



**Finance, Budget and Enrolment Committee  
(Special Meeting)  
Report No. 9**

FBEC:009A  
Thursday, May 30, 2024  
4:30 p.m.  
Hybrid Meeting  
Boardroom, 5050 Yonge Street

Members Present Trustees Zakir Patel (Chair), Michelle Aarts, Matias de Dovitiis, Liban Hassan, Shelley Laskin, James Li and Dan MacLean

Also Present Trustees Rachel Chernos Lin, Alexis Dawson, Sara Ehrhardt, Dennis Hastings, Debbie King, Neethan Shan, Anu Sriskandarajah, Deborah Williams and Manna Wong

The meeting was a hybrid model with Trustees Aarts, Chernos Lin, de Dovitiis, Hastings, Laskin, MacLean and Patel participating in person, and other trustees present participating by electronic means in accordance with [amendments to Section 7 of Ontario Regulations 463/97, Electronic Meetings](#).

**Part A: Committee Recommendations**

**1. 2024-25 Projected Financial Position and Options to Balance [4728]**

The Committee considered a report from staff (see FBEC:009A, page 1 and attached) presenting information on the projected financial position and proposed options to balance the 2024-25 budget.

**Moved by:** Trustee de Dovitiis

**Seconded by:** Trustee Laskin

The Finance, Budget and Enrolment Committee **RECOMMENDS** that the report **be received**.

**Carried**

## **2. Business Arising: Outdoor Education Options to Balance**

At the Committee meeting, Trustee MacLean, seconded by Trustee Laskin, moved the following as business arising following the matter, 2024-25 Projected Financial Position and Options to Balance [4728].

**Moved by:** Trustee MacLean

**Seconded by:** Trustee Laskin

The Finance, Budget and Enrolment Committee **RECOMMENDS:**

**Whereas, staff is looking for direction regarding Outdoor Education;**

**Therefore be it resolved;**

- (a) That the proposed change from weekend use of Camp Kearney be adopted;**
- (b) That the recommended movement of the transportation costs from central to the individual schools be denied;**
- (c) That the proposed doubling of the student user fees be denied;**
- (d) That the money saved in Part (a) be used to offset the current student user fees.**

**Carried**

## **Part B: For Information Only**

### **3. Call to Order and Acknowledgement of Traditional Lands**

A special meeting of the Finance, Budget and Enrolment Committee was convened on Thursday, May 30, 2024, from 4:35 to 7:24 p.m. with Zakir Patel, presiding. The purpose of the meeting was to continue consideration of the 2024-25 budget.

### **4. Declarations of Possible Conflict of Interest**

No matter to report

### **5. Delegations**

re Budget

1. John Weatherup, Toronto Education Workers/Local 4400
2. David Fogarty, Community Member

## **6. Adjournment**

On motion of Trustee Laskin, seconded by Trustee MacLean the meeting adjourned at 7:24 p.m.

### **Part C: Ongoing Matters**

No matter to report

Submitted by: Zakir Patel, Committee Chair

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# Updated Financial Position and Options to Balance

## Special Finance, Budget and Enrolment Committee

May 30, 2024






## Projected 2024-25 Financial Position

- As at April 2, 2024, the projected financial position was \$26.5 million

Projected Deficit	-\$ 43.5
Reductions Approved by Board	\$ 17.0
Projected Deficit as of April 2, 2024	-\$ 26.5

## Impact of Bill 124 on Reserves and 2024-25 Budget

- Memoranda 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)
- The MOS, which applies to ETFO Teachers, ETFO Education Workers, OSSTF Teachers, OSSTF Education Workers and CUPE, include 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)



## Impact of Bill 124 on Reserves and 2024-25 Budget

- Eligible employees were provided retro payments in May 2024
- Funding will be provided through benchmarks and therefore, any Bill 124 impacts for positions that are above benchmark, or not included in benchmarks, are not funded



