



B.1 Director's Report to the Board

Date: 2014 06 17

Subject: **APPROVAL OF THE 2014-2015 BUDGET**

1.1.0 Background & Information

1.1.1 The Minister of Education announced the 2014-15 Grants for Student Needs (GSN's) on 2014 03 27 and released Memorandum 2014:B4 containing summary budget information which was accompanied by Ministry Projections of School Board Funding. Memorandum 2014:B5 was also released on 2014 03 27 outlining 2014-15 funding in addition to Grants for Student Needs (GSN's). The Ministry financial website for grant calculation was accessible to Board financial staff on 2014 04 24.

1.1.2 This year, although the Board has operated within a challenging economic environment within the Province, the budget includes the continuation of:

- Early Learning Kindergarten Program expansion
- Support for the Board Improvement Plan (Character Education, Safe Schools/Equity)
- Professional Learning Communities for Elementary and Secondary Schools
- Emerging Technology Pilot Programs
- Additional Vice Principals to Support the Board Improvement Plan

1.1.3 Also, due to prudent management of budgets in 2013-2014, the Board was able to implement some one-time expenses in the following areas before the end of August, 2014:

- Information Technology Infrastructure Upgrades
 - a) Replacement Servers
 - b) Network Switch Upgrades
 - c) Upgrade All Wireless Access Points in Schools
 - d) Video Conference Equipment Upgrades
- Building and Grounds Improvements for Schools
- IPAD Pilots in Schools
- Human Resource Software for Efficiencies



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Background & Information (cont'd)

1.1.4 The following new enhancements are included in 2014-15 through a combination of reallocations of existing budgets and new Ministry funding

- Professional development and staff support for Technology Implementation
- Microsoft Office 365 for students/staff
- Support for Board Improvement Plan (Student Achievement, Well Being and Engagement)
- Capital Improvements – Full Day Kindergarten (FDK), Child Care and school renewal and school condition improvements (Approximately \$7 million)
- Emerging Technology
- Information Technology (i.e. bandwidth, wireless upgrades)
- Records Management
- Support for Special Education Students (IPADs for Specific Needs)
- School Budget Increases

1.1.5 Senior Board Administration recognizes the need for careful management of public expenditures during this time of economic uncertainty in the Province. Therefore, additional requests have been kept to a minimum for 2014-15 or dealt with through reallocations of budget resources. Staff are now awaiting additional special project funding announcements and September 2014 enrolment figures. This may result in additional enhancements for 2014-15.

1.1.6 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 end August 31, 2014. Currently, the 2014-15 GSN provides no funding for salary increases. As such, this budget does not reflect any increases to salary as well.

1.1.7 The decline 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)

- 1.1.8 Administrative Council began meeting in February to discuss budget planning for the forthcoming year.
- 1.1.9 The budget process was approved by trustees at their 2014 03 25 Board meeting. A system information budget update to trustees has occurred.
- 1.1.10 The Operations and Budget Committee met on 2014 06 03 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.

1.2.0 Budget Process

- 1.2.1 The Superintendent of Business has presented the 2014-15 budget process and strategies to the Special Education Advisory Council (SEAC) on 2014 05 13.
- 1.2.2 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.
- 1.2.3 Accumulated Surplus projected balances total \$9,974,425 (See Attachment B.1 #5) of which \$2,624,905 is restricted to capital and school renewal projects. The Board has set aside \$4,918,157 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 2014-15 is estimated at \$2,252,175 (including budget carryover).



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Budget Process (Cont'd)

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

- a) A total revenue and expenditure budget of \$146,269,547
- b) The allocation of the Flexibility Grant of \$1,590,130
- c) The withdrawal of \$131,079 from reserves to balance the budget
- d) An allocation to fund Retirement Gratuities to fund obligations arising from collective agreements.
- e) The special education exhibit indicates a \$934,663 shortfall in funding (see Attachment B.1 #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 serious 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 first year of a four year Ministry phase in plan to change funding of Special Education to the new Statistical Prediction Model.

1.2.5 The budget includes special program expenditures of \$3,073,244 with related funding.

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

1.2.7 Attachment B.1 #3 shows a summary of 2014-15 enhancements that will be purchased in 2013-14.

1.2.8 Attachment B.1 #4 shows a summary of new and continued programs or services.

1.2.9 Attachment B.1 #5 shows an analysis and projection of the Accumulated Surplus Fund balances to August 31, 2014 with the approval of the recommended budget.



