OTTAWA-CARLETON DISTRICT SCHOOL BOARD

Learning Well-being Social Responsibility

COMMITTEE OF THE WHOLE (BUDGET) **10 June 2025**
Report No. 25-038

2025-2026 Staff-Recommended Budget

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PURPOSE:

1. To present the staff recommended operating budget for the 2025-2026 school year.

STRATEGIC LINKS:

2. The annual budget is directly connected to an organization's strategic plan. In 2022-2023, the Ottawa-Carleton District School Board (OCDSB) undertook extensive consultations to develop a new strategic plan for the period 2023-2027. The budget reflects the Board's commitment to the priorities articulated in the strategic plan within the fiscal framework established by the Ministry of Education. 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 was balanced. Subsequently, lower than expected enrolment was observed for the start of the year which resulted in a significant funding shortfall given that much of the funding is determined based on average daily enrolment (ADE) as measured on October 31 and March 31. In addition, changes to the compensation benchmarks that formalized the Bill 124 remedy and collective agreement settlements contributed to net compensation pressures. These issues were reflected in the 2024-2025 Revised Estimates which reported a projected deficit of $4.2 million. The deficit would have been more than double had staff not adjusted enrolment-based classroom staffing and taken other mitigation measures.

The District has been subject to enhanced reporting requirements for a number of years. Enhanced reporting allows the Ministry to more closely monitor OCDSB finances and requires staff to provide regular updates on activities that may adversely affect year end financial results. Given the ongoing concerns, the Minister of Education announced on 25 April 2025 that a financial investigation would be conducted to confirm the District's financial position and to assess if additional actions are required. The Ministry's objective is to ensure that the District's cost structure is aligned with available resources.

Staff considered the following when developing the recommended budget:

- The strategic priorities identified by the Board for improving student achievement, equity, and well-being;
- Ministry, regulatory and collective agreement obligations;
- The need 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; and
- The requirement to align costs with available resources while maintaining, to the extent possible, existing core services and supports.

Staff are recommending balanced operating and capital budgets meaning that expenses will be fully supported by associated revenues, operating expenses total $1,244,794,269 and capital expenses total $114,488,227.

KEY CONSIDERATIONS:

4. Overview of Ministry Funding Changes for the 2025-2026 School Year

On 23 May 2025, the Ministry of Education released the memos, technical papers and the Education Finance Information System (EFIS) for the 2025-2026 school year. This information is critical in determining the funding that the District will receive.

5. **Labour Expenses**

Although the Ministry implemented the Bill 124 remedy and resolved multiple collective agreements in the 2023-2024 School Year, the funding benchmarks reflecting the settlements were only updated after the Board approved the District's 2024-2025 budget. The changes were fully reflected in the 2024-2025 Revised Estimates.

For 2025-2026, compensation costs have been updated to reflect cost of living adjustments as provided for in collective agreements and terms and conditions of employment. Of note are:

- A $1 per hour increase in education worker salaries. The same amount has been applied to non-union non-management salary benchmarks;
- A 2.5 per cent increase in teacher, principal and vice-principal salaries. The increase is also being applied to managerial staff funded through the School Operations Allocation as well as non-executives funded through the Board-Based Staffing Allocation. The latter allocation supports central department costs such as Employee Services, Finance and Payroll,

Procurement, Planning, Corporate Services, Labour Relations and Business and Learning Technologies; and

- Employee Life and Health Trust benefits funding amounts have been adjusted to reflect the outcome of the 2022-2026 collective agreements for all employee groups.

6. **Transportation Funding**

In the 2023-2024 school year, the Ministry implemented the new Student Transportation Fund framework which moved away from funding based on ADE to a home-to-school distance and public transit eligibility model. The funding has helped the District to manage transportation services which are provided by Ottawa School Transportation Authority.

For 2025-2026, the updated benchmarks will provide additional funding for the increasing cost of transportation services. This includes funding to cover costs associated with the non-refundable portion of HST incurred on payments to transportation operators and a commitment to fund the full cost of OC Transpo monthly transit passes which have increased from $104 to $135.

7. **Financial Pressures for the 2025-2026 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 and some key pressures are highlighted below.

8. **Inflation**

Inflation continues to be a significant issue specifically affecting buying power and putting pressure on schools and departments to make difficult decisions when procuring goods and services. 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. More recently, tariffs imposed on manufactured goods and commodities may impose additional, but unquantified, costs.