## Impact of Bill 124 on Current Year/Reserves and 2024-25 Budget

- There are 2 different impacts on the finances of TDSB:
  - Retro impact – impact on current year deficit and accumulated deficit
  - Annual impact moving forward
- Retro impact
  - The underfunded amount of the retro payment is \$33 million, of which \$7 million relates to capital projects and POD will be requested.
  - This will increase the 2023-24 operating deficit by \$26 million and will use all of the Board’s reserves
    - The Board will be in an accumulated deficit position of approximately \$12 million
- Annual impact
  - The impact moving forward is an annual budget pressure of \$5.5 million

# Updated Financial Position



# Core Education Funding

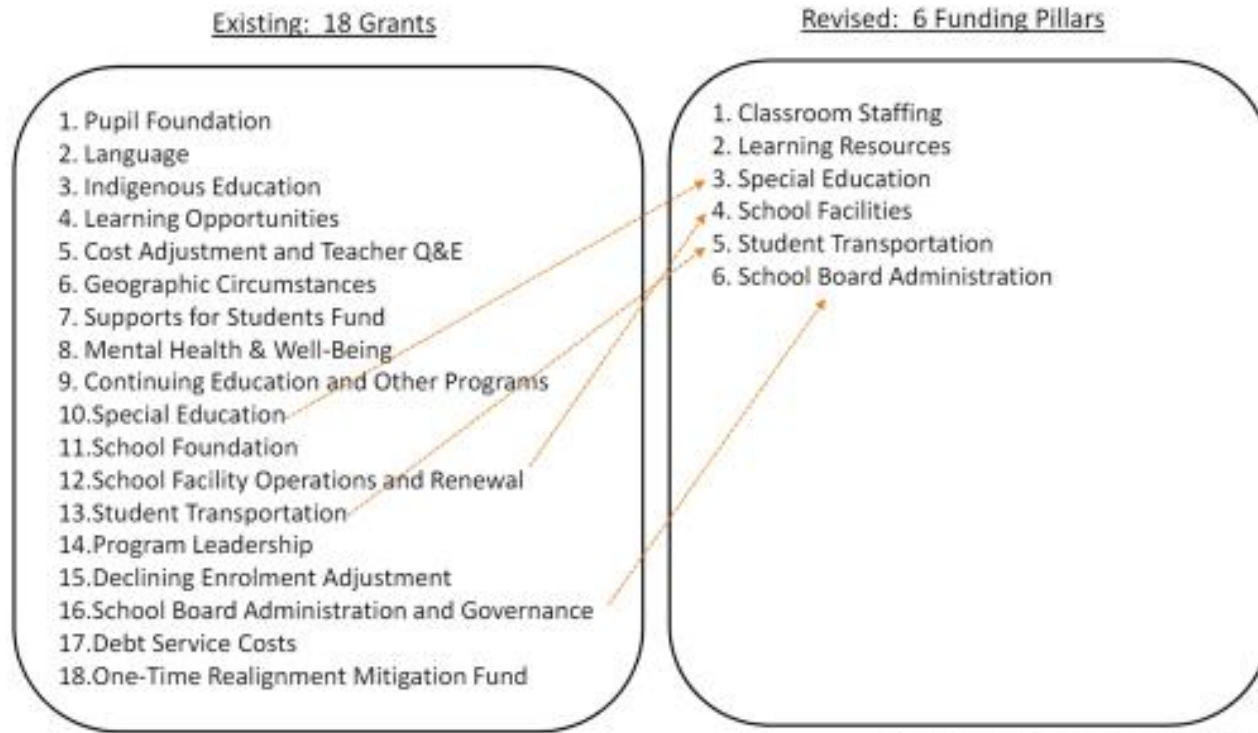




## Core Education Funding (Core Ed)

- Released on April 26, 2024
- Formally Grant for Student Needs (GSN)
- There have been significant restructuring of the funding formula
  - Per the Ministry, “These changes incorporate feedback from stakeholders from the fall 2023 GSN consultations, which identify requests to make the GSN funding formula simpler to understand.”
  - Per the Ministry, “there will be minimal funding impacts to school boards from the changes”
- The GSN funding formula has been streamlined:
  - From 18 grants to 6 pillars
  - From 77 to 28 allocations

