



COMMITTEE OF THE WHOLE, BUDGET REPORT

Public

Tuesday, April 16, 2019

7:00 pm

Board Room

Administration Building

133 Greenbank Road

Ottawa, Ontario

TRUSTEE MEMBERS: Donna Blackburn, Erica Braunovan, Christine Boothby, Chris Ellis, Rob Campbell, Mark Fisher, Keith Penny, Sandra Schwartz, Lynn Scott, Lyra Evans, Jennifer Jennekens and Samantha Lin (Student Trustee).

STAFF: Director of Education, Camille Williams-Taylor; Associate Director of Education, Brett Reynolds; Chief Financial Officer, Mike Carson; Superintendents of Instruction, Mary Jane Farrish and Eric Hardie; Superintendent of Learning Support Services, Peter Symmonds; Superintendent of Human Resources, Janice McCoy; Superintendent of Curriculum Services, Dorothy Baker; Executive Officer, Corporate Services, Michèle Giroux; Manager of Learning Support Services, Stacey Kay, Manager of Financial Services, Kevin Gardner; Coordinator of Budget Services, Charles D'Aoust; Manager of Board Services, Katrine Mallan; Manager of Communications & Information Services, Diane Pernari-Hergert; Communications Officer, Sharlene Hunter; Audio Visual Specialist, John MacKinnon; and Board/Committee Coordinator, Amanda Rock.

NON-VOTING REPRESENTATIVES: David Wildman, Ottawa-Carleton Elementary Occasional Teachers' Association (OCEOTA); Wulf Heidecker, Elementary Teachers' Federation of Ontario (ETFO); Donna Owen, Special Education Advisory Committee (SEAC); Cathy Bailey, Ontario Secondary School Teachers' Federation (OSSTF), Harvey Brown, Advisory Committee on Equity (ACE), and Jennifer Tremblay, Ottawa-Carleton Secondary Schools Administrators' Network (OCSSAN).

1. Call to Order - Chair of Committee of the Whole, Budget

Chair Penny called the public meeting to order at 7:01 p.m.

2. Approval of Agenda

Moved by Trustee Braunovan,

THAT the agenda be approved.

An amendment moved by Trustee Braunovan,

THAT Item 4.1 and 4.2 be re-ordered on the agenda.

Carried, friendly

Moved by Trustee Braunovan,

THAT the agenda be approved, as amended.

Carried

3. Delegations

There were no delegations.

4. Discussion Items

4.1 Report 19-040 2018-2019 Updated Financial Forecast (February) (M. Carson, ext. 8881)

Your Committee had before it Report 19-040, providing information on the District's 2018-2019 Updated Financial Forecast as of 28 February 2019.

With the aid of a PowerPoint presentation, Chief Financial Officer (CFO) Carson highlighted the following information:

- The District's operating budget has been restored and no longer has consistent deficits;
- The District identified that the surplus may need to fund infrastructure changes due to the provincial government's funding model changes; and
- The government has reduced the amount of funding it will provide to the District.

In response to queries from the Committee, the following information was provided:

- The District's budget may have variations of \$4-6 million;

- The total number of students enrolled with the OCDSB is the major determinant of funding used for academic staffing and other costs;
- There are costs that may be spent on a cash basis and may be identified as minor capital; and
- The District has a surplus of funding for professional development due to the lack of available occasional teachers (OTs);
- Staff advised that the District has had difficulty budgeting and spending for the Special Equipment Amount (SEA);
- Extended Day Program (EDP), individual school budgets, and business systems may carry forward unspent budgets to the next school year;
- Contingencies are staff identified risks that could be incurred in the future;
- Contingencies are evaluated annually and compared against changes in the environment and are not restricted to capital expenses; and
- The use of reserve funds could be used as a part of the District's budget strategy.
- The District may be faced with situations where it is unable to find a long-term occasional (LTO) teacher or the academic staffing has not yet been completed; and
- The number of OTs used to staff vacant contract teaching positions has increased.
- General operating (GO) funding is provided by the Ministry of Education annually;
- The software implementation for EDP is currently scheduled for the fall of 2019;
- The District undertook a commitment to improve services for students with special needs; and
- The District anticipates a need for \$1 million to address property lease costs, however, this amount includes retroactive costs.

