



**COMMITTEE OF THE WHOLE (BUDGET)**  
**Report No. 24-080**

**03 June 2024**

**2024-2025 Staff-Recommended Budget**

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**PURPOSE:**

1. To present the staff recommended operating budget for the 2024-2025 school year.

**STRATEGIC LINKS:**

2. The annual budget is directly connected to an organization's strategic plan. Last year, the OCDSB took extensive consultation to develop a new strategic plan for the period 2023-2027. This year as part of the budget process the Board also identified 6 areas for Needs Analysis which were also considered in the development of this budget. The four key values of Equity, Community Building, Responsible Stewardship of Resources, and Leadership Development are reflected in this budget. The stewardship of financial resources continues to be one of the primary functions of the Board and the budget will set the operating plan for the coming year.

**CONTEXT:**

3. The District operates on a fiscal year that runs from September 1 to August 31. 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.

Last year the board passed a budget that required \$19.0 Million in reductions to balance the budget. The board was and remains under financial supervision from the Ministry of Education for its current financial health. Some of those savings were based on temporary reductions which is puts additional pressures on this years budget.

The Ministry of Education has changed the previous funding model terms and alignments into a new model to better align with their goal of transparency and simplicity. What was commonly referred to as Grants for Student Needs (GSN) operational in the past is now referred to as Core Education Funding (Core Ed) and what was commonly referred to as Grants for Student Needs (GSN) capital is now referred to as Building, Expanding, and Renewing Schools (BERS). What was commonly referred to as Priorities, and Partnership Funding (PPFs) is

now referred to as Responsive Education Programs (REP) and Funding for External Partners (FEP). These changes were not meant to be a contraction or expansion in funding but a realignment for transparency and a better understanding of funding purpose.

On receipt of the technical papers, a more detailed analysis was undertaken and after factoring in changes \$1.2 million was confirmed for additional needs that are detailed below.

In developing the recommended budget, staff followed the same principles that were used to inform the academic staffing plan, with an effort to ensure the operating budget would:

- align with the strategic priorities identified by the Board for improving student achievement, equity, and well-being;
- meet Ministry, regulatory and collective agreement obligations;
- maintain, to the extent possible, existing core services and supports;
- 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; and
- consider the impact on the overall budget, including other staff supports that may be required to meet student needs and District priorities; and
- consider potential funding and funding parameters.

The primary focus is to present a balanced budget, the staff recommended budget includes several recommendations for investment in key priority areas, most notably relating to program review and additional human resourcing to meet both corporate/regulatory requirements as well as students with additional needs.

The total value of the unconsolidated 2024-2025 operating budget is \$1,169,323,005, with a 2024-2025 capital budget of \$127,838,114.

## **KEY CONSIDERATIONS:**

### Ministry Funding

4. On 26 April 2024, the Ministry of Education released the memos, technical papers and the Education Finance Information System (EFIS) for the 2024-2025 school year. There was no significant growth in enrollment nor were there any significant inflationary factors and any inflationary growth provided was off-set by the loss of funding in other areas.
5. The Ministry announced several changes to funding which include:
  - A change in Specialized Education funding and
  - An updated funding formula for student transportation.

Additional information on these initiatives and funding changes is provided in the body of this report.

The changes in Core Education Funding include:

- A projected student growth of approximately 528 average daily enrolment (ADE) for the 2024-2025 school year in comparison to the 2023-2024 Revised Budget;
- The loss of the \$2.0M PPF was off-setting GSN expenditures;
- The loss of the one-time funding realignment of \$1.2 million to bridge the loss of Indigenous funds previously used towards classroom costs;
- A reduction in temporary accommodation funding adding an additional 500K in pressures; and
- A \$13.8 million realignment for transportation has been phased out with increases to the Transportation allocation.

## 6. Overview of Ministry Funding Changes for the 2024-2025 School Year

### **Labour Expenses relating to Central Collective Bargaining and Bill 124**

The Ministry implemented Bill 124 and also resolved multiple collective agreements in the 2023-2024 School Year. We are still in the process of actioning these payments. We are currently anticipating that these changes will be close to neutral, and the majority of any revenue growth is directly attributable to these changes. Salary is always a risk area within the budget.

### **Transportation Funding Change**

In the 2023-2024 school year, the Ministry implemented the new Student Transportation Grant funding framework which moved away from funding based on ADE to a home-to-school distance eligibility model.

