



B.3 Director's Report to the Board

Date: 2013 06 11

Subject: **APPROVAL OF THE 2013-2014 BUDGET**

3.1.0 Background & Information

3.1.1 The Minister of Education announced the 2013-14 Grants for Student Needs (GSN's) on 2013 03 27 and released Memorandum 2013:B5 containing summary budget information which was accompanied by Ministry Projections of School Board Funding. Memorandum 2013:B6 was also released on 2013 03 27 outlining 2013-14 funding in addition to Grants for Student Needs (GSN 's). The Ministry financial website for grant calculation was accessible to Board financial staff on 2013 04 17.

3.1.2 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
- Completion of VOIP implementation
- Support for School Effectiveness and Board Improvement Plan
- Professional Learning Communities for Elementary and Secondary Schools
- Technology ratios maintained

3.1.3 Also, due to prudent management of budgets in 2012-2013, the Board was able to implement some one-time expenses in the following areas before the end of August, 2013:

- Upgrade of Sound Studio in secondary school
- Microsoft 360 Office for all students/staff
- iPad pilots in schools
- Netbooks
- Information Technology Infrastructure Upgrades



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Subject: **APPROVAL OF THE 2013-2014 BUDGET CONT'D**

Background & Information (cont'd)

3.1.4 The following new enhancements are included in 2013-14 through a combination of reallocations of existing budgets and new Ministry funding (see full list attached):

- Additional Vice Principals to support Board Improvement Plan
- Professional development for Technology Plan Implementation
- Professional development for Character and Kindergarten oral Language
- E-Learning laptops/technology
- School Effectiveness Framework, Board Improvement Plan Implementation and Character/Safe Schools staff support
- Capital Improvements – Full Day Kindergarten (FDK) and school renewal and school condition improvements
- New videoconferencing infrastructure and equipment
- Increase laptop carts and laptops in schools for increased mobility and access for staff and students
- Software for automating some business processes (i.e. Human Resources and Staffing software)

3.1.5 Senior Board Administration recognized 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 2013-14. Staff are now awaiting additional special project funding announcements and September 2013 enrolment figures. This may result in additional enhancements for 2013-14.

3.1.6 The government is currently facilitating a Provincial process with a goal of establishing a framework for Negotiating Collective Agreements. Currently, the 2013-14 GSN provides no funding for salary increases. As such, this budget does not reflect any increases to salary as well.

3.1.7 The decline in elementary and secondary enrolment has resulted in a reduction in funding which corresponds to a reduction in the teaching and support staff complement and has been reflected in this budget.



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Subject: **APPROVAL OF THE 2013-2014 BUDGET CONT'D**

Background & Information (cont'd)

- 3.1.8 Administrative Council began meeting in February to discuss budget planning for the forthcoming year.
- 3.1.9 The budget process was approved by trustees at their 2013 04 09 Board meeting. A system information budget update to trustees occurred on 2013 05 28.
- 3.1.10 The Operations and Budget Committee met on 2013 05 22 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.

3.2.0 Budget Process

- 3.2.1 The Superintendent of Business has presented the 2013-14 budget process and strategies to the Special Education Advisory Council (SEAC) on 2013 05 27.
- 3.2.2 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.
- 3.2.3 Accumulated Surplus projected balances total \$5,800,344 (See Attachment B.5 #3) of which \$1,193,922 is restricted to capital and school renewal projects. The Board has set aside \$2,904,458 in retirement and service gratuities in respect of labour contract future commitments. The working fund reserve for 2013-14 is estimated at \$1,701,965 (including budget carryover).



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Budget Process (Cont'd)

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

- a) A total revenue and expenditure budget of \$144,623,643
- b) The allocation of the Flexibility Grant of \$876,152
- c) The withdrawal of \$481,532 from reserves to balance the budget
- d) An allocation to fund Retirement and Service Gratuities to fund obligations arising from collective agreements.
- e) The special education exhibit indicates a \$661,472 shortfall in funding (see Attachment B.3 #4). 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.