9. **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 create budget pressures. We have seen improvements in these expenses based on the wellness programs and other initiatives and we will continue to invest in these programs. This remains one of the single largest under-funded pressures in the board and continued advocacy is required to align funding with expenses. The staff-recommended budget provides $34.0 million to address these costs.

10. **Temporary Accommodation (Portable Costs)**

Portables temporarily increase a school's enrolment capacity. They are used to respond to demographic shifts within the city and their deployment is often influenced by the timing of new school construction. Portables are relocated during the summer in preparation for the upcoming school year. Although the Ministry provides funding that may be used for purchasing, leasing or moving portables, the amount received does not cover the actual costs. A provision of $3.0 million in portable relocation expenses is shown in the staff-recommended budget and only $1.1 million in funding will be received. Other revenues, including Core Ed funding, is used to cover the funding shortfall.

	2024-2025	2025-2026
	$	$
Temporary Accommodation Revenue	717,473	1,080,000
Temporary Accommodation Expenses	3,000,000	3,000,000
Deficit	2,282,527	1,920,000

It is important to highlight the impact that funding shortfalls have had on the District. In addition to creating in-year pressures as noted above, the lack of funding for the purchase of new portables creates an ongoing financial pressure given that the District has in past years used its accumulated surplus to acquire the necessary learning space. These amounts are reflected as a commitment of accumulated surplus/deficit. The District projects an unamortized balance of $9.4 million at the start of the year for past portable purchases. In addition, the staff-recommended budget includes a $639,500 provision to support the amortization of costs for these units.

11. **Staffing Reductions**

The District has had deficits over the past number of years. Several of these were planned in response to the COVID 19 pandemic, while more recently the deficits are the result of higher than anticipated costs relative to established budget provisions. The term structural deficit is sometimes used when costs exceed funding over several years.

To address the structural deficit, tough but necessary proposals that reduce discretionary staffing are shown in the staff-recommended budget. The changes affect all areas of the organization, and the decisions reflect staff's efforts to minimize adverse effects on students and the learning environment. However, the depth and breadth of the reductions will inevitably have consequences. Staff reductions are being managed through attrition and reassignment, whenever possible to retain valued skills and knowledge.

The following tables identify the net reductions in staffing which total 135.11 full-time equivalent (FTE). The net staffing reduction excluding enrolment-based academic staff, kindergarten early childhood educators (ECEs) and Extended Day and Early Learning staff is 86.44 FTE. Note that academic staffing for the coming year was approved by the Board in March 2025; however, the information is included in this section for completeness.

12. Classroom and School Teachers

These teaching positions are tied to enrolment and student-teacher ratios. The changes shown in the following table reflect the allocations required to meet mandated ratios and contractual obligations.

Non-Discretionary Positions	FTE	Amount
Elementary Teachers	(18.11)	(2,288,068)
Secondary Teachers	(3.17)	(400,128)
Guidance Teachers	0.67	84,650
Special Education LST/SERT	0.16	20,215
Secondary Special Education	(1.50)	(189,514)
Kindergarten Early Childhood Educators	(30.86)	(1,708,491)
Total	(52.81)	(4,481.336)

13. Learning Support Services

These positions all relate to central support to the overall education system. Reductions targeted positions to have the least impact on classrooms and students in school.

Discretionary Position	FTE	Amount
Elementary Special Education	(8.57)	(1,082,758)
Secondary Special Education	(0.33)	(42,113)
LSS Educational Assistants	(14.00)	(969,219)
LSS Emergency Educational Assistants	(6.00)	(424,246)
LSS Central Administration	(2.00)	(246,949)
LSS Psychologists	(3.00)	(466,018)
LSS Social Worker	(1.00)	(122,526)
LSS Speech Language Pathologist	(2.50)	(308,258)
LSS Communication Disorder Analysts	(1.00)	(82,568)
LSS Communication Disorder Analysts		(82,567)
Total	(38.40)	(3,827,222)

14. Discretionary Teachers and Principal Positions

These positions mainly relate to central supports with the exception of the E-Learning positions which relate to over-staffing based on the ratios. The coaching model has changed where most coaches are being centralized under Program Services with skill sets to support both Academic and Well-Being objectives. The centralization allowed for a reduction overall in the central coaching positions.