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Budget Process (Cont'd)

1.2.10 Attachment B.1 #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.

1.2.11 Attachment B.1 #6 shows the Grant Categories versus previous year.

1.3.0 Recommendation

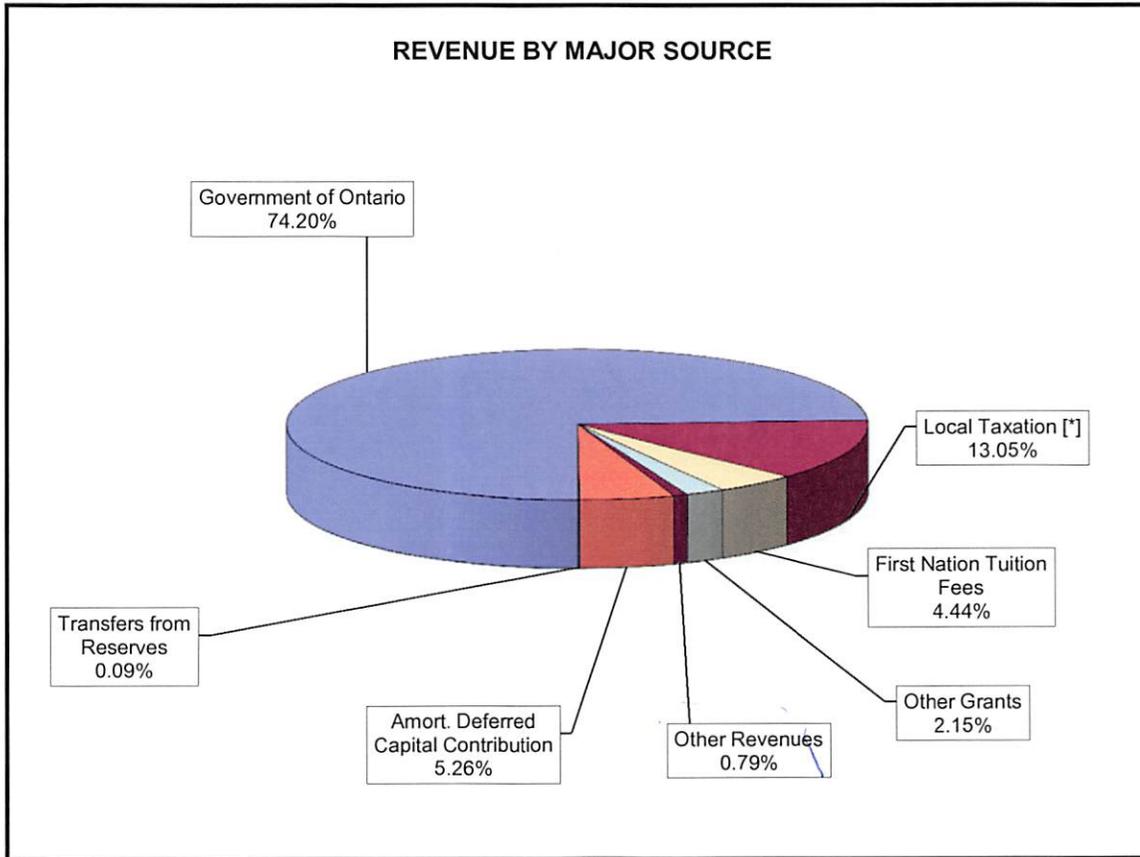
1.3.1 It is recommended that the Board approve a total budget for expenditures and revenue, including transfers to and from reserves, for the 2014-15 budget year in the amount of \$146,269,547 as described in the Director's Report to the Board of 2014 06 17.

1.4.0 Proposed Resolution

1.4.1 That the Board approve a total budget for expenditures and revenue, including transfers to and from reserves, for the 2014-15 budget year in the amount of \$146,269,547 as described in the Director's Report to the Board dated 2014 06 17.



