



Report 20-052

2019-2020

Updated Forecast

26 May 2020

2019-2020 Updated Forecast

Comparative Summary of Revenues and Expenses Forecast for the year ended 31 August 2020 (\$ in millions)

	Forecast \$	Budget \$	Change \$	Change %
Revenues	939.9	971.8	(31.8)	(3.3)
Expenses	949.6	980.2	(30.6)	(3.1)
Deficit	(9.7)	(8.4)	(1.2)	

Numbers may not add due to rounding



2019-2020 Updated Forecast

Comparative Summary of Projected Net Results and Accumulated Surplus

(\$ in millions)

School Year	Net Projected \$	Net Budget \$	Change \$	Accumulated Surplus (YE) \$
2014-15	(17.2)	(17.2)	0.0	16.8
2015-16	(12.3)	(11.9)	(0.4)	4.5
2016-17	15.2	-	15.2	19.7
2017-18*	15.1	-	15.1	34.9
2018-19	7.5	-	7.5	42.4
2019-20	(9.7)	(8.4)	(1.3)	32.7

*Does not add due to rounding



Significant Items from Revised Estimates

- **Average daily enrolment (ADE) decreased by net 75 ADE which decreased the majority of allocations that make up the Grants for Student Needs (GSNs).**
- **Teacher Qualifications and Experience grant decreased to reflect:**
 - **teacher demographics**
 - **increased classroom teacher attrition that reduced job protection funding**
- **Indigenous Education allocation increased and reflects higher enrolment in secondary courses that qualify for the Indigenous studies amount.**



Significant Items from Revised Estimates

- **Transportation grant decrease reflects lower enrolment and incorporates funding adjustments driven by prior year costs.**
- **International student enrolment decreased by 28 ADE.**
- **Increased provision for occasional teacher costs are supported by net Instructional compensation savings.**
- **Extended Day Program's anticipated surplus will continue to be used to offset the expected deficit for the Infant, Toddler and Preschool program.**



Significant Items from Revised Estimates

- **Increased Facility department operating costs (utilities, maintenance) and increased spending on portable relocations as a result of demographic changes and program needs.**
- **Funds set aside for the acquisition of minor tangible capital assets are being used to support operations.**
- **Deferred capital contributions and related amortization expenses both decreased as a result of the remaining service life review conducted last year as directed by the Ministry.**
- **Anticipates the use of accumulated surplus to support capital investments (e.g., portables).**



Significant Items in Updated Forecast

- **Reduced compensation costs resulting from labour actions and corresponding reduction in Ministry funding (close to \$15.0M each).**
- **The ability to maximize Priorities and Partnerships Fund is reflected in reduced revenues and matching expenses (\$2.4M).**
- **A significant loss of revenue in both the Extended Day and Child Care programs will result in a combined \$5.2M deficit for those areas.**
- **Reductions in rental income and miscellaneous revenue (e.g. benefit plan surplus).**