3.2.5 The budget includes special program expenditures of \$4,505,020 with related funding.

3.2.6 Attachment B.3 #1 shows a summary of the 2013-14 budget.

3.2.7 Attachment B.3 #2 shows a summary of new and continued programs or services.

3.2.8 Attachment B.3 #3 shows an analysis and projection of the Accumulated Surplus Fund balances to August 31, 2013 with the approval of the recommended budget.

3.2.9 Attachment B.3 #4 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.



B.3 Director's Report to the Board

Date: 2013 06 11

Subject: **APPROVAL OF THE 2013-2014 BUDGET CONT'D**

Budget Process (Cont'd)

3.2.10 Attachment B.3 #5 shows the Grant Categories versus previous year.

3.2.11 Attachments B.3 #6 and #7 provide graphs of revenue sources and classifications of expenditures

3.3.0 Recommendation

3.3.1 It is recommended that the Board approve a total budget for expenditures and revenue, including transfers to and from reserves, for the 2013-14 budget year in the amount of \$144,623,643 as described in the Director's Report to the Board of 2013 06 11.

3.3.2 It is recommended that the Board approve a transfer from reserves of \$481,532. There is a new Ministry process to 2013-14 that requires Minister approval to withdraw from reserves greater than 1% of the Board's operating revenue as described in the Director's Report to the Board dated 2013 06 11.

3.4.0 Proposed Resolution

3.4.1 That the Board approve a total budget for expenditures and revenue, including transfers to and from reserves, for the 2013-14 budget year in the amount of \$144,623,643 as described in the Director's Report to the Board dated 2013 06 11.

3.4.2 That the Board approve a transfer from reserves of \$481,532. There is a new Ministry process for 2013-14 that requires Minister approval to withdraw from reserves greater than 1% of the Board's operating revenue as described in the Director's Report to the Board of 2013 06 11.