# Core Education Funding Changes



\*from Ministry presentation

## 2024-25 Projected Core Education Funding (Core Ed)

Classroom Staffing Fund	\$1,780.3
Learning Resource Fund	\$ 501.0
Special Education Fund	\$ 380.3
School Facilities Fund	\$ 301.0
Student Transportation Fund	\$ 82.1
School Board Administration Fund	\$ 64.7
	\$3,109.4



## Core Education Funding (Core Ed)

- Significant changes in funding from previous year:
  - Amounts for labour:
    - 1.25% for teachers
    - \$1/hour for education workers
    - Approximate \$52.5 for TDSB
  - The Ministry is beginning a five-year phase-in for the 2021 census updates
    - Reduction in funding of \$3.2 million for TDSB that will be offset by the Responsive Education Program **for 2024-25**
  - Transportation funding will be increased by a minimum of 3%
    - Approximately 3.5% for TDSB or \$3.3 million



## Core Education Funding (Core Ed)

- Significant changes in funding from previous year:
  - Special Education
    - SIP will continue to be funded using interim formula and changes to the Specialized Equipment Allocation
      - Increase of \$0.9 million for TDSB
  - Sunsetting COVID-19 related funding
    - Elimination of Safe and Clean Schools Supplement
      - Reduction of \$1.8 million for TDSB
  - School operations non-salary benchmarks will increase by 2%
    - Increase of \$6.6 million for TDSB
  - Continuation of “Differentiated Funding for Online Learning”
    - Assumption that secondary students are taking 2 online courses and class sizes are 30 versus 23



## Core Education Funding (Core Ed)

Increase Related to Salary Increases	\$52.50
Increase Related to Special Education	\$ 0.90
Increase Related to Transportation	\$ 3.30
Increase Related to School Facilities	\$ 6.60
Elimination of Safe and Clean School Supplement	-\$ 1.80
Reduction Related to Census Update	-\$ 3.20
	\$58.30

# Changes in Financial Position





## Changes in Financial Position

- Increase in Salaries Based on Collective Agreements
  - After applying the negotiated rate increases to all employees, the costs is \$52.3 million
- Impact of Bill 124
  - The annual shortfall between the cost of Bill 124 and the funding provided is estimated at \$5.5 million



## Changes in Financial Position

- Elimination of Support for Destreaming and Transition to High School
  - This REP was not continued for 2024-25 although the staffing related to this grant was provided during school based staffing.
  - Therefore, there is a cost of \$11.1 million
- Reduction in Teacher Holdback
  - In order to minimize the impact of the elimination of the REP, staff has reviewed areas to offset the cost
  - Based on previous experience, the teacher holdback is being reduced while still being able to support class size requirements.
  - This results in a budget reduction of \$5.6 million



## Changes in Financial Position

- REP for Census Impact
  - As a result of the move to use the 2021 Census, TDSB has seen reductions in grants of \$3.2 million.
  - Per the Ministry, this will be provided as an REP to offset the lost Core Ed funding in 2024-25.
- Changes in enveloping provisions in Special Education will allow for the one-time use of funds that were specifically enveloped in the past
  - This will allow the use of \$2 million to support the special education deficit





## Changes in Financial Position

- Based on the actual costs to date in the current year, some expenditures have been adjusted to more accurately reflect costs.
  - This includes replacement costs, employee future benefit costs and “savings related to gapping”
  - This results in budget increase of \$13 million.



