

Committee of the Whole Budget

2016-2017 Budget Process Update

11 January 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.

Funding

- **The District's primary source of funding is Ministry of Education grants**
- **Ministry grants represent close to 90% of all District revenue**
- **Grants are generally announced in March with added detail released in April**
- **Some grants are restricted to a specific use**
- **The ability to generate other revenue is limited**

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**



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**

Budget Risk

- **Enrolment changes**
- **Changes in Grants for Student Needs (GSNs)**
 - **a 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.

Changes to Grants in 2015-2016

Appendix A: Changes to School Facility Operations and Renewal Grant in 2015–16

2014–15 Allocation Method (Phased out over three years)

Base Top-up	Enhanced Top-up	Cost Benchmarks	Adjustment Factors
<ul style="list-style-type: none"> Eligible schools $\leq 65\%$ utilized are provided a top-up rate that recognizes 10% of their excess capacity Eligible schools $> 65\%$ utilized are provided a top-up rate that recognizes 15% of their excess capacity up to a maximum of 95% utilization 	<p>Eligibility:</p> <ul style="list-style-type: none"> Supported Schools: A school facility is part of a “supported” school, which is defined as an elementary school at least 20 km and a secondary school at least 45 km away from the nearest school of the same panel and board Rural School: A school facility meets one of two criteria that qualify it as “rural”. These criteria are either that the second character of the school facility's postal code is zero (0), or that the school facility is listed as a rural school in a table in the GSN regulation Other eligibility requirements as set out in GSN funding regulations. 	<p>Operating Cost:</p> <ul style="list-style-type: none"> $\\$81.15/\text{m}^2$ (includes increase for utilities and electricity) <p>Benchmark for Renewal Cost:</p> <ul style="list-style-type: none"> For schools under 20 years old, $\\$7.59/\text{m}^2$ For schools 20 years old or older, $\\$11.38/\text{m}^2$ 	<p>Adjustment factors announced for 2012-13 GSN in memorandum 2012: B5.</p>

Changes to Grants in 2015-2016

New Allocation Method (Phased in over three years)

Base Top-up	Enhanced Top-up	Cost Benchmarks	Adjustment Factors
Base top-up is eliminated	<p>Eligibility:</p> <ul style="list-style-type: none"> Elementary: Eligible if the next closest elementary or secondary facility of the board is 10km apart or greater Secondary: Eligible if the next closest secondary facility of the board is 20km apart or greater As before, new schools and schools that have undergone major retrofits or additions are not eligible for Top-up funding for a five-year period No change to other eligibility requirements as set out in GSN funding regulations. 	<p>Benchmark for Operating Cost (see details on page 5 - also includes increase for utilities and electricity):</p> <ul style="list-style-type: none"> \$84.38/m² <p>Benchmark for Renewal Cost:</p> <ul style="list-style-type: none"> For schools under 20 years old, \$7.89/m² For schools 20 years old or older, \$11.83/m² 	Revised adjustment factors to reflect school board data as of September 2, 2014

Changes to Grants in 2015-2016

Appendix B: Changes to School Foundation Grant in 2015–16

2014–15 Allocation Method (Phased out over three years)

Category	Principals FTE	Vice-Principals FTE	Office Support FTE
All Schools	<u>Elementary / Secondary:</u> <ul style="list-style-type: none"> 0.5 for less than 50 ADE 1 for 50 or more ADE Additional principal if a combined school more than 300 elementary ADE and more than 500 secondary ADE 	<u>Elementary:</u> <ul style="list-style-type: none"> Scaled starting at 250 ADE <u>Secondary:</u> <ul style="list-style-type: none"> Scaled starting at 100 ADE 	<u>Elementary / Secondary:</u> <ul style="list-style-type: none"> 1 base FTE Additional scaled starting at 100 ADE

New Allocation Method (Phased in over three years)

Category	Principals FTE	Vice-Principals FTE	Office Support FTE
Regular	<u>Elementary:</u> <ul style="list-style-type: none"> Scaled from 0 to 1 between 0 and 150 ADE 1 principal for 150+ ADE <u>Secondary:</u> <ul style="list-style-type: none"> Scaled from 0 to 1 between 0 and 200 ADE 1 principal for 200+ ADE Additional principal if a combined school of at least 350 ADE, including at least 100 elementary ADE and at least 100 secondary ADE 	<u>Elementary:</u> <ul style="list-style-type: none"> Scaled starting at 250 ADE <u>Secondary:</u> <ul style="list-style-type: none"> 0 for less than 200 ADE, then scaled starting at 0.4 for 200 ADE, 1 VP at 500 ADE 	<u>Elementary / Secondary:</u> <ul style="list-style-type: none"> Scaled from 0 to 1 FTE between 0 and 100 ADE Additional scaled at starting at 100 ADE

Changes to Grants in 2015-2016

Category	Principals FTE	Vice-Principals FTE	Office Support FTE
Distant (10km+ elementary / 20km+ secondary)	<u>Elementary / Secondary:</u> <ul style="list-style-type: none"> Scaled from 0 to 1 between 0 and 100 ADE 1 principal for 100+ ADE Additional principal if a combined school of at least 350 ADE, including at least 100 elementary ADE and at least 100 secondary ADE 	<u>Elementary:</u> <ul style="list-style-type: none"> Scaled starting at 250 ADE <u>Secondary:</u> <ul style="list-style-type: none"> 0 for less than 100 ADE, then scaled starting at 0.2 for 100 ADE, 1 VP at 500 ADE 	<u>Elementary / Secondary:</u> <ul style="list-style-type: none"> Scaled from 0 to 1 FTE between 0 and 100 ADE Additional scaled at starting at 100 ADE
Supported (20km+ elementary / 45km+ secondary)	<u>Elementary / Secondary:</u> <ul style="list-style-type: none"> 0.5 for less than 50 ADE 1 for 50 or more ADE Additional principal if a combined school of at least 350 ADE, including at least 100 elementary ADE and at least 100 secondary ADE 	<u>Elementary:</u> <ul style="list-style-type: none"> Scaled starting at 250 ADE <u>Secondary:</u> <ul style="list-style-type: none"> 0 for less than 50 ADE, scaled starting at 0.1 for 50 ADE, 1 VP at 500 ADE 	<u>Elementary / Secondary:</u> <ul style="list-style-type: none"> 1 base FTE Additional scaled starting at 100 ADE

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)
• Changes to French as a Second Language including 50/50 kindergarten	2.4
• New model for specialized Learning Disabilities classes (cost reduction)	0.6
• Extended Day Program fee structure to ensure a cost-recovery model	1.7
	4.7

Opportunities

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

Areas Being Reviewed

- **Teacher staffing not required 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**

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