ALGOMA DISTRICT SCHOOL BOARD
COMPARISON OF ALL COSTS WITH FUNDING

	2013-14 Original Estimates			2012-13 Revised Estimates			2011-12 Actual		
	Bd. Calc Funding (2)	Bd. Calc. Costs (3)	Difference () = Short (4)	Bd. Calc Funding (5)	Bd. Calc. Costs (6)	Difference () = Short (7)	Bd. Calc Funding (8)	Bd. Calc. Costs (9)	Difference () = Short (10)
(1)									
CLASSROOM INSTRUCTION									
1 Classroom Teachers	64,138,941	64,359,454	(220,513)	65,203,477	65,846,743	(643,267)	67,255,664	67,575,663	(319,999)
2 Supply Teachers	2,670,599	2,984,309	(313,710)	2,603,338	2,913,617	(310,279)	2,655,684	2,967,898	(312,213)
3 Teacher Assistants	8,900,930	8,667,987	232,943	8,613,648	8,541,148	72,502	8,553,233	8,061,490	491,742
4 Textbooks & Classroom Supplies	3,865,084	2,906,172	958,912	3,826,443	2,700,833	1,125,610	3,912,194	3,077,625	834,569
5 Computers	713,680	937,934	(224,254)	886,435	1,083,824	(197,389)	992,221	1,166,488	(174,267)
6 Profs. & Para-prof	3,551,453	3,743,139	(191,686)	3,446,722	3,582,519	(135,797)	3,719,013	3,868,937	(50,076)
7 Library & Guidance	2,355,885	2,395,087	(39,202)	2,182,901	2,212,171	(29,270)	2,257,652	2,401,989	(144,337)
8 Staff Dev.	572,760	752,617	(179,857)	518,111	816,678	(298,565)	312,556	408,903	(96,348)
9 Reserve for Classroom Expenditure			0			0			0
10 Sub-total	86,769,333	86,746,701	22,633	87,281,075	87,697,529	(416,455)	89,658,217	89,328,994	329,223
11									
NON-CLASSROOM									
13 Coordinators/Consultants	2,048,861	1,845,716	203,145	2,209,633	1,903,917	305,715	2,191,166	1,717,877	473,289
14 Princ. & VP's	6,880,154	6,650,980	229,174	7,329,985	6,982,375	347,610	7,925,765	7,228,551	697,214
15 Dept. Head	168,344	184,581	(16,238)	179,135	182,133	(2,998)	191,359	203,208	(11,849)
16 School Secretaries	3,465,787	3,394,327	71,460	3,591,118	3,578,290	12,829	3,755,161	3,794,725	(39,564)
17 Cont Ed (incl. Int Lang/Sum. Schl)	687,201	827,813	(140,612)	712,730	931,314	(218,584)	849,693	1,172,950	(323,257)
18 Trustees	192,352	186,204	6,148	194,580	186,204	8,376	174,370	156,889	17,501
19 Director & SO's	858,801	836,654	22,147	873,235	848,626	24,609	906,058	918,050	(11,992)
20 Board Operations	3,778,068	3,746,537	31,531	3,527,327	3,515,825	11,502	3,760,534	3,858,082	(97,547)
21 Transportation	8,056,845	8,407,541	(350,697)	8,084,698	8,382,562	(297,864)	8,390,713	8,412,577	(21,864)
22 School Operations	15,561,407	16,121,630	(560,223)	15,391,793	16,216,990	(825,197)	15,802,696	17,176,076	(1,373,380)
23 Direct Capital & Debt	3,618,997	3,618,997	0	3,538,585	3,538,585	0	2,149,109	2,149,109	0
24 Amortization & Write Downs	7,550,942	7,550,942	0	7,412,805	7,556,966	(144,161)	5,500,730	6,076,225	(575,495)
25 Sub-total	52,867,758	53,371,922	(504,164)	53,045,624	53,823,787	(778,163)	51,597,355	52,864,299	(1,266,944)
26 Flexibility Funding	0		0	0		0	0		0
27 Interest on internally appropriated reserves			0	0	0	0		43,099	(43,099)
28 Reserve for Carry-over	0		0	0	0	0	4,913		4,913
29 Transfer from committed capital projects (comp leases)	0		0	195,885	0	195,885	575,512		575,512
30 Accum Surplus (RG Reserves)	481,532		481,532	998,733	0	998,733	386,232		386,232
TOTAL CLASSROOM & NON-CLASSROOM EXP	140,118,623	140,118,622	(0)	141,521,316	141,521,316	(0)	142,222,229	142,236,392	(14,167)
31									
32 Special Projects/Non-Operating	4,505,020	4,505,020	0	4,054,352	4,054,352	0	4,725,309	4,711,147	14,163
33									
34 TOTAL per MET Cat.	144,623,643	144,623,643	0	145,575,668	145,575,668	0	146,947,539	146,947,539	(0)

Algoma District School Board Summary of Enhancement Items from 2013-14 to Purchase in 2012-13

1. Upgrade Sound Studio – Secondary School
2. Network Switch Replacement for Schools
3. Implementation of Microsoft Outlook e-mail for Teachers
4. Netbooks
5. Microsoft Office 360 Implementation for Students/Staff
6. IPAD Pilots in Schools

Algoma District School Board Summary of New Enhancements and Continued Programs (Proposed in 2013-14 Budget Figures)

Programs/Projects Continued from 2012-13
1. Professional Learning Communities for Elementary and Secondary Schools
2. Elementary and Secondary Computer Ratio maintained
3. Specialist High Skills Major Courses
4. Maintain Level of Program and Special Education Support
5. Staff Support for School Effectiveness Framework and Board Improvement Plan
6. Early Learning Kindergarten Program continued expansion
7. Complete VoIP Implementation
8. Mental Health Lead

New Expenditures and Enhancements
1. Professional Development - Technology
2. Professional Development - Character and Kindergarten/Oral Language
3. Laptops E-learning/Vice-Principals
4. Character Education/Safe Schools/Equity Support
5. Increased Laptops and Laptop Carts in Schools for Increased Mobility of Equipment
6. Software for Improvement in Efficiencies – Human Resources and Operations
7. Capital Improvements – Full Day Kindergarten, School Renewal and Capital Priorities
8. Additional Vice Principals to Support the Board Improvement Plan
9. New Videoconferencing Infrastructure and Equipment
10. Increased Support for Special Education

