

Committee of the Whole Budget

2016-2017 Budget Process Update (Report 16-034)

9 February 2016



OTTAWA-CARLETON
DISTRICT SCHOOL BOARD



Budget and the Strategic Plan

- **2015-2019 Strategic Plan five priorities are:**
 - **Learning**
 - **Well-being**
 - **Engagement**
 - **Equity**
 - **Stewardship**
- **The budgeting challenge is to align available resources to maximize the achievement of the five priorities.**

Financial Overview

Accumulated Surplus (Reserves)

(\$ millions)

As at August 31	Actual 2014	Actual 2015	Adjusted Budget 2016
Available for Compliance			
- Unappropriated	13.3	6.5	4.5
- Appropriated	20.7	10.3	5.4
Total Available	34.0	16.8	9.9

- 2016 is based on the 2015-2016 budget updated using projected 2015-2016 results and includes the enhanced transportation funding resulting from the E&E review.
- The \$5.4 million appropriation supports amortization expense relating to capital investments.

Financial Overview

Comparative Summary of Revenues and Expenses

(\$ millions)

	2014-2015 Budget	2014-2015 Actual	2015-2016 Budget
Revenues	842.7	848.3	844.1
Expenses	859.9	865.5	856.0
Deficit	17.2	17.2	11.9

Enveloping

2015-2016 Budget Revenues and Expenses by Envelope (\$ millions)

	Expenses	Revenues	Surplus/ (Shortfall)
Instruction	522.2	520.4	(1.8)
Special Education	107.8	102.8	(5.0)
Transportation	36.7	31.9	(4.8)
Facilities	90.5	88.0	(2.5)
Other	98.8	101.0	2.2
Total	856.0	844.1	(11.9)

Budget Assumptions

- **Stable enrolment**
- **Continued support of transportation for high school students**
- **Impact of anticipated program funding will be reflected in the estimates**
- **Grants will be provided to fund incremental costs resulting from contract settlements**
- **1% overall reduction in Grants for Student Needs**

Budget Challenges

- **Continued demand for specialized services**
- **Inflationary pressure on supplies and services**
- **Canada-US dollar exchange rate**
- **Continued sweatering of grants (spending restricted to specific use-reduced flexibility)**
- **Limited capacity to support spending using accumulated surplus**
- **Lead time to implement cost savings measures (staffing, facilities closures)**

Budget Risk

- **Enrolment changes**
- **Changes in Grants for Student Needs (GSNs)**
 - **each 1% decrease in the GSN operating grant is \$7.5 million**
- **Timing of decision from OSTA Effectiveness and Efficiency review**
- **Timing of academic staffing in relation to grant announcements**
- **Significant amount of spending is not subject to cost reduction decisions**

Financial Overview

Starting Point

(\$ millions)

	Amount
2015-2016 Approved Budget Deficit	11.9
Anticipated revenue enhancements:	
Transportation grant	(5.0)
	6.9
Grant reduction (1% of operating GSN)	7.5
2016-2017 Starting Point	14.4

Cost pressures will increase the starting point amount. Such costs will need to be offset by cost reductions or revenue enhancements.

Categories of Service Changes

- **Three categories identified in relation to the impact of changes on student learning and learning environment:**
 - **Positive / Beneficial**
 - **Neutral**
 - **Negative / Adverse**
- **The objective is to pursue changes that align with the District's core mandate and minimize negative effects on students and staff**



Identified Changes

Three significant proposals that have funding or cost containment impacts:

	Amount (\$ millions)
2016-2017 Starting Point	14.4
<ul style="list-style-type: none">• Extended Day Program fee structure to ensure a cost-recovery model (approved)	(1.3)
<ul style="list-style-type: none">• Changes to French as a Second Language including 50/50 kindergarten	(2.7)
<ul style="list-style-type: none">• New model for specialized Learning Disabilities classes (cost reduction)	(0.4)
2016-2017 Balance Remaining	10.0

Non-Compensation Opportunities

- **Further efficiencies on spending for supplies, services and utilities**
- **Obtain reduced insurance premiums reflective of positive claims experience**
- **Facilities department project management costs transferred to capital projects**
- **Close wings of schools to reduce costs**
- **Leverage the enhanced School Condition Improvement funding to avoid repair costs**

Non-Compensation Opportunities

	Amount (\$ millions)
2016-2017 Balance Remaining after approved and proposed changes	10.0
<ul style="list-style-type: none">Savings and efficiencies relating to supplies, services and utilities (Ranges between \$2.5M to \$3.0M)	(3.0)
2016-2017 Balance Remaining after approved, proposed changes and savings	7.0

Areas Being Reviewed

- **Teacher staffing not mandated by contract or legislation**
- **School-level staffing**
- **Central services staffing**
- **Review of non-mandatory services: examples**
 - **Non-credit courses in Continuing Education**
 - **Activities of the Outdoor Education Centres**
 - **Summer learning programs**
 - **Others**

Options Under Evaluation

	Total FTE	ID'd FTE	Amount (\$ millions)
2016-2017 Balance Remaining after approved, proposed, savings			7.0
• Teaching staff-mandated	3,886	-	-
• Teaching staff-discretionary	784	(35)	(3.5)
• Unionized education workers	2,500	(50)	(2.5)
• Principals, vice-principals and union-exempt staff	410	(10)	(1.0)
2016-2017 Balance Remaining	7,580	(95)	-

- Reductions are based on preliminary estimates and represent maximum FTEs and amounts
- Objective is to make reductions through attrition



Current Budget Dates

10 November	Budget process discussion
11 January	Budget process discussion update
9 February	Budget development update
4 April	Budget development update (GSN)
10 May	Presentation of staff recommended budget
30 May	Delegations and questions
6 June	Budget debate
13 June	Budget debate (if required)
20 June	Budget debate (if required)
27 June	Budget approval (Board meeting)

A Community of Character

ACCEPTANCE: I reach out to include others. I accept others for who they are.

I am gentle with myself and others when mistakes are made.

APPRECIATION: I am grateful for all that I have. I am thankful for the support that others give me. I am generous in recognizing the contributions of others.

COOPERATION: I work with others to make a peaceful community. I am willing to listen to others' ideas and suggestions. I compromise and negotiate to solve problems and differences of opinion.

EMPATHY: I am compassionate, caring, and kind. I am a true friend. I will walk in your shoes in order to understand you. I am slow to judge and quick to forgive.

FAIRNESS: I make decisions based upon the whole picture. I treat others the way I would like to be treated. I am just.



INTEGRITY: I behave ethically and honourably. I am honest, loyal, and trustworthy. I am truthful and courageous. I stand up for what is right even when it is hard. I am a person of my word and people who know me understand that.

OPTIMISM: I believe that challenges are opportunities. I choose to see goodness. I have hope for our future.

PERSEVERANCE: I will work hard and I will not give up. I will finish what I begin and I will not give up. I will care enough and I will not give up.

RESPECT: I honour myself and others through my words and actions. I support our diversity of beliefs. I treat our world and everything in it with dignity.

RESPONSIBILITY: I am accountable for the decisions I make. I realize that my decisions impact my community. I honour my commitments.

Educating for Success —
Inspiring Learning and Building Citizenship



Questions

Committee of the Whole Budget

Questions and Comments