Funding was provided to help with the transition of the program. The amount of transitional funding provided by the Ministry was \$13.8 million. The requirement for this transition funding was mitigated by new changes to the funding formula to include small vehicles not previously covered. The overall increase to our actual envelope from 2023-2024 was \$4,733,962. This is a significant step forward in Transportation funding to bring us back in step with previous year levels.

## 7. Financial Pressures for the 2024-2025 School Year

A key part of the budget process is identifying the financial pressures facing the District. Many of these have been reviewed with the Committee in recent months, but the key pressures are highlighted below.

### **Inflation**

Globally, inflation continues to be a significant issue specifically affecting buying power and putting pressure on schools and departments to make difficult decisions when making purchasing decisions. The rising cost of living is also part of contract negotiations, with unions negotiating higher wages for its members which adds further pressure to the ability to meet the operational needs of schools and departments.

### **Investing in Staff Replacement Costs**

Staff replacement costs have historically been a budget pressure; however, since the change in centrally bargained sick leave benefits by the province school boards have experienced a significant increase in those costs that continue to provide pressures to the budget. The current budget based on an adjustment last

year has \$31.5 million which better aligns with previous year expenditures. We have seen improvements in these expenses based on the wellness programs and other initiatives and we will continue to invest in these programs, but this remains one of the single largest under-funded pressures in the board and continued advocacy is required to align funding with expenses.

**Temporary Accommodation (Portable Costs)**

Due to inflationary pressures and labour shortages in the greater Ottawa area, new school builds were delayed causing other schools in the District to experience student growth that can not be accommodated without portables. The Ministry does provide funding for portables and the cost of moving, but the amount is insufficient. A projection of \$3.0 million in portable expenses is anticipated, but only \$800K in funding has been received. The remainder will come from the surplus/deficit.

Although we have new school builds currently underway and new ones approved, these builds take time to complete and portable pressures are expected to continue to address short term needs.

**Table 1 - Portable Breakdown (amounts in millions)**

	<b>2023-2024</b>	<b>2024-2025</b>
Revenues	1.3	0.8
Expenses	3.0	3.0
<b>Surplus/(Deficit)</b>	<b>(\$1.7)</b>	<b>(\$2.2)</b>

8. Capital Budget

The 2024-2025 Capital Budget is a high-level spending plan that identifies the cumulative amount of planned spending by funding source. Total capital spending authorization is anticipated to be \$127.84 million.

Almost all of the capital funding provided by the Ministry has strict guidelines regarding how the funds can be spent. These funds cannot be used to increase operational budgets or used for projects outside of the guidelines.

Overall, we have accommodation pressures in our highest growth areas within the district which are further exacerbated by restrictions in temporary accommodation funding. Our renewal and school condition improvement funds do allow us to continue to invest heavily in our existing infrastructure with the greatest limitations being the availability of our buildings, the construction capacity in the Ottawa region, and the age of some of our buildings. We have and continue to be successful in our Capital Priorities submissions and we have the EDC to support us in the acquisition of land to support growing needs.

**Table 2 - Capital Costs (amounts in millions)**

	Ministry Funding	MTCA	Accum. Surplus	EDC	Total Capital Funding
Capital Priorities	37.24				37.24
Land (EDC)				17.95	17.95
School Renewal	10.31				10.31
School Condition Improvement	54.14				54.14
Furniture, and Equipment		8.20			8.20
<b>Total</b>	<b>\$101.69</b>	<b>\$8.20</b>		<b>\$17.95</b>	<b>\$127.84</b>

9. **Savings, Efficiencies and Opportunities**

We underwent a significant cost savings review for 2023-2024 to leverage cost saving opportunities with the intent to minimize the impact on students and staff. The staff recommended budget reflects the best opportunities for savings or the redirection of funding while safeguarding both current and future staff and students. Unfortunately, there is only so much expense reduction that can be applied without fundamentally cancelling various programs.

10. **New Budget Initiatives for the 2024-2025 School Year**

Through a realignment of budgets, savings and finding efficiencies, a limited number of new investments were added to the budget. These initiatives mainly focus on program review, realigning special education funding to better meet the needs of those students, and other initiatives targeting high risk and high needs students and areas.

The following initiatives are a reallocation internally of resources on the same priority.

**Table 3 - 2023-2024 Initiatives (amounts in millions)**

Adjustments	Cost
PALI General Manager (1.0 FTE)	0.17
PALI Program Manager (1.0 FTE)	0.13
System Principals Reduction (-2.0 FTE)	(0.30)
Restorative Practice Implementation Facilitator (1.0 FTE)	0.07
Safe Schools Budget reduction	(0.07)

## Program and Learning

In the spirit of stability, Program and Learning is proposing the reduction of two system principals and the increase of two Union Exempt positions to drive the work. Making these positions permanent would allow for longer term planning and stability.