**Algoma District School Board
2013-14 Original Estimates**

Detail of Accumulated Surplus/Deficit Balances

Line No.		Balance At Aug. 31/12	Additions (Used)	Projected Balance Aug. 31/13	Additions (Used)	Projected Balance Aug. 31/14
	(1)	(2)	(3)	(4)	(5)	(6)
1	Accumulated Surplus/Deficit					
2						
3	Unrestricted					
4	Operating Accumulated Surplus (previously working funds)	2,537,011	(998,732)	1,538,279	0	1,538,279
6	Total Unrestricted	2,537,011	(998,732)	1,538,279	0	1,538,279
7	Internally Restricted					
8	Retirement Gratuities	3,385,990	0	3,385,990	(481,532)	2,904,458
9	School Renewal	502,451	0	502,451	0	502,451
10	Committed Capital Leases	195,885	(195,885)	0	0	0
11	Carry Over	163,686	0	163,686	0	163,686
12	General Capital	691,471	0	691,471	0	691,471
13	Total Internally Retricted	4,939,483	(195,885)	4,743,598	(481,532)	4,262,066
14	Total Accumulated Surplus/(Deficit) Available for Compliance	7,476,494	(1,194,617)	6,281,877	(481,532)	5,800,345

**Algoma District School Board
2013-14 Original
Estimates**

COMPARISON OF COSTS VS. REVENUE - SPECIAL EDUCATION ONLY

	(1)	2013-14 Original Estimates		
		Bd. Calc Spec Ed Funding (2)	Bd. Calc Spec Ed Costs (3)	Difference () = Short (4)
CLASSROOM INSTRUCTION				
1	Classroom Teachers	6,961,684	7,574,355	(612,671)
2	Supply Teachers	132,902	146,338	(13,436)
3	Teacher Assistants	8,699,340	8,608,746	90,594
4	Textbooks & Classroom Supplies	121,170	130,976	(9,806)
5	Computers	0	0	0
6	Profs. & Para-prof	747,566	837,756	(90,190)
7	Library & Guidance	0	0	0
8	Staff Dev.	42,253	43,000	(747)
	Sub-total	16,704,915	17,341,171	(636,256)
NON-CLASSROOM				
9	Coordinators/Consultants	446,369	452,955	(6,586)
10	Princ. & VP's	0	0	0
11	Dept. Head	0	0	0
12	School Secretaries	0	0	0
13	Cont Ed (incl. Int Lang/Sum. Schl)		0	0
14	Trustees		0	0
15	Director & SO's		0	0
16	Board Administration		0	0
17	Transportation	690,120	708,750	(18,630)
18	School Operations		0	0
19	School Renewal		0	0
20	New Pupil Places		0	0
21	Direct Capital & Debt		0	0
	Sub-total	1,136,489	1,161,705	(25,216)
22	Funding from Reserves			0
23	TOTAL BUDGET (MET Cat.)	17,841,405	18,502,876	(661,472)