## Changes to Financial Position

Increase in Core Education Funding	\$ 58.3
Increase in Salaries Based on Collective Agreement Increases	-\$ 52.3
Impact of Bill 124	-\$ 5.5
Elimination of Support for Destreaming and Transition to High School REP	-\$ 11.1
Reduction in Teacher Holdback	\$ 5.6
Increase in Budget Based on Actual Costs	-\$ 13.0
Responsive Education Program Funding for Census Reduction	\$ 3.2
One Time Ability to Use Carry Forwards Due to Changes in Enveloping	\$ 2.0
Other Changes	\$ 4.0
	<u>-\$ 8.8</u>





## Updated Financial Position


The updated financial position is a deficit of \$35.3 million:

Projected Financial Position as at April 2, 2024	-\$26.5
Changes to Financial Position	-\$ 8.8
Updated Projected Financial Position	-\$35.3



# Options to Balance





## Use of Proceeds of Disposition

- Proceeds of Disposition (POD) are received when the Board sells a property
- The Regulation states that POD should be used to address deferred maintenance needs in schools
- Boards can request exceptions to use POD in other areas
- POD are not a sustainable way of balancing the budget
- Included in the current 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 the budget
- As a result, staff would support a one-time request of up to \$22 million to assist in balancing the 2024-25 budget
- It is anticipated that the Ministry may have additional requirements in approving this request.



## Required Options to Balance

Projected 2024-25 Deficit	- \$35.3
Request Use of Proceeds of Disposition	<u>\$ 22.0</u>
Options Required	<u>- \$13.3</u>




## Previously Identified Options to Balance

Continuing Education	\$2.0
Outdoor Education	\$1.0
International Baccalaureate Fees	\$0.8
Permit Fees	<u>\$2.6</u>
	<u>\$6.4</u>

\* The detail related to these reductions are included in the March 19, 2024 Special FBEC report.





## Previously Identified Options to Balance

Required Reductions to Balance Using POD	-\$ 13.3
Previously Identified Options	<u>\$ 6.4</u>
Further Reductions Required	<u>-\$ 6.9</u>

## Other Areas Where the Board is Spending More Than Funded

- This chart was provided to the Board on March 19/24
- It represents major areas where TDSB spends more than funded, or there is no funding provided.
- 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.

DEPARTMENT/AREA	Millions
Cafeterias	(\$0.9)
Continuing Education	(\$6.9)
Early Years Programming - EDP and EarlyON	(\$0.6)
Elementary Supervision (Lunchroom)	(\$12.9)
Outdoor Education	(\$3.2)
Safe & Caring	(\$9.2)
School Based Safety Monitors	(\$15.1)
School Office Administration	(\$7.0)
Special Education	(\$40.6)
Itinerant Music Instructors	(\$4.4)
Statutory Benefits	(\$48.0)
Supply costs (Teachers, Educational Assistants & Designated Early Childhood Educators)	(\$11.9)
Student Nutrition	(\$1.2)
Pools	(\$6.1)
Transportation	(\$0.8)
School Operations	(\$22.9)
Information Technology	(\$47.5)
<b>Total</b>	<b>(\$239.1)</b>



## IT “Overspending”

- The funding for IT comes from many areas of the Core Ed funding but are not specifically attributed to technology so have not been included as a funding source in the Financial Facts
  - Examples include “Professional and Paraprofessional” funding
- Therefore, the \$47.5 million is not an accurate representation of the overspending in IT
- Staff review IT budget on an annual basis and have made reductions as possible. For example, a reduction of \$1 million was made in the current budget proposal