2014-15 Estimated Revenue

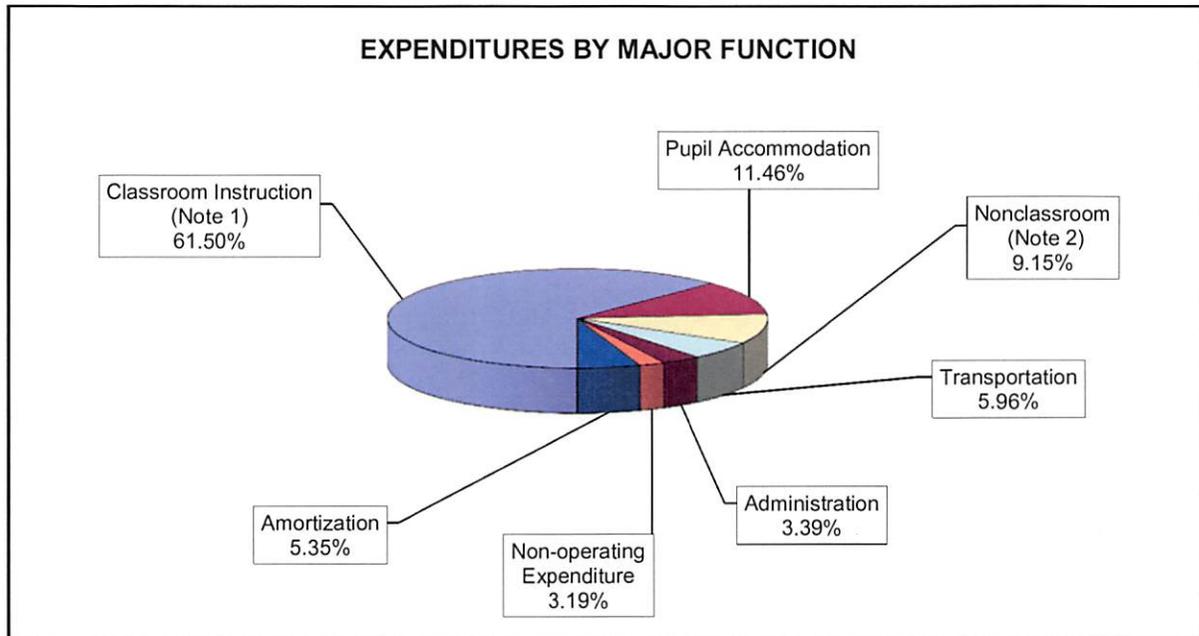


[*] Provincially determined by the Ministry

2014-2015 Estimated Revenue by Major Source	
Government of Ontario	\$ 105,893,082
Local Taxation [*]	18,628,135
First Nation Tuition Fees	6,343,372
Other Grants	3,073,244
Other Revenues	1,129,453
Amort. Deferred Capital Contribution	7,513,442
Transfers from Reserves	131,079
Subtotal	\$ 142,711,807
Capital and Approved Debt	3,557,740
Total	\$ 146,269,547



2014-15 Estimated Expenditures



Classroom Instruction (Note 1)	\$ 89,124,649
Pupil Accommodation	15,928,809
Non-classroom (Note 2)	13,762,916
Transportation	8,469,138
Administration	4,802,108
Non-operating Expenditure	3,073,245
Amortization	7,550,942
Subtotal	\$ 142,711,807
Capital and Approved Debt	3,557,740
Total	\$ 146,269,547

Classroom Teachers	\$ 64,436,870
Supply Teachers	3,037,286
Teacher Assistants	8,913,422
Early Childhood Educator	1,682,721
Texts & Classroom Supplies/Equipment	2,967,751
Computers	1,288,525
Professionals & Paraprofessionals	3,666,118
Library & Guidance	2,390,507
Professional Development	741,449
Total	\$ 89,124,649

Principals and Vice Principals	\$ 7,053,486
School Office	3,365,037
Coordinators and Consultants	2,516,605
Continuing Education	827,788
Total	\$ 13,762,916



Summary of 2014-15 Enhancement Items to Purchase in 2013-14

1. Replacement Servers for Schools
2. Network Switch Upgrades
3. Upgrade Wireless Access Points in all Schools
4. Software for Automating Staff Call-out Process in Human Resources
5. Video Conferencing Equipment Upgrades
6. Buildings and Grounds Improvements for Schools
7. iPad Pilots in Schools



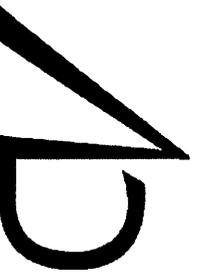
Summary of New Enhancements and Continued Programs Proposed in 2014-15 Budget Figures

Programs/Projects Continued from 2013-14

1. Professional Learning Communities for Elementary and Secondary Schools
2. Support for Board Improvement Plan (i.e. Character Education/Safe Schools/Equity Support)
3. Emerging Technology Pilot Programs (i.e. Tablets, Chromebooks, Handheld devices, etc.)
4. Additional Vice Principals to Support the Board Improvement Plan
5. Mental Health Strategy for Students
6. Early Learning Kindergarten Program Expansion