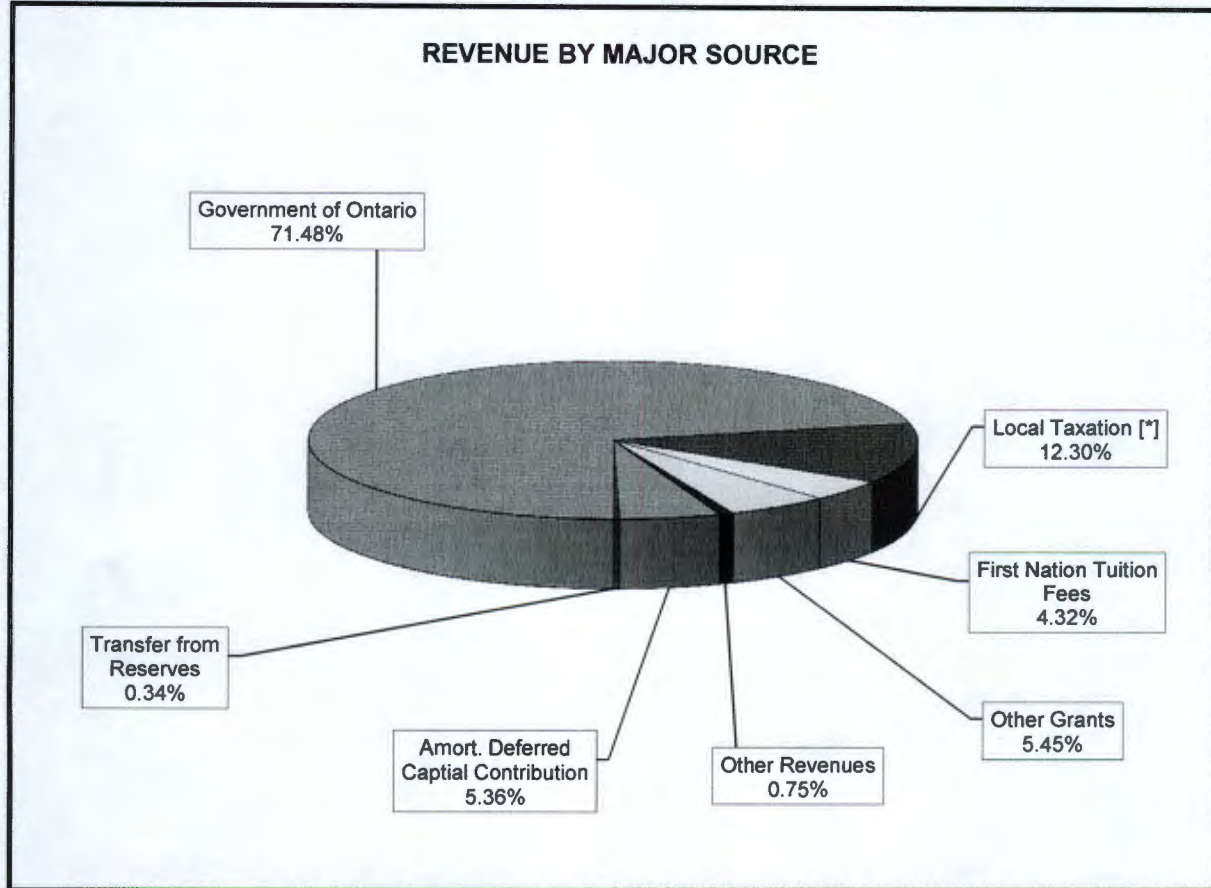
Grant Comparison by Year

Enrolment	Actual 2011-12	Revised Estimates 2012-13	Original Estimates 2013-14
Elementary	5,554	5,588	5,557
Secondary	3,820	3,571	3,367
Total	9,374	9,159	8,924

No.	Grant Category	Actuals 2011-12	Revised Estimates 2012-13	Original Estimates 2011-12
	(1)	(2)	(3)	(4)
	OPERATING			
1	Foundation Allocation-Elem.:			
2	Base Amount	27,179,106	27,474,236	26,925,338
3	Class Size Reduction			
4	School Foundation Grant	6,440,888	6,332,410	6,083,772
5	Sub-total-Elem.	33,619,994	33,806,646	33,009,110
6	Foundation Allocation-Sec.:			
7	Base Amount	22,014,613	20,524,660	19,120,688
8	School Foundation Grant	3,948,876	3,606,038	3,402,954
9	Sub-total-Sec.	25,963,489	24,130,698	22,523,642
10	Total Foundation Base	49,193,719	47,998,896	46,046,026
11	Total Foundation Local Priorities	10,389,764	9,938,448	9,486,726
12	Total Foundation Allocation	59,583,483	57,937,344	55,532,752
13	Class Size Reduction			
14	Special Education Allocation:			
15	SEPPA	6,236,662	6,123,893	5,936,386
16	High Needs per pupil amount	7,615,294	8,069,089	7,977,883
17	Special Education Equip Allocation	362,832	295,591	312,560
18	ISA Amounts with offsetting expenses	1,105,406	887,460	837,432
19	Behavioural Expertise	109,861	110,050	109,497
20	Sub-total-Spec. Ed.	15,430,055	15,486,083	15,173,758
21	Language Allocation	1,399,997	1,243,842	1,342,951
22	Distant Schools	3,993,054	3,084,729	2,608,734
23	Remote & Rural Allocation	6,982,596	6,785,220	6,620,444
24	Rural and Small Community Allocation	21,705	21,207	20,664
25	Learning Opportunities Allocation			
26	Learning opportunities Amount	1,684,706	1,383,959	1,083,540
27	Literacy & Numeracy	0	0	0
28	Programs previously funded outside GSN	342,813	365,899	352,828
29	Assistance for Student Success & Stabilization Amt	537,515	614,145	605,561
30	Adult Ed., Con. Ed. & Summer Schl.	867,733	736,779	673,692
31	Teacher Qualifications & Experience	7,649,773	7,416,826	7,748,979
32	New Teacher Induction Program	91,145	50,000	80,564
33	Restraint Savings	-112,150	-112,150	-112,150
34	Transportation Allocation	8,120,599	7,796,765	7,832,630
35	Admin. & Governance Alloc.	4,220,452	4,124,453	4,047,192
36	School Operations Allocation	12,402,561	12,947,955	12,664,235
37	Community Use of School	184,414	193,645	188,321
38	Declining Enrolment Adjustment	871,309	796,498	876,152
39	Program Enhancement	472,850	0	0
40	First Nation, Metis & Inuit Education Suppl			
41	Total Native Lang & Native Studies Amt	346,583	368,626	255,725
42	Aboriginal Amount	799,605	781,252	749,457
43	Safe Schools	301,873	293,174	284,542
44	Total Operating	126,192,671	122,316,251	118,630,571
45				