Discretionary Positions	FTE	Amount
Elementary Teachers Needs Allocation	(2.60)	(328,491)
Elementary Teachers	(9.00)	(1,137,085)
Elementary Central Coaches	(4.00)	(505,371)
E-Learning	(12.17)	(1,537,213)
Secondary Teachers	(5.67)	(716,364)
Elementary Principals	(0.50)	(84,205)
Secondary Principals	(0.50)	(86,917)
Secondary Principals - Central	(1.00)	(173,833)
Total	(35.44)	(4,569,479)

15. Central Departments

In-year staffing changes were made after the approval of the 2024-2025 Budget. The changes reflect evolving needs and opportunities, and they have been prefixed with “mid-year” in the following table to distinguish them from other changes being proposed in the staff-recommended budget.

Additional changes are being recommended which will result in the elimination of two superintendent positions both of which were assigned to special projects. In addition, a reduction of 20.0 FTE have been identified as part of the District’s budget-balancing initiative. The specific positions are not shown in consideration of the staff who hold the roles.

Additional administrative positions have been identified as part of ongoing efforts to optimize resource allocations, but job security language contained in collective agreements will delay further changes until the position becomes vacant or expiry of the provision at the end of August 2026.

Discretionary Position	FTE	Amount
Mid Year-Continuing Education	1.32	120,640
Mid Year-Rideau Hub Coordinator	1.00	122,251
Mid Year-Face Coordinator	1.00	133,690
Mid Year-Legal Counsel	1.00	196,199
Mid Year-GM Labour relations	1.00	203,541
Mid Year-Print Shop Administration	(1.00)	(85,249)
Mid Year-Human Rights Investigator	(1.00)	(142,526)
Mid Year-Superintendent-EPR	1.00	215,373
Superintendent-Elementary Program Review	(1.00)	(215,373)
Superintendent-Math	(1.00)	(215,373)
Central Administration Positions	(20.00)	(2,169,168)
Central Administration Temporary Positions		25,090
Total	(17.68)	(1,810,905)

16. School-Based Administration and Support

School-based staffing shows a net increase. The increase in school office and support staff reflects enrolment-based updates as well as recommended changes to respond to increased workloads. The reduction of the custodial position is the result of a review of staffing needs.

Discretionary Positions	FTE	Amount
Facilities Custodian	(1.00)	(77,190)
School Office and Support Staff	6.08	380,797
Total	5.08	303,607

17. Extended Day and Early Learning

The Extended Day and Early Learning programs operate on a non-profit basis. Costs are covered through a combination of user fees and government funding.

Staffing adjustments shown in the staff-recommended budget reflect opportunities to optimize central staff support. ECE and English language arts (ELA) staffing changes reflect adjustments to the composition of the workforce. These programs must adhere to required participant-caregiver staffing ratios.

Positions	FTE	Amount
EDP Early Childhood Educators	(17.14)	(959,153)
EDP Early Learning Assistants	22.57	1,032,194
EDP Central Support Staff	(3.00)	(451,442)
ELC Central Support Staff	1.71	206,398
Total	4.14	(172,003)

18. **Other Changes in Compensation and Operating Costs**

In addition to the changes to the staff complement, other cost adjustments are presented in the staff-recommended budget. Some of these have previously been mentioned in this report such as those resulting from cost-of-living adjustments pursuant to collective agreements and the enhanced provision for staff replacements costs.

Most other cost adjustments are tied to Public Sector Accounting Board reporting requirements, legislative requirements or are driven by changes in funding levels for underlying programs and services. The following table summarizes the cost adjustments not tied to the specific staffing changes already presented. Included in the Contractual and Statutory Compensation amount is an adjustment of $4.0 million to provide for recent growth in workplace safety and insurance board (WSIB) costs. Additional detail is provided in the staff-recommended budget.

	Amount
Contractual and Statutory Compensation	73,988,127
Staff Replacement Provision (Occasional Teachers)	2,668,695
Seconded Staff	2,857,033
Sub-total	79,513,855
Amortization Costs (PSAB)	8,574,811
Legislation	3,143,223
Programs and Services Funding Changes	(3,335,342)
Recommended Changes	2,132,054
Total	90,028,601

19. **Capital Budget**

The 2025-2026 Capital Budget is a high-level spending plan that identifies the cumulative amount of planned spending by funding source. Almost all capital funding provided by the Ministry has strict guidelines regarding how the funds can be spent. The funds cannot be used to increase operating budgets, nor can they be 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 construction capacity in the Ottawa region, the age of some of our buildings and project timing given that most work must be completed during the summer when schools are not occupied. We have and continue to be successful in our Capital Priorities submissions and will continue to rely on Education Development Charges (EDC) in future years to support the acquisition of land to support growing needs.

