



## 2024-25 Budget Estimates

**To:** Finance, Budget, and Enrolment Committee

**Date:** June 13, 2024

**Report No.:** 06-24-4742

### Strategic Directions

- Commit to the implementation of the Truth and Reconciliation Commission of Canada: Calls to Action.
- Belong - All students belong, are engaged, and valued in an inclusive environment.
- Achieve - All students reach high levels of achievement, success, and personal development.
- Thrive - All students graduate with the confidence, skills, and knowledge to thrive.
- Revitalize - All students and staff learn and work in inclusive, safe, and modern environments.

Equity as a guiding principle: Equity is foundational to all TDSB work and will be embedded throughout the strategic directions.

### Recommendation

It is recommended that:

- a) the operational efficiencies as indicated in the report be received
- b) the Board request the use of \$27.5 of Proceeds of Disposition from the Ministry of Education
- c) the options for balancing the budget as recommended by FBEC be approved

## Executive Summary

The Board is required to submit a balanced budget to the Ministry of Education and this report meets the Director of Education's statutory requirement to present a balanced budget to the Board of Trustees.

The Toronto District School Board (TDSB) has a structural deficit, meaning that the Board spends more than it receives in funding. Some reasons for the structural deficit include the underfunding of statutory benefits, the TDSB teacher grid, Bill 124, replacement costs for sick leave and the inability to close underutilized schools. In addition, the Board does spend more than funded in other areas.

The Ministry released the Core Education Funding (Core Ed) on April 26, 2024. The Core Ed is a restructured version of the Grant for Student Needs (GSN). As indicated by the Ministry, it "undertook a review of education funding to support the goals of streamlining the funding formula to make it simpler to understand and strengthening school board accountability with minimal redistributive funding impacts to school boards." The Core Ed reduced the number of grants from 18 to 6 pillars and reduced the number of allocations from 77 to 28. Even though there were significant changes to the structure of the grant, there were limited changes in total funding from 2023-24 to 2024-25. In addition, the Ministry has changed the previous other grants called Priorities and Partnership funding (PPFs) to Responsive Education Programs (REP) to "enhance transparency in type and purpose of funding". On May 30, 2024, the revised 2024-25 projected financial position is a deficit of \$35.3 million.

Staff are providing options to arrive at a balanced budget using guiding factors that include the draft of the Multi-Year Strategic Plan (2024 to 2028), supporting K-12 education and minimizing impact on direct support to students, Ministry regulations (like class size and enveloping requirements) and Collective Agreements. Staff believe that this budget supports the priorities of the Board while addressing the structural deficit. The budget represents an increase in staffing that supports students directly, a reduction in central staffing (including senior staff), an increase in special education expenditures, and it maintains school/other programs while looking for operational efficiencies.

During the budget process, there were significant opportunities to receive feedback from the public. This included:

- 3 budget town halls prior to the Board receiving the Options to Balance
- 5 ward forum presentations for 10 wards
- Presentation to/Feedback from various Community Advisory Committees including SEAC and CUSAC.
- Presentation to/Feedback from Student Senate and the Equity Collective
- Opportunities for delegation including written delegations

- 4 budget town halls across the system after the Board received the Options to Balance

The feedback has been incorporated into the final options to balance.

In order to address the \$35.3 million deficit, staff is proposing the following:

- \$4 million in operational efficiencies/adherence to policy related to continuing education and permit fees
- the use of \$27.5 million of Proceeds of Disposition

Trustees are being asked to provide direction related to the remaining \$3.8 million using options to balance that are *able* to be implemented for September 2024. These include:

- the delay of 1:1 device implementation for grade 5 students would reduce spending by approximately \$4.5 million
- the ability for schools to be able to charge for 1:1 device repair costs
- the implementation of nominal annual fees for the use of 1:1 devices
- the resumption of International Baccalaureate fees
- quicker implementation of permit fee increases

Trustees have also been provided with a list of other areas where TDSB spends more than it is funded, or is not funded, that can be considered to assist in balancing the budget.