No.	Grant Category	Actuals 2011-12	Revised Estimates 2012-13	Original Estimates 2011-12
	(1)	(2)	(3)	(4)
46	MISC			
47	Surplus - transferred (to) operating	386,235	998,733	481,532
48	Other Reserves		0	
49	Reserve for carry over	4,913	0	0
50	Tax Election Costs	337	0	0
51	Transfer from Committed Capital Projects	575,512	195,885	0
52	Fees	6,413,058	6,231,133	6,061,514
53	Transportation Recoveries	251,437	270,000	206,200
54	Other Revenue	950,532	930,861	885,859
55	Other Operating Grants	5,512,394	4,791,415	8,338,028
56	Amortization of Defered Capital Contributions	5,500,730	7,412,805	7,550,942
57	Direct Capital & Debt	2,149,109	3,538,585	3,618,997
58	MTCA to DCC	-989,389	-1,110,000	-1,150,000
59	Total Miscellaneous Revenue	20,754,868	23,259,417	25,993,072
60	Total Revenue before Capital	146,947,539	145,575,668	144,623,643
61	CAPITAL			
62	Good Places to Learn	0	0	0
63	Primary Class Size Reduction		0	
64	Prohibitive to Repair Allocation		0	
65	Short Term interest on capital	739,196	24,696	0
66	Deferred Revenue - transferred to reserve capital	0	0	0
67	Debt Alloc.	1,448,150	3,513,890	3,618,997
68	Total Capital Grants	2,187,346	3,538,586	3,618,997
69	Total Allocations	128,380,017	125,854,837	122,249,568
70				
71	Minor Tangible Capital Assets	989,389	1,110,000	1,125,000
72	School Renewal Allocation	2,650,191	3,250,894	3,159,993
73	School Condition Improvements	1,820,553	1,857,227	1,864,734
74	Early Learning/Full Day Kindergarten	140,000	120,000	102,308
75	PTR, Capital Priority Projects		0	
76	Capital Priorities Grant	2,500,000		
77	Total	8,100,133	6,338,121	6,252,035
78	Total Revenue including GPTL & Reserves	157,235,018	155,452,375	154,494,675
79				
80	Flexibility Grant Amount:			
81				
82	Declining Enrolment Adjustment	871,309	796,498	876,152
83				
84	Total Flexibility Grant	871,309	796,498	876,152

