



COMMITTEE OF THE WHOLE (BUDGET)
Report No. 25-007

28 January 2025

2025-2026 Budget Process

**Key Contact: Randall Gerrior, Associate Director Education,
Business 613-596-8211 ext. 8881**

PURPOSE:

1. To present information on the 2025-2026 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. However, any new investments by the Board should be offset by provincial funding (Core Education Funding or Responsive Education Program) 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 2025-2026 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 2025-2026 Budget must be approved by the Board by the end of June 2025. To meet this timeline, key meeting dates for the budget process are as follows:

Tuesday, January 28, 2025	Committee of the Whole, Budget 2024-2025 Revised Estimates 2025-2026 Budget Process
Tuesday, February 18, 2025	Committee of the Whole, Budget Presentation for Discussion 2025-2026 Academic Staffing
Tuesday, March 18, 2025	Committee of the Whole, Budget Presentation for Approval 2025-2026 Academic Staffing
Tuesday, May 13, 2025	Committee of the Whole, Budget Update, including information on Ministry grants (Core Ed)
Monday, May 26, 2025	Committee of the Whole, Budget Presentation of the staff-recommended budget
Tuesday, June 10, 2025	Committee of the Whole, Budget Public delegations and committee questions Budget debate commences
Wednesday, June 11, 2025 (if required)	Committee of the Whole, Budget Budget debate (if required) and recommendation to the Board
Monday, June 16, 2025 (if required)	Committee of the Whole, Budget Budget debate (if required) and recommendation to the Board

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 Core Education Funding until mid-late April 2025. 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 26 May 2025. It will reflect the previously approved academic staffing costs and present other recommended adjustments to revenues and expenses.

Budget Development Considerations

5. 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.
6. Pending Education Funding Issues
Although no formal notification regarding the funding information for the 2025-2026 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 will not address inflationary, replacement, nor special education pressures; and,
 - Funding for recently approved central collective agreements will not cover the financial needs of the board and will leave an additional pressure to be addressed.
7. OCDSB Financial Position
The District has remitted four deficit budgets and is well outside the Provincial guidelines. With the available financial reserves in a negative balance we have no choice but to remit a balanced budget for the 2025-2026 school year if possible or a plan that brings us in balance over multiple years. Staff are well underway in trying to identify reductions within the programs to bring the budget back in balance. Some of the proposed reductions are complex and will need to be phased in over multiple years.

Below Table 1 summarizes 2024 versus the projected 2025 accumulated surplus. The current budget plan needs to focus on rebalancing as a priority and then rebuilding the surplus allowing the Board better opportunities to invest in educational opportunities without finding offsetting savings.

Table 1 – Accumulated Surplus Available for Compliance

	Estimates As at	Actual as at	Change from Estimates	Revised Estimates as at
	2025-Aug-31	2024-Aug-31	increase (decrease)	2025-Aug-31
	\$	\$	\$	\$
Available for Compliance				
Restricted - Committed Capital	12,647,031	13,934,981	1,287,950	12,917,797
Internally Appropriated			-	
Extended Day Program	(1,770,386)	(870,712)	899,674	(870,712)
Budgets Carried Forward	1,887,089	1,146,747	(740,342)	1,146,747
Business Systems	2,000,000	2,000,000	-	2,000,000
WSIB	3,000,000	3,000,000	-	3,000,000
Contingencies	500,000	-	(500,000)	
Unappropriated	1,737,050	(11,132,437)	(12,869,487)	(14,521,679)
Total	20,000,784	8,078,579	(11,922,205)	3,672,153

8. 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 enrolment projection which is a change in the current enrolment 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 growth in 2025-2026. There will be an opportunity to adjust this through the budget process if staff receive different indicators.

9. Cost Pressures

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

- The Board has a significant pressure to address based on the recently approved collective agreements where the funding provided does not cover all the expenses incurred;
- Inflation continues to add pressure in maintaining the delivery of current programs across the system; and,
- Other areas of pressure include special education and replacement costs.

RESOURCE IMPLICATIONS:

10. The decision to use up the Board's surplus to finance two previous deficit budgets in a row (2021-2022 and 2022-2023) as well as the unexpected deficit in 2023-2024 has left the Board no ability to fund new projects or initiatives without finding offsetting savings. Further, the Board is in an accumulated deficit position and leaves itself 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:

11. The Board will be using the Engage platform to expand community access 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. 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.

Randall Gerrior
Associate Director of Education,
Business

Pino Buffone

Director of Education and
Secretary of the Board