The Budget is due to the Ministry on June 29, 2024.

## **Context**

### ***Requirement to Pass a Balanced Budget***

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.” Even though 1% of the TDSB operating budget is approximately \$30.1 million, the Board is projected to have an accumulated deficit on August 31, 2024 as a result of the retro impact of Bill 124. As a result, the Board must submit a balanced budget.

In addition, 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. The 2024-25 school year is the third year of the 3-year plan and the original

commitment was to develop a budget with an \$8.2 million surplus. When the Board made the commitment to this surplus to build back reserves, there were assumptions that enrollment and certain fees would have increased back to pre-pandemic levels. Since this has not happened, staff will be presenting a budget that breaks even. This report meets the Director of Education's statutory requirement to present a balanced budget to the Board of Trustees.

### ***Structural Deficit***

The TDSB has a structural deficit. This means that the Board spends more than it receives in funding on an annual basis. There are a number of items contributing to the structural deficit – some that are not within the control of the TDSB and some that are not.

The main items that are not within the control of TDSB and the Ministry does not provide sufficient funding for include:

- *Statutory Benefits*  
Canada Pension Plan (CPP) has been gradually increasing from 4.95% in 2019 to 5.95% in 2023. In 2024, a second additional contribution rate was added. There has not been a corresponding increase in funding to offset these costs and in 2024-25, the annual underfunding of CPP has increased to \$33.4 million for TDSB. Employment Insurance (EI) has also been increasing and the underfunded amount is \$1.8 million. The total unfunded statutory benefits are \$35.2 million.
- *Difference in Funding for Teacher Salaries vs. Actual Salary Cost*  
In 2014, the Province began Central Bargaining and came up with a central salary grid for teachers. Funding for teachers is based on this central grid. At that time, the TDSB grid was higher than the Provincial grid resulting in an unfunded amount for each teacher. This amount continues to increase as the Province bargains percentage increases each year. In 2023-24, the amount that is underfunded is projected to be \$22.3 million.
- *Cost of Operating Under-Utilized Schools due to School Closure Moratorium*  
Prior to 2015, the Ministry provided a grant called "Top-up funding under the School Facilities Operation and Renewal grant". The Ministry stated that "This funding is provided for eligible schools to support the operation and maintenance of facilities where enrolment is less than capacity." In other words, the Ministry recognized that there is a similar cost to operating a school with full capacity as a school that is underutilized. In 2015, the Ministry announced the phase out of this grant over three years. In the announcement, the Ministry stated "One effect

of this funding has been to sustain schools in areas where it would make more sense from a program, fiscal, demographic and geographic perspective to rationalize school space through measures that might include closure or consolidation with nearby facilities and partnerships with coterminous school boards.” In other words, the Ministry encouraged Boards to close schools to deal with the excess capacity. The challenge is that, in June 2017, the Ministry announced a moratorium on school closures; thereby eliminating the ability of TDSB to develop and implement plans to maximize capacity while also reducing the funding received to assist with the operating these schools. The TDSB received \$35.5 million top up funding prior to the phasing out of this grant.

In addition, the Board has identified a number of Pupil Accommodation Reviews in the Long-Term Program and Accommodation Plan (LTPAP). Staff have projected operations savings of over \$3.5 million if the Board were to perform six of these reviews. This does not include the deferred maintenance that could be eliminated.

- *Replacement Costs for Sick Leave*

The Putting Students First Act, 2012, changed the allocation of sick leave for school board employees. Prior to 2012, employees were apportioned two days per month. Unused credits could be banked, and many employees received a retirement gratuity based on the number of unused sick days (up to a maximum). After 2012, employees now receive 11 days a year at full pay, plus an additional 120 days at 90% pay for short-term disability. Sick leave credits are not bankable and the retirement gratuities have been phased out. Since 2012, it has been reported that the Provincial average number of sick days taken has doubled from an average of 8 to 16 days per year. Each sick day costs the Board approximately \$600,000 in replacement costs for a total annually of approximately \$112 million. Therefore, the Board estimates the impact of the change in the sick leave provisions from 2012 at approximately \$56 million annually

- *Bill 124 Impact*

A Memorandum of Settlement (MOS) was reached between various education sector unions and the Crown regarding the Protecting a Sustainable Public Sector for Future Generations Act, 2019 (Bill 124) after it was declared unconstitutional.