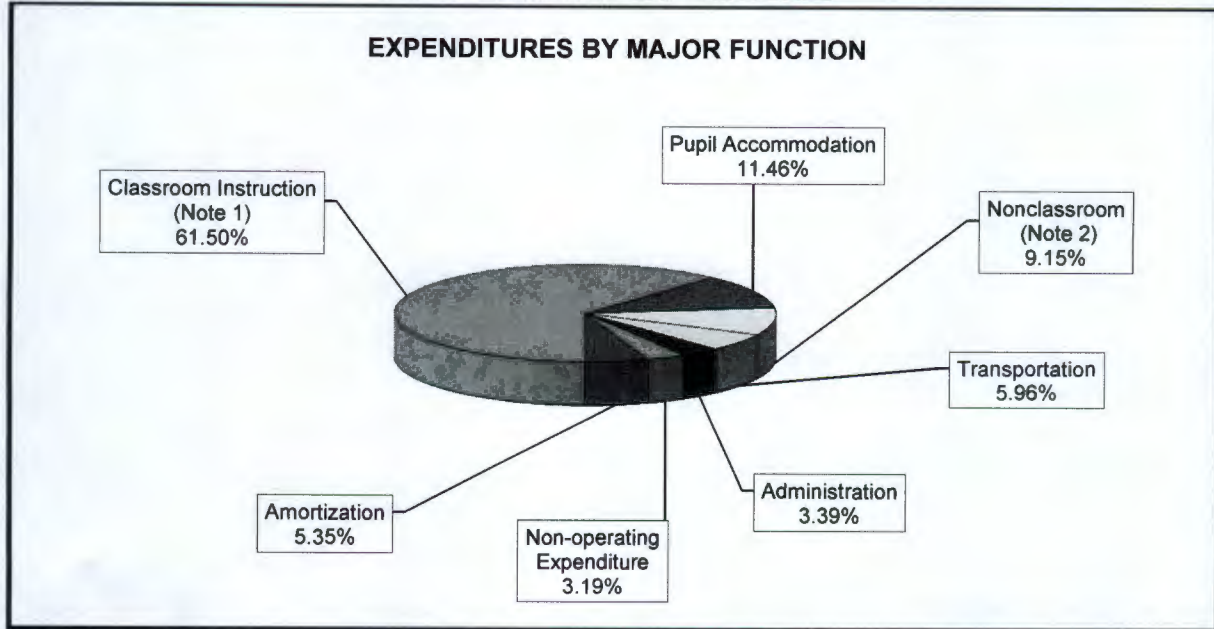
**ALGOMA DISTRICT SCHOOL BOARD
2013-14 ESTIMATED REVENUE**



[*] Provincially determined by the Ministry

2013-2014 Estimated Revenue by Major Source	
Government of Ontario	\$ 100,788,367
Local Taxation [*]	17,346,116
First Nation Tuition Fees	6,095,709
Other Grants	7,684,115
Other Revenues	1,057,865
Amort. Deferred Capital Contribution	7,550,942
Transfer from Reserves	481,532
Subtotal	\$ 141,004,646
Capital and Approved Debt	3,618,997
Total	\$ 144,623,643

**ALGOMA DISTRICT SCHOOL BOARD
2013-14 ESTIMATED EXPENDITURES**



2013-2014 Estimated Expenditure by Major Function

Classroom Instruction (Note 1)	\$ 86,746,700
Pupil Accommodation	16,121,631
Nonclassroom (Note 2)	12,903,417
Transportation	8,407,541
Administration	4,769,395
Non-operating Expenditure	4,505,020
Amortization	7,550,942
Subtotal	\$ 141,004,646
Capital and Approved Debt	3,618,997
Total	\$ 144,623,643

Note 1 - Classroom Instruction Detail

Classroom Teachers	\$ 64,359,454
Supply Teachers	2,984,309
Teacher Assistants	8,667,987
Texts & Classroom Supplies/Equipment	2,906,172
Computers	937,934
Professionals & Paraprofessionals	3,743,139
Library & Guidance	2,395,088
Professional Development	752,617
Total	\$ 86,746,700

Note 2 - Non-classroom Detail

Principals and Vice Principals	\$ 6,835,561
Staff Development	-
School Office	3,394,327
Coordinators and Consultants	1,845,716
Continuing Education	827,813
Total	\$ 12,903,417