### Safe Schools

Safe Schools is looking to reallocate funding from the supplies envelope to a position tied to Restorative Practices. This initiative ties to equity by teaching student facing staff the skills to work with students in alternate forms of motivating students in more positive and productive ways versus historically more punitive measures.

**Table 4 - 2023-2024 Initiatives (amounts in millions)**

Initiative	Cost
Elementary Program Review	0.35
Funds for CDAs (Communication Disorder Assistants)	0.24
Speech Language Pathologists	0.06
Occupational Therapist (1.0 FTE)	0.12
Increase Educational Assistants 10 FTE (10 FTE)	0.62
SEA Funding Offset	(0.43)
Senior Disability Management Coordinator (1.0 FTE)	0.12
Assistant Payroll Administrator (1.0 FTE)	0.07
Payroll Analyst (1.0 FTE)	0.08
Indigenous Trustee (3,500 funded from Indigenous Envelope)	0.00
<b>Total</b>	<b>\$1.23</b>

### Elementary Program Review

OCDSB has not undergone an Elementary Program Review for many decades and the last program review to remove some programs was not approved for recommendations. Overtime it is required at a minimum to review your programs to determine if they are meeting the needs and expectations of the community and are they sustainable. Several concerns with regard to community schooling, streaming, and equity, and long-term sustainability have been raised. As part of our commitment to equity and social responsibility this review is required. To

properly conduct this review and explore options will take some additional staffing and consulting resources.

**Special Education Supports**

A priority area as part of our commitment to equity and wellness is an increase in resources to those students who have high needs. We are recommending the addition of specialists in Communication Disorder Assistants, Speech Pathologists, Occupational Therapists as well as an addition to the Educational Assistant component. These resources will be directed to those that need them most.

**Senior Disability Management Coordinator**

This is a direct investment in our corporate responsibilities to our neediest staff undergoing complex disability claims. Under our current system almost all staff who qualify for disability claims under our current system end up getting overpaid due to the timeliness and complexity of disability claims. At a time they are struggling with disability issues we are asking them to pay thousands of dollars in over-payments which take years to recover. We have an obligation as an employer to manage these claims in a timely manner to ensure that we pay our staff correctly and that we pay them correct rates. We are unable to meet that obligation without this additional resource.

**Payroll Supports**

These two positions were added last year in a term capacity as we were in jeopardy multiple times of not making our payroll obligations to our staff. We have a legal obligation to pay our staff and the number of staff vs the capacity to do so is in jeopardy without these additions.

**Indigenous Trustee**

As part of our commitment to reconciliation, the board approved the addition of an indigenous trustee. The majority of the funding will come from the province and any remaining residual will come from the indigenous funding.

11. Ministry Compliance Reporting

**Table 7 - Ministry Compliance Requirements**

	2023-2024	2024-2025
Revenues	1,100,848,097	1,169,323,005
Expenses	1,100,848,097	1,169,323,005
Surplus/(Deficit)	-	-

**RESOURCE IMPLICATIONS:**

12. The OCDSB approved the first balanced budget last year since the pandemic. The accumulated surplus will need to be rebuilt to ensure that the future needs of the organization can be met as the suggested surplus is 2% of the allocated Core Ed. This will need to be part of the financial planning of future budget remittances.

**COMMUNICATION/CONSULTATION ISSUES:**

13. The first meeting to discuss the budget process took place on 21 February 2024. There will be further COW (Budget) meetings that will be open to the public as required with the next meeting scheduled on the 10 June 2024. An OCDSB engage webpage has been established for budget questions and comments. While individual responses are not always possible, every effort is made to respond to questions that relate to the budget in a timely manner. Responses will be published in a ‘questions and answers’ document that is posted on the website.

**RECOMMENDATIONS:**

- A. THAT the unconsolidated 2024-2025 operating budget of \$1,169,323,005 as presented in Report 24-080, 2024-2025 Staff-Recommended Budget and detailed in the 2024-2025 Staff-Recommended Budget Binder be approved; and
- B. THAT the 2024-2025 capital budget of \$127,838,114million as presented in the 2024-2025 Staff-Recommended Budget Binder, be approved.

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Randall Gerrior  
Associate Director, Business Operations

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Pino Buffone  
Director of Education and  
Secretary of the Board

**Appendices:**  
Appendix A - REP Summary Allocation