The MOS, which applies to ETFO Teachers, ETFO Education Workers, OSSTF Teachers, OSSTF Education Workers, CUPE and Schedule II staff. This includes the following across-the-board (ATB) compensation increases to all

compensation amounts to which the original 1% increase applied during the 2019-22 collective agreements:

- a) *September 1, 2019: 0.75% (i.e., a total of 1.75% increase)*
- b) *September 1, 2020: 0.75% (i.e., a total of 1.75% increase)*
- c) *September 1, 2021: 2.75% (i.e., a total of 3.75% increase)*

This has resulted in remedy payments to applicable staff for the period of 2019-22 and impacted previous collective agreement rates for 2022-2026. The remedy payments were made earlier in May 2024.

The Ministry of Education has committed to update benchmarks for these payments. Currently they have only provided the changes to benchmarks for the years 2019-22 and will provide the updated benchmarks for 2022-23 and 2023-24 in the fall. The Ministry of Education has provided a cash advance to the school board for the two years of retro payments this year, until the benchmarks have been updated. School boards have been instructed to estimate this funding for both the retro payments as well as for the 2024-25 school year.

Based on staff estimates of the funding of the retro payments, the unfunded cost of Bill 124 for the period of 2019-24 is approximately \$33M of which \$7M relates to previous capital projects. Staff will be approaching the Ministry to utilize POD to address the capital component. Therefore, the unfunded operating cost is appropriately \$26M for 2023-24.

The unfunded impact to the operating budget in 2024-25 is estimated to be \$5.5M. Staff will be able to update these amounts in the fall once the Ministry finalizes and notifies school boards of the changes to benchmarks for both 2023-24 and 2024-25.

### ***Reserve Balance***

School boards have three types of reserves: Working Funds, Internally Restricted and Externally Restricted Reserves (not available to be used to address deficits). Working Funds are reserves resulting from prior year surpluses that have no defined purpose and are available to the Board to address operating shortfalls. Internally Restricted Reserves are those funds set aside to address certain programs or expenditures such as benefit costs or school budget carryovers. Externally Restricted Reserves represent such things as future employee benefits, land values, asset retirement obligations and school fundraising.

During the pandemic, the Board used more of its reserves than usual. While the Ministry of Education did provide significant investments during the pandemic to school boards, the TDSB used approximately \$69M of Board resources to support the

continued learning and safety of both students and staff during the pandemic in such areas as reducing class sizes, additional technology, and additional PPE. The majority of these investments were achieved through in-year savings and directing resources from such areas as supply costs and energy savings during the shutdowns of schools, transportation savings, and staffing redeployments. Had the Board not invested these funds to support the students and staff, there would have been operational savings that would have resulted in increased working funds.

The chart below illustrates the status of reserves over the last 5 years. The external reserve amount has increased significantly over the last two years and as a result of the addition of the Asset Retirement Obligation.

	<b>Working Funds</b>	<b>Internal Reserves</b>	<b>External Reserves</b>	<b>Total</b>
<b>2018-19</b>	\$ 29,325	\$ 147,813	-\$ 178,740	-\$ 1,602
<b>2019-20</b>	\$ 16,744	\$ 159,938	-\$ 152,116	\$ 24,566
<b>2020-21</b>	\$ 22,720	\$ 179,034	-\$ 132,903	\$ 68,851
<b>2021-22</b>	\$ -	\$ 90,151	-\$ 822,114	-\$ 731,963
<b>2022-23</b>	\$ -	\$ 40,546	-\$ 814,795	-\$ 774,249

**Note:** Amounts are in \$,000

As a result of the on-going annual structural deficits, the Board has had to use both its working fund reserves as well as a portion of its internally restricted funds to offset the accumulated deficit. There currently are no available working funds remaining to offset future operating shortfalls or structural deficits and as a result of Bill 124, there will be no internal reserves for 2024-25. This highlights the need of the Board to endeavour to balance the operating budget in the current year.