4.2 Report 19-047 2019-2020 Budget Process Update (M. Carson, ext. 8881)

Your Committee had before it Report 19-047 providing information on the issues affecting the 2019-2020 budget cycle and to provide the timelines and processes.

CFO Carson highlighted the following:

- Anticipated reduction costs are related to funding and not to positions;
- The Ministry is providing funding to school boards to assist with the transition to changing class sizes;
- The Ministry has advised the District to proceed with academic staffing based on collective agreement commitments;
- The District has estimated funding reductions to be approximately \$4 million;
- The District's spending does not always mirror the government's funding formula;
- The District budgets for higher academic staffing costs than what is provided by the Ministry;
- Information with regard to Grants for Student Needs (GSNs) and Education Program-Other (EPOs) will be available by the end of April;
- The rate of increase that was projected in the province's multi-year plan is approximately 1.5% per year for the next three years and takes into account the District's enrolment growth;
- The District's funding for facilities renewal is anticipated to remain the same to allow the District to continue facilities maintenance;
- The province requires new elementary schools being built to include a dedicated childcare space;
- The District anticipates that further announcements will be made with regard to capital funding by the end of June 2019;
- The District will not have enough information to present a budget on 13 May 2019;
- The District is well-positioned to do financial planning for the 2019-2020 year;
- The District may budget for a deficit that will be funded by the use of reserve funds;
- The changes to the *Education Act* enable the Ministry to allow the District to submit a budget with a deficit, pending the GSN announcements;
- Academic staffing was approved by the Board on 26 March 2019 and commits about 55% of the 2019-2020 budget;
- A portion of the District's reserve funds will be used for the 2019-2020 budget;

- Local Priorities Funding (LPF) expires on 31 August 2019 with the central collective agreements;
- Some LPF positions may be reinstated to address student needs;
- The District has inflationary pressures such as license agreements;
- New financial pressures include the District's infrastructure (network, devices available to students, furniture, and equipment), continued staffing needs, and continued pressure on staff replacement budgets;
- The use of the District's accumulated surplus is subject to Ministry approval;
- The District's surplus funds are for one-time use;
- Enrolment growth has increased the District's revenues by approximately \$14 million;
- Mandatory costs associated with educators are an important factor to consider as the District moves forward with its 2019-2020 budget;
- Compensation-related expenses and savings will provide additional flexibility to help respond to pressures;
- Salary adjustments will account for approximately \$10 million in savings;
- The net shortfall in funding from the province amounts to approximately \$6 million;
- The staff-recommended budget will be presented on 29 May 2019; and
- Staff will review other possible meeting dates should more in-depth discussion be required to approve the District's budget by the end of June 2019.
- Some reductions include administrative and support, staff supplies and services, other areas of the budget to preserve teaching jobs, and to provide added support inside the classroom;
- There will be a reduction in teaching jobs by attrition;
- There is no impact on e-learning courses for the 2019-2020 school year;
- The province has created a working group to determine the e-learning model;

- Feedback from the community on the strategic plan is being considered to determine how funding is used to meet the District's priorities;
- The District will develop a better sense of the 2020-2021 budget next year which will help with work on engagement with the community and stakeholders;
- The implementation of Ministry changes will be made after the GSN announcements;
- Zone meetings assist with identifying the District's priorities;
- Funding for capital renewal is anticipated to be approximately \$30-\$35 million;
- School Condition Improvement (SCI) and Facilities Renewal Program (FRP) funding amounted to \$55 million in the 2017-2018 school year;
- The District could continue to make small improvements to facilities should they receive the same funding each year;
- Severe restrictions on budgets create challenges for the District to save money;
- The District may need a multi-year plan with regard to surplus management; and
- There is a possibility that a staff recommended budget may be shared prior to 29 May 2019.

Trustee Blackburn thanked staff for taking the time to review and present a budget background.

Staff agreed to provide more information with regard to how much funding the District would lose should the required four e-learning credits not be offered by the OCDSB.

Chair Scott expressed appreciation to Director Williams-Taylor and CFO Carson for presenting up-to-date information with regard to the 2019-2020 budget.

5. New Business - Information and Inquiries

There was no new business.

5.1 Scheduled Committee of the Whole Budget Meetings

6. Adjournment

The meeting adjourned at 8:29 p.m.

Keith Penny, Chair, Committee of the Whole Budget