



B.8 Director's Report to the Board

Date: 2016 06 14

Subject: **APPROVAL OF THE 2016-2017 BUDGET**

8.1.0 Background & Information

8.1.1 The Minister of Education announced the 2016-17 Grants for Student Needs (GSN) on 2016 03 24 and released Memorandum 2016:B06 containing summary budget information which was accompanied by Ministry Projections of School Board Funding. Memorandum 2016:B07 was also released on 2016 03 24 outlining 2016-17 funding in addition to Grants for Student Needs (GSN). The Ministry financial website for grant calculation was accessible to Board financial staff on 2016 04 08.

8.1.2 The Board recognizes the Province of Ontario's goal of a balanced budget and operating within a fiscally responsible environment. The budget includes the continuation of:

- Support for the Board Improvement Plan (Professional Learning, Resources)
- Educational Technology Leads in all Schools
- Professional Development for Technology
- Upgrade Wireless Access Points in Schools
- Capital Improvements in Schools (air quality, lighting etc.)

8.1.3 Also, due to prudent management of budgets in 2015-16, the Board was able to implement some one-time expenses in the following areas before the end of August, 2016:

- Math Professional Learning Resources
- Information Technology Infrastructure Upgrades
 - a) Replacement Servers
 - b) Upgrade Wireless Access Points in Schools
- Building and Grounds Improvements for Schools (new basketball courts and baseball backstops)
- IPADs in Schools with Apple TV
- Replacement of Mounted Projectors in Classrooms
- New Cloudbooks
- IMACS for Secondary Schools
- Technology Supports for Special Education



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Background & Information (cont'd)

8.1.4 The following new enhancements are included in 2016-17 through a combination of reallocations of existing budgets and new Ministry funding:

- Increase Classroom Technology and Professional Development for Technology
- Capital Improvements – Capital Priorities, School Renewal and School Condition Improvements (Approximately \$9 million)
- Capital Improvement to Establish New French Immersion Site
- Math Strategy Classroom Support
- French Immersion Program Planning (DELF)
- Intramural Coordinator

8.1.5 Senior Board Administration recognizes the need for careful management of public expenditures. Therefore, additional requests have been kept to a minimum for 2016-17 or dealt with through reallocations of budget resources. Staff are now awaiting additional special project funding announcements and September 2016 enrolment figures. This may result in additional enhancements for 2016-17.

8.1.6 The government has facilitated a Provincial process with a goal of establishing a framework for Negotiating Collective Agreements as Collective Agreements for all employee groups. The 2016-17 GSN funding for salary increases has been reflected in the budget.

8.1.7 Any decrease in elementary and secondary enrolment has been reflected in funding which corresponds to a reduction in the staff complements and has been reflected in this budget.



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Background & Information (cont'd)

8.1.8 Administrative Council began meeting in February to discuss budget planning for the forthcoming year.

8.1.9 The budget process was approved by trustees at their 2016 02 16 Board meeting.

8.1.10 The Operations and Budget Committee met on 2016 06 06 for a budget review that encompassed the Ministry grant projections, current status of budget and expected budget strategies/results. Also discussed were Administrative Council's proposed actions or alternatives to deal with the operating deficit and the Committee approved a final version to present to the Board.

8.2.0 Budget Process

8.2.1 The Superintendent of Business has presented the 2016-17 budget process and strategies to the Special Education Advisory Council (SEAC) on 2015 06 13.

8.2.2 Administrative Council met extensively over the past months to review budget submissions and to balance the ongoing needs of the organization relative to the requested enhancements to meet Board and Ministry operational objectives.

8.2.3 Accumulated Surplus projected balances total \$11,472,702 (See Attachment B.8 #6) of which \$2,206,228 is restricted to capital and school renewal projects. The Board has set aside \$5,570,580 in retirement and service gratuities in respect of past labour contract commitments that would continue to build the amount needed to cover the future liability. The working fund reserve for 2016-17 is estimated at \$3,695,894 (including budget carryover).



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Budget Process (Cont'd)

8.2.4 Included in the budget recommended for trustees' consideration are the following:

- a) A total revenue and expenditure budget of \$145,057,501.
- b) The allocation of the Flexibility Grant of \$833,588.
- c) The withdrawal of \$1,579,865 from reserves to balance the budget. (Subject to Ministry Approval)
- d) An allocation to fund Retirement Gratuities to fund obligations arising from collective agreements.
- e) The special education exhibit indicates a \$557,670 shortfall in funding (see Attachment B.8 #7). Special education funding is now determined on a "per student" basis normally resulting in a decline to our Board's special education grant. Special education funding is a concern to the Board as enrolment declines and funding is determined based on this enrolment rather than being determined by needs of the system. Also, this is the third year of a four year Ministry phase in plan to change funding of Special Education to the new Statistical Prediction Model.

8.2.5 The budget includes special program expenditures of \$3,000,366 with related funding.

8.2.6 Attachments B.8 #1 and #2 provide graphs of revenue sources and classifications of expenditures

8.2.7 Attachment B.8 #3 shows a summary of 2016-17 enhancements that will be purchased in 2015-16.

8.2.8 Attachment B.8 #4 shows a summary of new and continued programs or services.

8.2.9 Attachment B.8 #6 shows an analysis and projection of the Accumulated Surplus Fund balances to August 31, 2016 with the approval of the recommended budget.



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Budget Process (Cont'd)

8.2.10 Attachment B.8 #7 summarizes the costs attributable to Special Education services provided by the Board. Ministry Grants for Student Needs Guidelines require boards to ensure that all funding for Special Education is directed to Special Education needs and any under expenditure in that area must also be allocated to a special reserve established for that purpose and to be used only for future spending in Special Education.

8.2.11 Attachment B.8 #5 shows the Grant Categories versus previous year.

8.3.0 Recommendation

8.3.1 It is recommended that the Board approve a total budget for expenditures and revenue, including transfers to and from reserves, for the 2016-17 budget year in the amount of \$145,057,501 as described in the Director's Report to the Board of 2016 06 14.

8.4.0 Proposed Resolution

8.4.1 That the Board approve a total budget for expenditures and revenue, including transfers to and from reserves, for the 2016-17 budget year in the amount of \$145,057,501 as described in the Director's Report to the Board dated 2016 06 14.