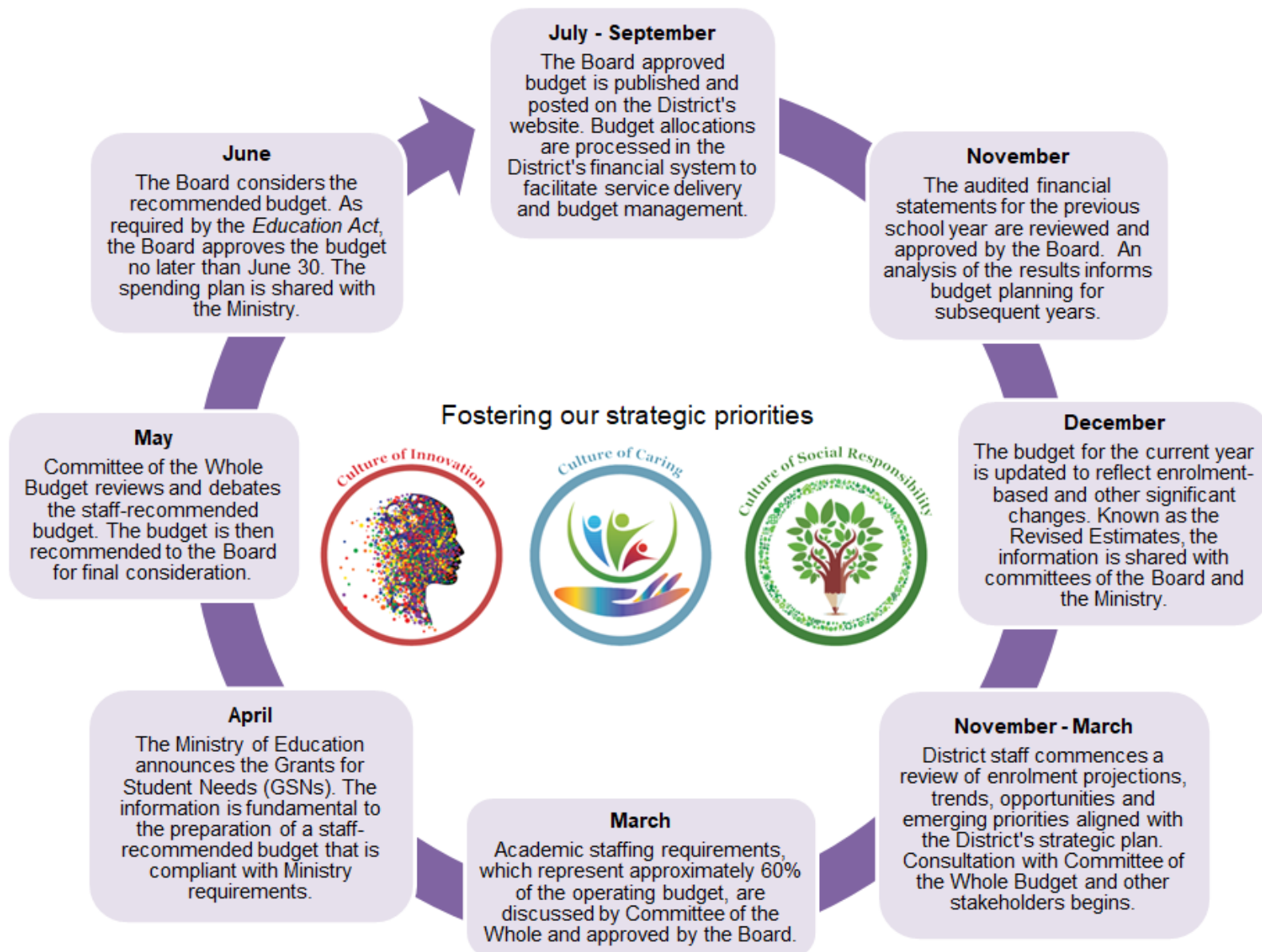
Memo 20-074

2020-2021

Budget Development Update

26 May 2020

Annual Budget Development Cycle



Education Funding in Ontario

- **For 2019-2020, the Grants for Student Needs (GSNs) represent 88% of District revenues.**
- **GSN funding falls into three broad categories- Foundation, Special Purpose, Capital.**
- **Additional funding sources include other provincial and federal grants and user fees (e.g., extended day, international students).**
- **The District's budget must be balanced. The accumulated surplus can be used to offset a small deficit (up to 1% of GSN allocation or about \$8.5M). An in-year deficit elimination plan now required.**



OCDSB Budget

- **The Ministry has not yet announced the GSNs. The announcement provides general funding direction and identifies allocations that may be subject to more significant changes.**
- **Education Finance Information System (EFIS) access is usually provided within two weeks of the GSN announcement. EFIS uses the District's student and employee demographics to calculate actual funding that will be provided to the OCDSB.**
- **Not knowing the amount of GSN funding makes introduces risk when establishing the staff-recommended budget.**



Enveloping

2019-2020 Operating Budget Revenues and Expenses by Envelope (\$ millions)

	Revenues	Expenses	Surplus/ (Shortfall)
Instruction	605.1	601.1	4.0
Special Education	115.8	123.7	(7.9)
Transportation	43.6	46.1	(2.5)
Facilities	95.6	100.1	(4.5)
Extended Day/Child Care	19.7	18.3	1.4
Central Admin/Amort	89.6	88.5	1.1
Total	969.4	977.8	(8.4)

Information is based on EFIS Data Form D- 2019-20 Revised Estimates

OCDSB Budget Assumptions

- **Use of accumulated surplus for one-time needs and within the 1% compliance limit.**
- **Reallocation of resources to respond to emerging needs and opportunities.**
- **Inflationary cost pressures for supplies and services.**
- **Alignment with the strategic plan cultures.**
- **Incremental costs from contract negotiations to be substantially supported by Ministry funding (e.g., wage increases, new Support for Students Funds, increased benefit costs).**
- **Well-defined timeline to approve the budget.**



Effect of COVID-19 on Budget Assumptions

- **Funding of secondary classrooms now 23:1.**
- **Provision for reduced/slowed enrolment growth due to:**
 - **Immigration**
 - **International students**
 - **Parental concerns**
- **Timing of GSN funding assumed to be available by late June 2020, but still no certainty.**
- **Presumed increase in cleaning standards and home-based learning.**
- **Evolving timeline and deliverables.**



2020-2021 Preliminary Investments

(\$ millions)

	FTE	\$
Board-approved academic staffing	73.52	7.8
ECEs for new kindergarten classes	17.79	1.0
EAs to meet increased needs	78.00	4.3
Central departments (HR, FIN, BLT, CS, PAL)	15.50	1.3
Facilities staffing for enhanced cleaning	14.10	1.0
Equity and Diversity and Mental Health	4.40	0.4
EDP increased enrolment and ELA wages	22.12	1.6
Total	225.43	17.4

Some positions identified above would be supported by new Support for Students Funding (SSF) included in recent collective agreements. Additional positions may also be created using SSF.



2020-2021 Preliminary Investments

(\$ millions)

	\$
Technology renewal, fees and licenses	3.3
Central departments (HR, CS, CE, FAC Equity)	0.5
Occasional teachers/staff replacement	2.3
Natural gas inflationary pressure	1.3
WSIB actuarial pressure	0.7
International student administrative fee	(2.2)
COVID-19 response provision	2.2
Total	8.1

Technology renewal costs are expected to be supported by existing capital budgets (MTCA).



Original 2020-21 Budget Key Dates

24 Mar	Academic staffing approval
?? Apr	Grants for Student Needs announced
11 May	Update, including GSN information
25 May	Presentation of staff-recommended budget
01 Jun	Public delegations and committee questions
08 Jun	Budget debate
15 Jun	Budget debate, if required
22 Jun	Board approval *

- A special Board meeting may be held following COW Budget's recommendation



Changes to 2020-21 Budget Key Dates

24 Mar	Academic staffing approval
?? Apr	Grants for Student Needs announced
11 May	Update, including GSN information
26 May	Update, GSN information not yet available
01 Jun	Public delegations and committee questions
08 Jun	Staff-Recommended Preliminary Estimates
15 Jun	Debate commences (public delegations)
?	Debate continues (public delegations)
?	Board approval of Preliminary Estimates
?	New timeline for Staff-Recommended Budget

