

**COMMITTEE OF THE WHOLE-BUDGET
Report No. 19-119**

26 November 2019

2020-2021 Budget Process Update

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PURPOSE:

1. To provide information on the issues affecting the 2020-2021 budget cycle and to provide the timelines and processes.

CONTEXT:

2. The annual budget development process is a key part of the annual planning cycle. The budget, once approved, will align with the objectives contained in the 2019-2023 Strategic Plan (Attached as Appendix A).

The District operates on a fiscal year that runs from 1 September to 31 August. In compliance with the *Education Act*, the District's budget for 2020-2021 must be approved by the Board before the end of June 2020. To meet this timeline, staff plans to present a recommended budget to Committee of the Whole Budget (COW Budget) on 25 May 2020.

The timing of the 25 May 2020 staff recommended budget report is dependent on receipt of the detailed funding information from the province. For example the Ministry of Education announced its 2019-2020 Grants for Student Needs (GSNs) on 26 April 2019.

Several meetings are scheduled during the months of May and June of 2020 to provide the public with an opportunity to comment on the recommended spending plan and to allow COW Budget to refine the allocation of resources in alignment with District priorities. Staff anticipates that the 2020-2021 budget will be approved no later than the 22 June 2020 Board meeting.

The discussion at this meeting is designed to share the proposed timelines and to discuss how the budget information and debate can be linked to the 2019-2023 Strategic Plan.

KEY CONSIDERATIONS:

3. **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.

The District's 2020-2021 budget must be approved by the Board before the end of June 2020. To meet this timeline, key meeting dates for the budget process are reflected in the 2019-2020 Board calendar. These dates are:

26 November 2019	2020-2021 budget and development process
January/February 2020	Update on budget development and emerging issues
3 March 2020	Discussion report on academic staffing
24 March 2020	Approval of academic staffing
11 May 2020	Update, including information on GSNs
25 May 2020	Presentation of the staff recommended budget
1 June 2020	Public delegations and committee questions
8 June 2020	Budget debate continues
15 June 2020	Budget debate (if required) and recommendations to Board
22 June 2020	Board Approval of staff recommended budget

The staff recommended budget will be presented on either 11 May 2020 or 25 May 2020. The timing will be subject to the timing of the details of the 2020-2021 GSN announcements.

The above timeline would see the approval of the 2020-2021 Budget no later than the Board meeting of 22 June 2020.

Approval of academic staffing represents an important budget decision. Academic staffing decisions must be made in March 2020 to meet collective agreements 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.

Budget Development Considerations

4. Provincial Funding

The largest unknown is provincial funding for the 2020-2021. Salary and benefit costs for the year are dependent on the results of collective bargaining. Historically, staff has worked with the assumption that the costs of the settlements would be largely covered by additional funding. However there is always the risk that other funding changes may be made to implement costs.

5. Enrolment

At this time staff are continuing to forecast modest growth in both the elementary and secondary panels for the next two or three years. This growth will provide additional funding to the District and improve our flexibility in responding to funding changes and service demands.

6. Cost Pressures

The changing needs of students continue to require additional resources to ensure the District can provide optimal learning conditions. This requires allocation of resources in a number of areas:

- additional staffing and/or space to serve students with special needs; and
- providing money to address the changing nature of learning, everything from furniture and digital infrastructure and other resources.

7. Strategic Plan 2019-2023

The OCDSB has adopted an ambitious plan to support students, staff and families over the next four years. This will require some reallocation of resources and changes in activities as it is unlikely additional new funding will be provided to address all of those needs. Staff are endeavouring to make the alignment between the budget and the strategic plan more visible.

8. OCDSB Financial Position

The District is in a strong financial position, going into the budget process. The year end 31 August 2019 saw a surplus of approximately \$7.0 million compared to an approved break-even budget. This is important as we assume that not all of the pressures noted above will be addressed with new funding. More than ever, staff is trying to keep the multi-year picture in mind as work is planned.

9. Public Engagement

Timelines and availability of resources have made it very difficult to effectively engage communities. The OCDSB budget is a complex process and staff are trying to find the balance between the necessary level of technical detail and supporting students with special needs.

RESOURCE IMPLICATIONS:

10. The budget will set the Board's fiscal operating plan for 2020-2021. The surplus realized in 2017-2018 and 2018-2019 will provide the District with some flexibility in planning for 2020-2021, but we must continue to be prudent. Experience has shown that variances of approximately 1% annually are not unusual and the existing accumulated surplus allows the District to manage those swings without having to make severe mid-year reductions in service.

COMMUNICATION/CONSULTATION ISSUES:

11. The budget consultation process will reach out to parents, school councils, students, OCDSB advisory groups, staff and the general 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.

The District's website provides a landing page for financial information. On this page is a quick link to both the current budget and budgets for prior years. Relevant supporting information such as budget questions and answers are also available. Access to all public documents, such as budget reports and staff presentations are easily accessed from the webpage.

As has been done in the past, an email link for budget questions and comments has been established. While individual responses are not always possible, every effort will be made to answer these questions in a timely manner. Answers will be posted to the website and will be considered by staff in developing the budget recommendations.

We are continuing to consider alternate ways of receiving input. Staff have heard that trustees have received valuable input through their own zone meetings. Where schedules allow, staff will provide support at those zone meetings if required.

Staff customarily attends meetings of other committees including the Advisory SEAC and the Advisory Committee on Equity (ACE). The presentations provided at the meetings are based on those presented at COW Budget.

All input during the consultation phase should be submitted by the end of February 2020.

STRATEGIC LINKS:

12. The 2019-2023 Strategic Plan calls for the development of a Culture of Social Responsibility. One of our stated goals is to "Foster progressive stewardship of the environment, and human and financial resources." Development and approval of the annual budget is a key component of strong governance. Thoughtful and prudent allocation of funding is required to ensure that students staff and the District can achieve their goals

GUIDING QUESTIONS:

13. The following questions are provided to support the discussion of this item:
 - would there be support for changes to the budget document that would change the amount and type of information being provided, to allow more focus on achievement of the OCDSB's goals
 - While it is still early, what do members of the Committee see as emerging issues to be addressed in the 2020-2021 and future budgets

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