



2021-22 School Budget and School Generated Funds, and 2023-24 Proposed School Budget Allocation

To: Finance, Budget and Enrolment Committee

Date: 29 March, 2023

Report No.: 03-23-4500

Strategic Directions

- Allocate Human and Financial Resources Strategically to Support Student Needs

Recommendation

It is recommended that the 2021-22 School Budget and School Generated Funds report be received and the 2023-24 Proposed School Budget Allocation be approved.

Context

On an annual basis, staff present information on sources of funding that schools have access to for supporting student achievement for the prior fiscal year.

The 2021-22 actual school budgets and school generated funds data are presented in this report for information.

Staff are also providing an update around the school budget allocation and savings target for the 2022-23 and 2023-24 fiscal years, as a follow up to the discussions at the June 2022 Finance, Budget and Enrolment Committee, and as presented in the 2023-2025 three-year deficit recovery plan.

Sources of Funding

There are four primary sources of funding that support schools and student achievement each year:

1. Priorities & Partnership Funding (PPF) grants - These grants support specific program areas decided by the Ministry of Education on an annual basis. Unspent

amounts are either returned to Ministry or carried over to next school year depending on PPF guidelines.

2. School Generated Funds (Non-board) – School-level fundraising directly managed by the school. Unspent funds are carried over annually to the next school year for the intended purpose for which they were raised.

3. School Generated Funds (School council) – School-level fundraising managed by school councils. Unspent funds are carried over annually to the next school year for the intended purpose for which they were raised.

4. School budget allocations funded through the Grant for Student Needs (GSN) - Included under this classification are budget transfers from central departments and Superintendents of Education. School Budget allocations are intended to be spent to benefit current students. Staff are recommending a change to the current procedure of carryovers from year to year as outlined in this report, due to the significant carryovers.

School generated funds are used to complement but not replace public funding for education and can be used for items not funded through the school's budget. For example, they can be used for student subsidies, donations to external charities, expenditures for co-curricular or before and after school activities, student nutrition programs and school yard improvements. They cannot be used for expenses such as core curriculum materials, capital infrastructure improvements, gifts or compensation to TDSB employees and school council members, or political activities. Funds must be raised for specific purposes and spent according to the purposes communicated.

Appendix A contains a brief description of the different allocations that make up the total school budget. Appendix B provides the school budget template.

Each year, schools are provided their budget allocation based on their projected enrolments in the spring of the previous year. This allows schools time to start their planning for the upcoming year. The school Principal is responsible for determining the use of the school budget allocation to support the school improvement plan and student achievement. The principal is to consult with both the school staff and school council in the preparation of the budget. Once the Principal has completed the budget, it is submitted to the school Superintendent for approval. Typically principals realign their budgets to support such things as student resources, field trips, technology (in addition to the one to one technology), release time for staff development, special events such as commencements and proms.

Around December, the Budget department adjusts the budget based on the actual October 31 enrolments and any additional allocations for new classrooms.

Available School Funding and Use of Funds

In 2021-22, schools were allocated approximately \$89M from sources such as school budget allocations, prior year carryovers, central department program transfers and other supplementary funding to support school improvement, as shown in Appendix C.

In addition, school and school council fundraising provided an additional \$13.4M to support school programs in 2021-22. In total, schools had access to approximately \$102.4M to support student achievement and well-being during the 2021-22 school year.

There were approximately \$18.3M in total school generated funds surplus balances and \$29.8M in school budget surplus balances as of the 2021-22 fiscal year-end as reported in Appendix G.

This report also analyzes the impact of Learning Opportunity Index (LOI) on school budgets and school generated funds in Appendices E and F. The data presented is used to validate whether other funding sources are available to minimize fundraising disparities across TDSB schools. The changes in the per student amount data between Appendix E and Appendix F, demonstrates that the school budget allocation process has been effective in mitigating the impact of fundraising disparities associated with LOI.