### ***Enrolment***

The Ministry of Education allocates funding to School Boards using a model that is based on enrolment and the needs of students in each board. Enrolment is based on Full-Time Equivalent (FTE) enrolment for October 31st and March 31st. These two fixed-in-time FTE enrolment values are combined to produce the annualized Average Daily Enrolment (ADE). TDSB enrolment projections are based on historical enrolment trends, expected new development and immigration as well as student retention rates.

An estimated ADE of 164,929.5 elementary students has been used to develop the 2024-25 Budget Estimates which is an increase of 285.5 ADE or 0.2% from the 2023-24 Revised Budget Estimates. An ADE of 74,253 has been estimated for secondary students, an increase of 1,264.5 ADE or 1.7% from the 2023-24 Revised Budget

Estimates. The overall projected ADE is 239,182.5 which represents an increase of approximately 1,523 ADE or 0.6% increase from the 2023-24 Revised Budget Estimates.

## **Revenue**

### **Core Education Funding (Core Ed)**

The Core Ed was released by the Ministry on April 26, 2024. The Core Ed is a restructured version of the Grant for Student Needs (GSN). As indicated by the Ministry, it “undertook a review of education funding to support the goals of streamlining the funding formula to make it simpler to understand and strengthening school board accountability with minimal redistributive funding impacts to school board.” The Core Ed reduced the number of grants from 18 to 6 pillars and reduced the number of allocations from 77 to 28. Even though there were significant changes to the structure of the grant, there were limited changes in total funding from 2023-24 to 2024-25.

The Core Ed increased by 2.5% to \$3.2 billion in operating grants. Highlights included:

- Labour related increases
  - 1.25% for teaching staff
  - \$1/hour for education workers
- The implementation of the 2021 census updates.
- An increase in the transportation grant by approximately 3.5%.
- A small increase in Special Education funding for the Special Incidence Portion (SIP) and Specialized Equipment Allocation (SEA)
- The elimination of the Clean and Safe Supplement.
- A 2% increase to the non-staff portion of the school facilities fund.

### **Other Ministry Grants**

Other Ministry Grants have decreased by approximately \$9 million from the prior year. Not all grants have been announced yet and will be added as more information becomes available. Most of the other Ministry grants come from Responsive Education Program (REP) funding. The Ministry has changed the previous other grants called Priorities and Partnership funding (PPFs) to REP funding to “enhance transparency in type and purpose of funding” and some of the key highlights of the REP funding for 2024-25 are:

- The “Math Recovery Plan” funding has continued for 2024-25.
- The funding to support Early Reading and Reading Intervention has continued for 2024-25.



- The funding to provide staff to support de-streaming and transition to high school has been discontinued. This amounted to \$11.1 million in 2023-24 and provided funding for approximately 100 FTE.

### **Miscellaneous Revenue**

Miscellaneous revenue includes interest revenue, permit revenue, lease revenue and international student fees. Most of these revenues decreased in 2020 because of restrictions related to COVID-19. However, they are starting to return to pre-pandemic levels, and it is expected that they will continue to increase.

### **Expenditures**

TDSB's 2024-25 operating expenditures are estimated at approximately \$3.5 billion. Expenditures are allocated as follows:

- Salaries and benefits – 87%
- Supplies and services – 7%
- Fees and contractual – 4%
- Other – 2%

### **Salaries and Benefits**

The major changes in the salaries and benefits include:

- Increase in salaries based on the increases included in the Core Ed:
  - 1.25% for teaching staff
  - \$1.00/hour for education workers
- Increase in salaries related to Bill 124
- Increase in statutory benefits like CPP
- Increase in replacement costs related to sick leave
- Decrease in “gapping” savings to reflect reality

### **School-Based Staffing**

School-based staffing was approved by the Board in March 2024, representing 69.5% of the entire budget. There was a \$28 million increase in school-based staffing, mainly as a result of enrollment increases.

