

Staff expects to present the recommended budget to the Committee of the Whole (COW) Budget on 27 May 2024. It will reflect the previously approved academic staffing costs and present other recommended adjustments to revenues and expenses.

## 5. **Education Funding Overview**

A key requirement for effective decision making is a shared understanding of the constraints and opportunities that are presented to the COW Budget and the Board. Reference B and C are two Ministry publications that may assist in the development of that shared understanding.

Reference B, 2019-20 Education Funding-A Guide to the Grants for Student Needs, summarizes the provincial funding model employed by the Ministry to allocate funds to all Ontario school boards. It elaborates on the different grants that comprise the GSN and, importantly, acknowledges that local school boards have significant flexibility in how the funds are used to meet local priorities in support of student achievement. The 2019-20 guide is being shared because the Ministry has not released a more recent version.

Reference C, 2022-23 Education Funding-A Guide to the Special Education Grant, provides additional detail on special education funding.

## **Budget Development Considerations**

### **6. Strategic Plan 2023-2027**

The Ottawa-Carleton District School Board recently released a new 5-year Strategic Plan; therefore, any new investments should advance the Board's updated strategic priorities of learning, well-being, and social responsibility.

### **7. Pending Education Funding Issues**

Although no formal notification regarding the funding information for the 2024-2025 school year has been received, the following issues have been identified:

- All budget recommendations must meet the provincial, regulatory and collective agreement obligations;
- The provincial funding model is expected to be status quo and may not fully address inflationary pressures;
- The province continues to negotiate labour contracts with OSSTF and OSSTF-EW and provide Boards funding for future related pay increases. These funds must be set aside for future use and cannot be used for any other purpose;
- In Budget 2023-2024, The Ministry made changes to the Indigenous Education Allocation model to ensure more direct investing of the Allocation. In 2024-2025 there are no changes forecasted to Indigenous Education Allocation but the one time transitional funding not part of the Indigenous Education Allocation provided to help school districts transition from the changes in 2023-2024 will end. The funding allocated to the District was \$1.2 million in 2024 but will not be provided in 2025.
- A new transportation funding model was implemented in 2024 with transitional funding for 4 years to allow Boards an opportunity to review current practices and find savings. Even with the bridge funding, this left the Board with a significant shortfall due to a gap between the funding model and how the Board provides transportation to students. The province provided the Board one time funding of \$1.1 million in 2024 that will likely not continue in 2025. An additional \$14 million dollars will be reduced in 2028.

### **8. OCDSB Financial Position**

The District remitted a balanced budget for the 2023-2024 school year. Although the Board experienced a change in enrolment from the original estimates, a balanced budget was remitted to the Ministry at revised estimates and forecasts continue to support that target.

Below Table 1 summarizes 2023 versus the projected 2024 accumulated surplus. The current budget plan should consider rebuilding the surplus allowing the Board better opportunities to invest in educational opportunities without finding offsetting savings.

Table 1 – Accumulated Surplus Available for Compliance

	Projected as at	Actual as at	Change
	2024-Aug-31	2023-Aug-31	increase (decrease)
	\$	\$	\$
Available for compliance			
Restricted-committed capital	13,614,919	14,609,424	(994,505)
Internally appropriated			-
Extended Day Program	(1,770,386)	(1,770,386)	-
Budgets carried forward	1,887,089	1,887,089	-
Business Systems	2,000,000	2,000,000	-
WSIB	3,000,000	3,000,000	-
Contingencies	500,000	500,000	-
Unappropriated	943,368	142,979	800,389
Total	20,174,990	20,369,106	(194,116)

9. Enrolment

Enrolment is a key factor in the funding that the District receives. Enrolment growth provides additional flexibility in responding to funding changes and service demands while declining enrolment reduces this flexibility and generally creates a need to look for savings opportunities to offset the lost revenue.

The Planning staff looks at many factors in determining an enrollment projection which is a change in the current enrollment data presented at the previous year's Revised Estimates.

The Enrolment Projections are used to build the original estimates so even a change in enrolment projections can be seen as an increase or decline in funding.

Using all the current available information, the Planning staff are currently forecasting enrolment to remain steady with no significant growth in 2025. There will be an opportunity to adjust this through the Budget Process if we receive different indicators.

10. Cost Pressures

The Board faces several financial challenges in the 2025 school year. The most significant are:

- The Board found significant savings in 2024 by reducing \$2.5 million from the technology budget. This was a one time savings to be reinvested in 2025;
- Although we expect Priorities and Partnerships Funding (PPFs) to continue, we have identified salaried employees that support programs in the \$2M range that would need to be found if these PPFs are not extended into 2025;

- Inflation continues to add pressure in maintaining the delivery of current programs across the system; and
- Other areas of pressure include Transportation, Special Education, and Replacement Costs.

11. Analysis of Need in 2025:

Staff will support budget adjustment recommendations based on their analysis of needs across the system and in support of the Strategic Plan approved by the Board. With staff support of some of the greatest areas of concern, the Board did pass a motion to focus on six areas for specific Needs Analysis during the Budget Process. Staff are working with the Trustees to develop the individual reports of the Needs Analysis. These areas of advocacy are:

- Transportation;
- Special Education;
- Mental Health and Well-Being;
- Capital and Facilities;
- Replacement Costs; and
- Cyber Security.

## **RESOURCE IMPLICATIONS:**

12. The decision to use up the Board's surplus to finance two deficit budgets in a row (2021-2022 and 2022-2023) has left the Board little ability to fund new projects or initiatives without finding offsetting savings. Further the lack of surplus leaves the Board in a vulnerable position with no resources to deal with unexpected expenses. An important part of current and future budgets will be to rebuild the surplus to ensure funds are available to weather future unexpected events.

## **COMMUNICATION/CONSULTATION ISSUES:**

13. The Board will be using Pinpoint for the first time as a new way to expand engagement with the community in the 2025 budget planning process. This tool provides access to both the current budget and budgets from prior years. Members of the public will be able to engage in forum discussions and ask questions. All public documents, such as budget reports and staff presentations, are easily accessed using Pinpoint.

The budget consultation process will reach out to parents, school councils, students, OCDSB advisory groups, staff and the public. The goal of the consultation will be to make the community aware of the budget process and provide them with an opportunity to provide feedback to staff, trustees and other Budget Committee members. The consultation process will involve a variety of formats in order to maximize the opportunity to reach these groups.

Staff customarily attends meetings of other committees including the Special Education Advisory Committee (SEAC), the Parent Involvement Committee (PIC) and the Advisory Committee on Equity (ACE). Comments received during those meetings help staff understand the concerns and priorities of those committees.

Similar to the advisory committee meetings, trustees have received valuable input through zone meetings in past years. Staff will provide support for those meetings this year, if required and schedules allow.

## **GUIDING QUESTIONS:**

14. The following questions are provided to support the discussion of this item:
- What are the emerging issues and opportunities that members believe should be considered during the development of the 2023-2025 Staff-Recommended Budget?
  - What information will help inform the decisions that will be made following the presentation of the 2024-2025 Staff-Recommended Budget?

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Randall Gerrior  
Associate Director, Business Operations

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Pino Buffone  
Director of Education and  
Secretary of the Board

## **References:**

- A. [2023-2027 OCDSB Strategic Plan](#)  
B. [2019-20 Education Funding - A Guide to the Grant for Student Needs](#)  
C. [2023-24 Education Funding - A Guide for Special Education Grant](#)