



Proposed Options to Balance the 2023-24 Budget

To: Finance, Budget and Enrolment Committee

Date: 1 June, 2023

Report No.: 06-23-4555

Strategic Directions

- Transform Student Learning
- Create a Culture for Student and Staff Well-Being
- Provide Equity of Access to Learning Opportunities for All Students
- Allocate Human and Financial Resources Strategically to Support Student Needs
- Build Strong Relationships and Partnerships Within School Communities to Support Student Learning and Well-Being

Recommendation

It is recommended that the report regarding the proposed options to balance the 2023-24 budget be received.

Context

Background

The provincial funding formula, as expressed in the Grants for Students' Needs, inadequately responds to the current needs of students especially as they and board staff are transitioning out of a global pandemic. Although the Board has seen additional funding in some areas there are still persistent structural deficits that exist e.g., statutory benefits like CPP, Special Education, replacement costs for employees on leave. This report meets the Director of Education's statutory requirement to present a balanced budget to the Board of Trustees.

Section 231 of the Education Act requires school boards to adopt a balanced budget. According to the Ministry, “when preparing and adopting budgets (estimates) for the fiscal year (September 1 to August 31), school boards are required to ensure that estimated expenses do not exceed estimated revenues unless any in-year deficit can be covered by accumulated surplus of a prior year and the in-year deficit is less than 1% of the school board’s operating budget.” If a Board exceeds 1%, the Board requires Ministry approval.

In 2022-23, TDSB received Ministry approval for a 1.4% deficit of \$40.4 million. As part of the approval, the Board had to prepare a 3-year deficit recovery plan. This plan included a savings of \$25.3 million in 2023-24 resulting in a deficit of \$15.1 million.

Updated Financial Position from May 24, 2023

As presented to Trustees on May 24, 2023, based on the proposed options to balance and the addition of 10.0 elementary Vice Principals (\$1.4 million) to the budget, the updated projected deficit for 2023-24 is \$21.1 million. This would require an additional \$6 million budget reduction to achieve the \$15.1 million deficit included in the deficit recovery program.

COVID Learning Recovery Position Reductions Included in the Projected Deficit

As stated in the “2023-24 Projected Financial Position” report presented to FBEC on February 15, 2023, there were 522.0 temporary positions funded from \$31.5 million in COVID Learning Recovery Funding in the 2021-22 and 2022-23 school years. This funding is not being provided in 2023-24 and therefore, the \$31.5 million in revenue was removed from the projected budget as well as the corresponding positions related to the funding. 485.5 of these positions are school-based staff and 36.0 of these positions are central staff.

During the school-based staffing approval process, 445.5 of the 485.5 temporary COVID positions were removed from the 2023-24 budget. The 40.0 FTE that were added back were 40.0 school-based safety monitors.

The central staff funded by the COVID Learning Recovery Fund are:

- 15.0 Child and Youth Counsellors (CYC) (\$1.6 million)
- 16.0 Social Workers (\$2.1 million)
- 5.0 Virtual School Administration Staff (\$0.7 million)

These 36.0 positions were removed from the 2023-24 budget in February. As part of the updated Grant for Student Needs (GSN), additional funding was provided to support virtual school administration and 3.0 positions have been added. Therefore, included in

the current financial position is a reduction of 15.0 CYCs, 16.0 Social Workers and 2.0 virtual school administration staff.

Additional Options to Balance

Increase in Special Incidence Portion (SIP) of Special Education Allocation

The Ministry of Education granted an extension to TDSB for the resubmission of Special Incidence Portion (SIP) Claims and staff has adjusted the budget allocation to better reflect the projected approved amount. This increases the projected revenue by \$5 million.

Additional Virtual School Enrolment

In Ministry memo 2023:B04 “2023-24 Grant for Student Needs Funding”, the Ministry stated that “For students who wish to enroll in remote learning, school boards may offer remote learning instruction directly, they may partner with another school board to provide remote learning instruction on their behalf, or they may work with other school boards to deliver remote learning collaboratively.” TDSB will be offering remote learning and has been approached by another school board to provide remote learning on their behalf. Although this request is being finalized, it is projected that this could result in additional revenue of approximately \$300,000.

Review of License Agreements

As suggested on May 23, 2023, staff is in the process of reviewing all licensing agreements to determine if there are any that can be paused for 2023-24. Based on this review, staff are estimating a savings of \$300,000.

Use of Priorities and Partnership Funding (PPF) to Offset Existing Costs

Although staff has followed this practice, it is believed that a further \$300,000 of existing expenditures can be funded from new PPF funding.

Central Department Review

Staff is currently reviewing all central department activities with the objective of consolidating functions where applicable. It is estimated that this review can provide a savings of \$300,000.

Total Options to Balance

The total of the above options is \$6.2 million. The implementation of these options, along with those previously proposed, would result in an updated projected deficit of \$14.9 million. This would allow the Board to adhere to the deficit recovery plan submitted to the Ministry.

Further Detail Regarding Additional Areas of the TDSB Budget Where Spending Exceeds Funding

As requested by Trustees, Appendix B shows further detail related to the list of additional areas where spending exceeds funding.

It should be noted that the areas identified in this section have value and are important part of fully implementing the Board's priorities, obligations, resolutions and operations. The reduction of services in these areas poses a range of impacts.

Action Plan and Associated Timeline

The public will have an opportunity to provide feedback from June 5-9 related to the budget. Staff will report back to Trustees regarding this feedback on June 13, 2023.

Resource Implications

Section 231 of the Education Act requires school boards to pass a balanced operating budget each year. Budgets are intended to align both human and financial resources to system priorities.

Communications Considerations

It is important to continue to update stakeholders about the budget process and the impacts of the decisions that will be proposed to balance the budget.

Staff will work together to ensure all relevant information is provided to stakeholders to ensure that they are aware of opportunities to provide feedback.

Board Policy and Procedure Reference(s)

Not applicable.

Appendices

Appendix A: Proposed Options to Balance the 2023-24 Budget

Appendix B: TDSB Programs Not Fully Funded

From

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