### **Other Expenditures**

Highlights to changes in other expenses include:

- Increase in expenses as a result of contractual obligations
- Decrease in insurance costs
- Increase in other costs related to inflation

## ***Updated Financial Position***

On May 30, 2024, staff provided an update of the financial position based on the increase in grants from the Core Education Funding (Core Ed), the decrease in Responsive Education Program (REP) funding and increases in expenditures, mainly related to the provisions of the collective agreements. The updated financial position is a deficit of \$35.3 million.

## ***Public Feedback Opportunities***

During the budget process, there were significant opportunities to receive feedback from the public. This included:

- 3 budget town halls prior to the Board receiving the options to balance
- 5 ward forum presentations for 10 wards
- Presentation to/Feedback from various Community Advisory Committees including SEAC and CUSAC.
- Presentation to/Feedback from Student Senate and the Equity Collective
- Opportunities for delegation including written delegations
- 4 budget town halls across the system after the Board received the Options to Balance

## ***Guiding Factors to Consider While Balancing the Budget***

In order to balance the budget, the Board has to decrease spending by \$35.3 million. Staff have considered a number of guiding factors when proposing options to balance:

- The draft of the Multi-Year Strategic Plan (2024-2028) - The MYSP will help to determine where it is important to allocate resources to support the plan.
- Ministry regulations - including class size regulations and other spending requirements
- Collective agreement provisions – including timelines and protected complements
- Supporting K-12 Education and direct impact on TDSB students
- Public feedback as indicated above

## ***Options to Balance***

On March 19, 2024, staff presented the Options to Balance the 2024-25 Budget to FBEC. A copy of the report is attached as Appendix A.

On April 4, 2024, the Board approved \$17 million of the options to balance and provided a motion related to some of the remaining options that provided the following direction:

- Present options to institute a fee-based revenue stream for one-to-one devices that will generate approximately \$1M annually, that include parent/guardian/caregiver contributions, subsidies, donations, and an administrative cost benefit analysis to the next meeting of the Finance, Budget and Enrolment Committee;
- Delay the implementation of course time migration for International Language programs until an in-depth report on student impact can be reviewed at the Program and School Services Committee, while continuing to implement the recommended 25 student pre-register minimum;
- Delay the cancellation of General Interest / Seniors' Daytime courses until an in-depth report on community impact can be reviewed at the Program and School Services Committee;
- Delay the changes to the Scarborough Outdoor Education School and provide a detailed plan, before the final vote on the 2024-2025 operating budget, to ensure students impacted by programming change at SOES will continue to receive outdoor education on-par with other students at the TDSB, and that the overall scope of the Board's outdoor education will not be reduced with the recommended changes;
- Review and consult with partner organizations on the TDSB's permit fee structure and subsidies and present a report to the Planning and Priorities Committee on recommended changes;

As a result of this motion, staff has provided options for a fee related to one-to-one devices and received direction at the May 30, 2024 Special FBEC meeting related to Outdoor Education.

### Previously Identified Options to Balance

#### Continuing Education

The Continuing Education department offers programs that include International Languages Elementary/African Heritage, Community Programs, secondary credit courses (i.e., night, summer, weekend), summer programs, international adult education, Adult English as a Second Language courses, and Adult Day School credit programs. Currently, Continuing Education is operating at a deficit of approximately \$6.9 million. Most Boards across Ontario operate Continuing Education at break even or in a surplus to help support other areas of the budget.

In order to reduce the deficit in Continuing Education, the following were proposed:

- Restructuring International Language-African Heritage Programs to be delivered in fewer sites while ensuring equity of access

- Eliminating General Interest/Seniors' Daytime Programs and referring participants to other available programs
- Restructuring Adult Day Schools to be delivered in fewer sites while maintaining robust programming

Although the motion referred to above requires staff to pause implementation of the International Language-African Heritage proposal and the General Interest/Seniors' Daytime Program proposal, there are operational efficiencies and fee increases that staff will implement in order to ensure that TDSB policies are being followed. These efficiencies/fee increases will result in approximately \$2 million of savings for 2024-25. Further information will be provided to Trustees, as requested, to increase savings in future years.