New Expenditures and Enhancements for 2014-15

1. Support and Professional Development for Technology Plan
2. Upgrade Wireless Infrastructure & Bandwidth for "Bring Your Own Device" (BYOD) Initiative
3. Microsoft Office 365 for Students/Staff
4. Support for Board Improvement Plan for Student Achievement, Well-Being and Engagement
5. Capital Improvements - Full Day Kindergarten; School Renewal; and School Condition Projects
6. Additional Support for Special Education Students
7. Enhancement to School Budgets
8. Records Management Supports



**ALGOMA DISTRICT
 SCHOOL BOARD**

Analysis of Surplus/(Deficit) Balances 2014-15 Estimates

Line No.	Accumulated Surplus/Deficit	Balance at Aug. 31/13	Additions (Used)	Projected Balance at Aug. 31/14	Additions (Used)	Projected Balance at Aug. 31/15
	(A)	(B)	(C)	(D)	(E)	(F)
1	Unrestricted					
2	Operating Accumulated Surplus (previously Working Funds)	3,598,075	(1,252,321)	2,345,754	(93,579)	2,252,175
3	Total Unrestricted Capital	3,598,075	(1,252,321)	2,345,754	(93,579)	2,252,175
4	Internally Restricted					
5	Retirement Gratuities	4,918,157	-	4,918,157	-	4,918,157
6	School Renewal (previously Pupil Accom.)	507,223	-	507,223	-	507,223
7	Carryover	179,188	-	179,188	-	179,188
9	General Capital	698,039	-	698,039	-	698,039
10	Capital Project - CASS	1,500,000	(42,857)	1,457,143	(37,500)	1,419,643
11	Total Internally Restricted	7,802,607	(42,857)	7,759,750	(37,500)	7,722,250
12	Total Accumulated Surplus/(Deficit) Available for Compliance	11,400,682	(1,295,178)	10,105,504	(75,000)	9,974,425

Grant Comparison by Year



	2012-13	2013-14	With Full-day FDK Funding 2014-15	Without Full-day FDK Funding 2014-15
Elementary	5,602	5,560	5,973	5,353
Secondary	3,565	3,303	3,153	3,153
Total	9,167	8,863	9,126	8,506