Below is a chart outlining the overall fundraising revenue changes from 2017-18 to 2021-22:

Revenues:	2017-18	2018-19	2019-20	2020-21	2021-22
School Non-Board Fundraising*	\$34.9M	\$34.9M	\$18.6M	\$3.0M	\$10.3M
School Council Fundraising	8.1M	9.2M	5.4M	1.0M	\$2.8M
Total	\$43.0M	\$44.1M	\$24.0M	\$4.0M	\$13.1M
% change from prior year		2.6%	(45.6%)	(83.3%)	227.5%

*includes fundraising for external charities

** Declines in 2019-21 are due to the pandemic and Public health restrictions that impacted fundraising.

Below are the school budget and school generated funds surplus balances from 2017-18 to 2021-22:

	2017-18	2018-19	2019-20	2020-21	2021-22
Total School Budget Ending	\$15.0M	\$15.0M	\$29.3M	\$31.6M	\$29.8M

% change from prior year		0.0%	95.3%	7.8%	(5.7%)
School Non-Board Ending Balances	\$14.6M	\$15.1M	\$18.2M	\$14.9M	\$14.7M
School Council Ending Balances	4.0M	5.0M	5.1M	3.7M	3.6M
Total Non Board and School Council Balance	\$18.6M	\$20.1M	\$23.3M	\$18.6M	\$18.3M
% change from prior year		8.1%	15.9%	(20.17%)	(1.6%)

School generated funds are intended to be spent within two years to benefit current students, unless designated for future needs or long-term projects, such as school yard improvements. Schools and school councils are required to submit financial plans by October 31 of each year (although this deadline has been extended to December 31 in 2022).

2023-24 School Budget Allocation and Carryover Changes

TDSB had \$29,839,356 in unspent school budget carryovers out of the \$87,831,558 allocated as of August 31, 2022. This represents around 66% utilization (34% unspent funds carry forward). As of February 28, 2023, schools have spent \$37,476,506 of the \$86,951,848 allocated (excluding priorities and partnership funding and other transfers). This represents around 43% utilized to date.

In 2022-23, TDSB revised its school budget formula to generate \$2.5M in savings. This resulted in approximately 5.5% decrease in total school budget base allocations compared to the prior year. The 1:1 student device strategy, which costs the Board approximately \$11M each year and is funded centrally. This initiative will gradually reduce technology spend from school budgets over time.

The 2022-23 school budget formula will continue to be used for the 2023-24 school budget allocation. However, commencing 2022-23, the projected School Cash Online annual HST rebates of approximately \$300K to \$500K will not be deposited into school budgets and will be applied centrally to offset the \$400K in annual School Cash Online licensing fees. To reduce budget impact, schools will not be charged for the credit card fees from use of the system in 2022-23. But those credit card charges to schools will resume in 2023-24, and it is advised that schools raise their fees for collections by approximately 2% to offset those costs.

Starting at the end of 2022-23, TDSB will implement a carryover cap based on 25% of the original budget allocation, net of donation revenue carryovers, unless the school provides a pre-approved budget carryover request by June 30.

Action Plan and Associated Timeline

Management will utilize the information contained in this report for future budget planning and analysis.

Resource Implications

Not applicable.

Communications Considerations

The 2022-23 budget carryover policy changes will be communicated to the school Principals, Vice Principals and Office administrators upon approval.

Board Policy and Procedure Reference(s)

Not applicable.

Appendices

- Appendix A: Base School and Small School Allocation
- Appendix B: School Budget Model Template
- Appendix C: Total Budget, School Generated Funds and Donations Received by School (2021-22)
- Appendix D: Breakdown of School Budget by Funding Source (2021-22)
- Appendix E: School Generated Funds raised per FTE vs. LOI Score Scattered Graph (2021-22)
- Appendix F: Total Budget, School Generated Funds Available, and Donations Received per FTE vs. FOI Score Scattered Graph (2021-22)
- Appendix G: School Budget and School Generated Funds Surpluses and Deficits (2021-22)

From

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