## IT Budget

- Staffing in IT support all aspects of the Board including providing SAP (ERP), School Information System (SIS), Human Capital Management (HCM), Payroll, IT Service Management, IT Operations Administration, Wide Area Network, Local Area Network/Wi-Fi infrastructure, and Storage Area Network support to schools, maintaining the security of data and devices, maintaining all of our infrastructure and systems, records management, to name a few
- It includes the 1:1 Student devices, Landline and Cell phones, Multi Functional Devices (Photocopiers and all other technology)
- As every organisation becomes more reliant on technology, the costs to service, support, onboard new technologies and develop new solutions and applications continue to increase. At the same time, the staffing costs in TDSB IT department has remained the same.
- Increased costs related to the protection/servicing of computing assets, student and financial data, given the surge of cyber threats in the education and public sectors
- Support Call Volume data from June, 2023 to May, 2024 - 124,000 support tickets and 72,000 additional Service Requests





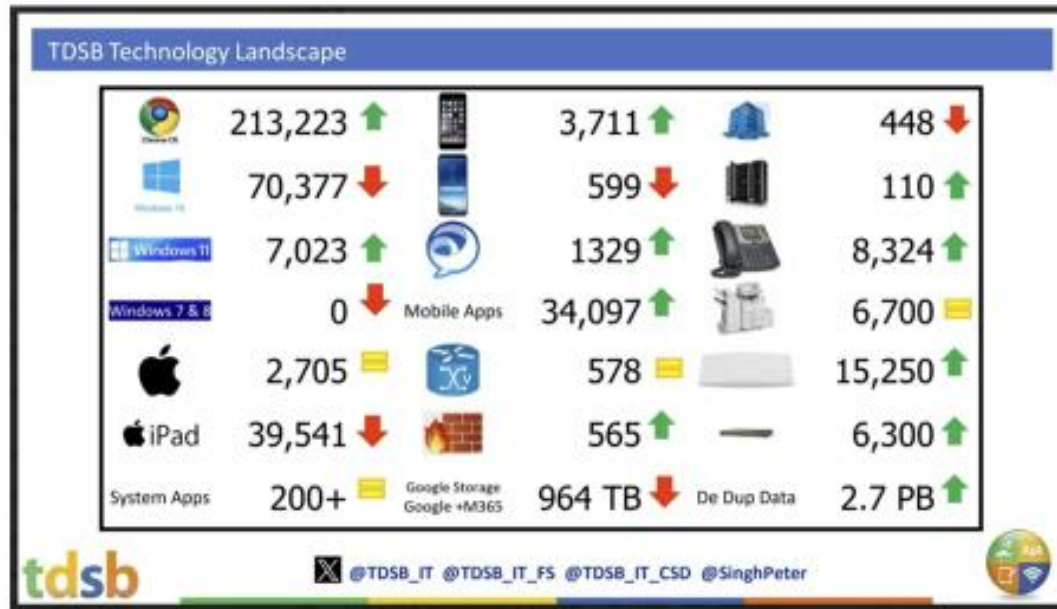
## Education Spending Comparison

- The Council of Greater City Schools annually publishes their comparison of various KPI among the 78 of the largest school boards in the US.
- Comparing TDSB to following KPIs reported (2021-22).

Category	TDSB Cdn \$	Council of Greater City Schools US\$
Spending per student	\$298.26	\$438.00
IT Spending Percent of School Board Budget	1.96%	2.65%




# Current Technology Supported by IT



## Possible Additional Options to Balance

Staff has reviewed the list of areas where the Board is overspending and believe that these have the potential of being implemented for September 2024. There is a recognition that there would be significant challenges in some instances and a program review would be preferential e.g. pools.

Fees for Repairs to 1:1 Devices	\$ 0.5
1:1 Device Fees	\$ 2.0
Full Implementation of Permit Fees	\$ 3.0
Pause in Providing Grade 5 Students with 1:1	\$ 2.5
Operating Costs of 37 TDSB-Run Pools	\$ 6.1
Aquatic Instructors for TDSB-Run Pools	\$ 3.0



## Next Steps

- Staff will consider feedback from trustees and bring forward a balanced budget for approval to FBEC on June 13, 2024
- The budget is due to the Ministry on June 28, 2024
- There are a number of potential options to balance that require a review in order to provide options for 2025-26.



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