Investments by Funding Source	Amount
Capital Priorities	46,623,587
Land (Education Development Charges)	-
School Renewal	11,646,331
School Condition Improvement	52,022,680
Minor Tangible Capital Assets (Furniture, Equipment)	4,195,629
Total	114,488,227

20. **Projected Year End Financial Position**

Having a healthy accumulated surplus is important because the Education Act allows the Board to use it to balance its operating budget. However, the Act also restricts use of accumulated surplus in any school year to 1.0% of the operating grants provided by the Ministry. The amount for 2025-2026 is close to $10.7 million. That said, the District has no capacity given that it has an accumulated deficit for compliance purposes.

The following table presents the components of accumulated surplus and shows the anticipated changes based on 2025-2026 activity as presented in the staff-recommended budget. The proposed alignment of accumulated surplus at the end of the year is also shown. Committed capital has been segregated because it cannot be used for other purposes. The opening balance is subject to change based on actual 2024-2025 results.

	Projected Balance 1 September 2025	In-Year Changes	Projected Balance 31 August 2026
	$	$	$
Restricted to Support Committed Capital	12,724,930	(883,645)	11,841,285
Internal Appropriations			
WSIB Contingencies	3,000,000	-	3,000,000
Budgets Carried Forward	1,146,747	-	1,146,747
Business Systems	2,000,000	(1,000,000)	1,000,000
Extended Day and Early Learning	(870,712)	882,103	11,391
Unappropriated Deficit	(3,389,242)	1,001,542	(2,387,700)
Debt to Ministry	(11,132,437)	-	(11,132,437)
Accumulated Deficit Excluding Committed Capital	(9,245,644)	883,645	(8,361,999)

RESOURCE IMPLICATIONS:

21. The OCDSB approved a balanced budget in 2024-2025, but pressures identified following the receipt of funding benchmarks as reflected in the 2024-2025 Revised Estimates showed an anticipated deficit would result in the absence of identifying in-year savings. In response, staff implemented significant spending restraints that will hopefully show expenses are once again aligned with revenues.
Some of the measures identified in the current year are reflected in the 2025-2026 Staff-Recommended Budget. These measures are structural changes affecting both staffing and operating costs. The changes are intended to provide the foundation for ensuring that expenses and revenues are aligned with Ministry requirements and trustee expectations.

    Although there is no specific provision within the recommended budget to reduce the accumulated deficit, staff hope that continued restraint efforts will provide small surpluses that will over time contribute to establishing an uncommitted accumulated surplus equal to 2% of the Core Ed allocation as used in determining compliance with the Ministry balanced budget requirements. Other opportunities to expedite the creation of this accumulated surplus include the sale of several identified properties and the application of proceeds of disposition (POD) to relieve committed amounts relating to past portable purchases. POD may also be used to cover the debt owed to the Ministry.

    The objective is to establish and maintain an accumulated surplus exclusive of committed capital of close to $21.5 million.

COMMUNICATION/CONSULTATION ISSUES:

22. The first meeting to discuss the budget process took place on 18 February 2025. Subsequent meetings resulted in approval of academic staffing levels for the coming year, changes that may be required to present a balanced budget and the challenges encountered in finalizing a budget document given the delay in receiving information about Core Ed funding for 2025-2026. Additional public meetings are scheduled to follow the presentation of the staff-recommended budget. The next Committee of the Whole Budget meeting is 11 June 2025.

    An OCDSB engagement 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 will soon be posted on the website.

RECOMMENDATIONS:

A. THAT the unconsolidated 2025-2026 operating budget of $1,244,794,269 as presented in Report 25-038, 2025-2026 Staff-Recommended Budget and detailed in the 2025-2026 Staff-Recommended Budget Binder be approved; and

B. THAT the 2025-2026 capital budget of $114,488,227 as presented in Report 25-038, 2025-2026 Staff-Recommended Budget and detailed in the 2025-2026 Staff-Recommended Budget Binder be approved.

Randall Gerrior Associate Director of Education, Business	Pino Buffone Director of Education and Secretary of the Board