### Outdoor Education

The TDSB has recognized the importance of Outdoor Education by mandating that all students have equity of access to quality day and overnight Outdoor Education Programs. In June 2001, the Board resolved that every student in grades 5-8 has the opportunity to participate in overnight programs and every student in grades K-8 has opportunities to participate in day programs. Historically, the costs associated with operating the Outdoor Education Department have been greater than the revenue received and the 2023-24 grant is \$2 million, while the projected deficit is \$3.1 million.

Staff proposed the following in order to reduce the deficit in Outdoor Education:

1. Eliminate weekend Grade 6 Outdoor Education school trips to Scarborough Outdoor Education School (SOES) at Camp Kearney and accommodate these overnight excursions during the weekdays at other sites
2. Share Transportation to overnight Outdoor Education Centres with participating schools
3. Increase user fees for visits to Outdoor Education Day Centres

On May 30, 2024, a motion was approved by Special FBEC to eliminate the weekend Grade 6 Outdoor Education school trips and to use the savings of approximately \$300,000 to offset the user fees charged for visits to Outdoor Education Day Centres. The motion also did not approve the changes proposed to transportation. Therefore, there will be no savings as a result of the changes to outdoor education if the motion is approved by Board.

## Increase in/Resumption of User Fees

### International Baccalaureate (IB) Fees

In 2019, the Board established a process to collect the cost of the IB Program (\$1.5 million) through fees on a sliding scale as well as establish a financial assistance program to ensure equity of access. In August 2020, the Board passed a motion to pause the 2020-21 IB fees as result of the pandemic and the change in delivery model during that time. Staff are proposing to reinstate the Board motion from 2019. This would result in an increase in fees of approximately \$0.8 million. Details are included in Appendix C of the Options to Balance report from the March 19, 2024 Special FBEC meeting.

If the resumption of IB fees is approved by the Board, it is likely too late to reintroduce these fees for September 2024 and therefore, the first impact on the budget would be for the 2025-26 year.

### Permit Fees

There are a few areas of permit fees that staff are reviewing in accordance with Policy PO11 “Community Use of Board Facilities”:

- a. Section 6.16 of the policy states that “Permit holders will be charged for ancillary costs including staffing of nonscheduled custodian services, media and technology specialists, stage crews, security officers and parking attendants, as required.” Currently, the permit fees represent a blended rate that does not fully recover these costs. Staff are suggesting that these costs be charged in accordance with the Policy. The recovery of these costs are expected to generate approximately \$3.1 million.
- b. Appendix A within Policy PO11, states that “User fees in Category A1 and A2 are subsidized through the Ministry of Education Community Use of Schools grant and are subject to the limit in funding.” Currently, the Board receives a \$3.6 million grant from the Ministry to subsidize these groups while the Board is actually subsidizing \$6.1 million. This means that the Board is currently using \$2.5 million of its budget to subsidize the use of space. Staff are reviewing the use of the subsidy and a way of monitoring to ensure that the subsidy is used as provided.
- c. Section 6.18 within Policy PO11 also states that permit fees should be increased each year in accordance with the consumer price index. This will generate an additional \$300,000.

The total deficit related to section 'a' and 'b' from the above equals \$5.6 million. In order to follow the Trustee motion and adhere to Board policy, staff has increased the rates for September 2024 by CPI and indicated to permit holders that prices may increase in January 2025. During that time, staff will develop a proposal to ensure that Board policy is being followed and a reasonable timeline for implementation. Staff believe this will increase revenue by approximately \$2 million in 2024-25.

### Total Operational Efficiencies and Adherence to Policies

The total of the operational efficiencies and adjustments to adhere to Board policy is approximately \$4 million. This changes the 2024-25 deficit to \$31.3 million.