No.	Grant Category (A)	Actuals	Revised Estimates	Original Estimates
		2012-13 (B)	2013-14 (C)	2014-15 (D)
OPERATING				
1	<i>Foundation Allocation-Elem.:</i>			
2	Base Amount	27,540,604	27,080,479	30,763,340
3	School Foundation Grant	6,329,732	6,097,517	5,928,074
4	Sub-total-Elem.	33,870,336	33,177,996	36,691,414
5	<i>Foundation Allocation-Sec.:</i>			
6	Base Amount	20,629,182	18,757,980	18,102,682
7	School Foundation Grant	3,600,517	3,518,724	3,321,598
8	Sub-total-Sec.	24,229,699	22,276,704	21,424,280
9	Total Foundation Base	48,169,786	45,838,459	48,866,022
10	Total Foundation Local Priorities	9,930,249	9,616,241	9,249,672
11	Total Foundation Allocation	58,100,035	55,454,700	58,115,694
12	<i>Special Education Allocation:</i>			
13	SEPPA	6,131,336	5,941,866	6,413,474
14	High Needs per pupil amount	7,531,941	8,037,496	8,107,909
15	Special Education Equip Allocation	343,245	310,495	339,467
16	ISA Amounts with offsetting expenses	1,334,742	967,700	1,072,802
17	Behavioural Expertise	110,073	109,325	109,949
18	Total Special Education Allocation	15,451,337	15,366,882	16,043,601
19	Language Allocation	1,422,251	1,357,395	1,198,459
20	Distant/Supported Schools	3,087,867	3,131,143	4,011,552
21	Remote & Rural Allocation	6,789,623	6,586,432	6,790,890
22	Rural and Small Community Allocation	21,225	20,523	21,132
23	Learning Opportunities Allocation			
24	<i>Learning Opportunities Amount</i>	1,383,959	1,083,540	1,096,654
25	<i>Programs previously funded outside GSN</i>	365,955	352,408	478,543
26	<i>Assist. for Student Success & Stabilization</i>	615,214	594,935	593,542
27	Adult Ed., Con. Ed. & Summer Schl.	765,094	734,187	710,739
28	Teacher Qualifications & Experience	7,645,171	7,843,229	8,840,961
29	New Teacher Induction Program	89,955	80,564	83,334
30	ECE Quality & Experience Allocation	-	-	378,138
31	Restraint Savings	(112,150)	(112,150)	(112,150)
32	Transportation Allocation	7,950,576	7,708,089	7,843,752
33	Admin. & Governance Alloc.	4,126,892	4,029,439	4,077,325
34	School Operations Allocation	12,663,474	12,616,831	11,902,425
35	Community Use of School	193,845	188,321	181,566
36	Declining Enrolment Adjustment	835,058	1,024,266	1,590,130
37	First Nation, Metis & Inuit Education Suppl	336,636	-	-
38	<i>Total Native Lang & Native Studies Amt</i>	781,945	319,504	301,887
39	<i>Aboriginal Amount</i>	293,273	744,344	778,498
40	Safe Schools	645,490	279,975	279,164
41	Total Operating Grants Allocation	123,452,525	119,404,557	125,205,836
MISC				
42	Transfer from Land	5,000	-	-
43	Tax Election Costs	347	390	12,000
44	Strike Savings	(159,920)	-	-
45	Transfer from Committed Capital Projects	195,885	-	-
46	Fees	6,520,580	6,297,362	6,371,563
47	Transportation Recoveries	148,634	206,200	226,600
48	Other Revenue	2,078,408	902,559	878,043
49	Other Operating Grants	7,359,281	7,899,849	3,073,244
50	Amortization of Deferred Capital Contributions	7,421,138	7,508,085	7,513,442
51	Direct Capital & Debt	-	3,618,997	3,557,740
52	MTCA to DCC	(825,419)	(1,150,000)	(700,000)
53	Total Miscellaneous Revenue	22,743,934	25,283,442	20,932,632
54	Total Revenue before Capital	146,196,459	144,687,999	146,138,468
CAPITAL				
55	Short Term Interest on Capital	52,485	16,700	-
56	Deferred Revenue - Transferred to Capital			
57	Debt Allocation	3,544,536	3,618,997	3,557,740
58	Total Interest on Capital	3,597,021	3,635,697	3,557,740
59	Total Allocations	127,049,546	123,040,254	128,763,576
60	Minor Tangible Capital Assets	825,419	1,150,000	700,000
61	School Renewal Allocation	3,244,054	3,151,117	3,052,162
62	Retrofitting School Space for Child Care	370,800	219,800	-
63	School Condition Improvement	1,883,222	1,864,734	2,945,119
64	Proceeds of Disposition	165,791	-	-
65	Early Learning/Full Day Kindergarten	2,240,056	1,045,520	-
66	Northern Heritage Fund (W/P Theatre)	347,716	-	-
67	Capital Priorities Grant	-	-	-
68	Total Capital	9,077,058	7,431,171	6,697,281
69	Total Revenue including Capital	155,273,517	152,119,170	152,835,749
70	Flexibility Grant - Declining Enrolment Adj.	835,058	1,024,266	1,540,793



2014-15 Estimates
COMPARISON OF COSTS VS. REVENUE - SPECIAL EDUCATION ONLY

		2014-15 Estimates		
		Bd. Calc Spec Ed Funding	Bd. Calc Spec Ed Costs	Difference () = Short
	(A)	(B)	(C)	(D)
	CLASSROOM INSTRUCTION			
1	Classroom Teachers	7,761,860	8,279,083	(517,223)
2	Supply Teachers	135,065	146,339	(11,274)
3	Teacher Assistants	8,544,007	8,854,118	(310,111)
4	Textbooks & Classroom Supplies	126,691	135,934	(9,243)
5	Computers	-	-	-
6	Profs. & Para-prof	759,838	817,839	(58,001)
7	Library & Guidance	-	-	-
8	Staff Dev.	41,738	43,000	(1,262)
	Sub-total	17,369,199	18,276,313	(907,114)
	NON-CLASSROOM			
9	Coordinators/Consultants	286,603	295,523	(8,920)
10	Princ. & VP's	-	-	-
11	Dept. Head	-	-	-
12	School Secretaries	-	-	-
13	Cont Ed (incl. Int Lang/Sum. Schl)	-	-	-
14	Trustees	-	-	-
15	Director & SO's	-	-	-
16	Board Administration	-	-	-
17	Transportation	690,120	708,750	(18,630)
18	School Operations	-	-	-
19	School Renewal	-	-	-
20	New Pupil Places	-	-	-
21	Direct Capital & Debt	-	-	-
	Sub-total	976,723	1,004,273	(27,550)
22	TOTAL BUDGET	18,345,922	19,280,586	(934,663)