### Use of Proceeds of Disposition (POD)

Staff does not recommend using POD as a sustainable way of balancing the budget. However, included in the 2024-25 budget is \$22 million related to the amortization of the employee future benefits liability. The liability will be fully amortized halfway through 2025-26 and this will start to free up \$22 million annually in future budgets.

In addition, staff assumed that the \$11.1 million REP for staff to support de-streaming and transition to high school would continue in 2024-25 and this staff was distributed to schools through the school-based staffing. This means that it is too late to make the reductions related to funding. Staff was able to offset this expense with a \$5.6 million reduction in the teacher holdback but this means that there is still \$5.5 million of expenses that will have to be reduced in 2025-26.

Therefore, staff believe that it is reasonable to request the use of POD to a maximum of \$27.5 million to assist in balancing the budget. It is important to note that the request has to be approved by the Ministry and that the approval may have some additional requirements for the Board.

### Additional Options to Balance

In addition to the \$4 million in operational efficiencies/revenue increases, if the Board receives permission to use \$27.5 million of POD, Trustees will need to approve an additional \$3.8 million of reductions to balance the 2024-25 budget.

Appendix B is the list provided to Trustees of areas where the Board spends more than is funded or does not receive funding. It should be noted that the areas identified in this section have value and are an 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.

Staff is providing options that have the ability to be implemented for September 2024. There are a number of options that staff believe should be considered for implementation in September 2025 to give enough time to communicate the changes to the appropriate stakeholders.

### 1:1 Device Repair Costs

It is estimated that the Board will spend over \$500,000 in 2024-25 to repair 1:1 devices. Repairs are currently paid for from school budgets. Staff are recommending that language be adjusted in the agreements with students/parents/caregivers in order to allow schools to charge for repairs, when appropriate.

In addition, staff are proposing that secondary schools share in the cost of purchasing 1:1 devices for Grade 9 students. All students in secondary schools will now have access to a device and spending will be reduced in areas such as technology, repairs, paper and other areas.

### 1:1 Device Fees

At the April 4, 2024 Special Board meeting, Trustees approved a motion that requested the Director “Present options to institute a fee-based revenue stream for one-to-one devices that will generate approximately \$1M annually, that include parent/guardian/caregiver contributions, subsidies, donations, and an administrative cost benefit analysis to the next meeting of the Finance, Budget and Enrolment Committee.” A \$10 charge/device per year would yield approximately \$1 million annually and a \$20 charge/device per year would yield approximately \$2 million annually. Staff does support the addition of a fee but believe that this should not be implemented until September 2025 in order to give staff an opportunity to communicate and operationalize the decision.

### Full Implementation of Permit Fee Increases

The total deficit related to permit fees is \$5.6 million. Staff is proposing that increases start to be implemented in January 2025 and expect approximately \$2 million in additional revenue in 2024-25. A quicker implementation could result in increased revenue.

### Pause in Implementation of 1:1 Devices for Grade Five

The implementation of the 1:1 device program is estimated to have a cost of \$9 million. If the Board were to pause the implementation of 1:1 devices for grade 5, the Board would save approximately \$4.5 million.

## Other Options

Trustees may provide direction related to the other options in Appendix B. It is important to note that program reviews are required for some of these options to ensure equitable implementation with appropriate communication and consultation.

## **Action Plan and Associated Timeline**

The 2024-25 budget estimates are due to the Ministry on June 29, 2024.

In addition, some areas have been identified through the budget process that require program reviews and these reviews will begin in 2024-25. The staff recommendations regarding the implementation of 1:1 device fees and the resumption of IB fees may be delayed to the 2025-26 school year.

## **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**

Staff will work together to ensure all relevant information is provided to stakeholders.

## **Board Policy and Procedure Reference(s)**

Not applicable.

## **Appendices**

Appendix A: Copy of March 19, 2024 Special FBEC Report

Appendix B: Areas of the Board Budget that Are Under Funded

## **From**

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