Appendix A

Questions and Answers from the 1 June 2021 Special Finance, Budget and Enrolment Committee

Questions regarding 2021-22 Operating Budget Report

Q1. Is the Ford Government still clawing back administrative cost funding relating to International Students? How much is that projected reduction for next year? Were they clawed back last year?

A1. In 2019-20, the Ministry introduced the International Student Recovery Amount (ISRA) as a reduction (claw back) to TDSB's GSN operating grant. The ISRA is based on the ADE of international visa students, calculated at $1,300 per student. The ISRA reduction (claw back) remained in place for fiscal 2020-21 and 2021-22 at approximately $1.74M per year.

Q2. Can you provide a breakdown of the reserve balance from the last several years? Please provide a schedule of the reserves' initial budget position, and actual reserves used.

A2. A summary of 2018 to 2022 Board reserves is provided below:

Reserves ($ millions)		Accumulated reserves balance at Sep. 1, 2018	Use of reserves 18-19	Use of reserves 19-20	Accumulated reserves balance at Aug. 31, 2020	Benefit Surplus pending on distribution	POD transfer approved by Ministry 20-21	Projected use of reserves 20-21	Projected use of reserves 21-22	Estimated reserves balance at Aug. 31, 2022
Working Funds Reserve	R1	$40.8	(11.5)	(12.5)	16.8	10.0	10.3	(21.5)	(15.6)	$ -
Benefit Funds Reserve	R2	$100.8	4.8	0.6	106.2	(10.0)			(21.9)	$74.3
School Support	R3	$19.5	2.0	13.4	34.9					$34.9
Environmental Legacy Fund	R4	$3.0	(0.1)	(0.2)	2.7					$2.7

Reserves ($ millions)		Accumulated reserves balance at Sep. 1, 2018	Use of reserves 18-19	Use of reserves 19-20	Accumulated reserves balance at Aug. 31, 2020	Benefit Surplus pending on distribution	POD transfer approved by Ministry 20-21	Projected use of reserves 20-21	Projected use of reserves 21-22	Estimated reserves balance at Aug. 31, 2022
Artificial Turf Fund	R5	$0.9	(0.1)	(0.3)	0.4					$0.4
Sinking Fund Interest (Restricted)*	R6	$18.6	(1.4)	(1.4)	15.7			(1.4)	(1.4)	$12.9
Total working funds and internally restricted		**$183.5**	**(6.4)**	**(0.4)**	**176.7**	**0.0**	**10.3**	**(22.9)**	**(38.9)**	**$125.2**

*Sinking fund interest was restricted to cover the timing difference of the unsupported capital amortization

Q3. There are a number of Continuing Education budgets outlined – These are either Government funded or fee-for-service programs. Between 2019-2021 these programs are accumulating a $1M per year deficit. Please explain the reason for the deficits. (Reference: Page 163 to 167 of the June 1 Detailed Budget Binder report).

A3. In 2019-20 and 2020-21, Continuing Education was impacted by the government's COVID-19 restrictions which led to school closures and program cancellations. Expenses incurred were lower than budgeted levels, specifically in areas of Continuing Education – Credit (Night and Summer School) and Continuing Education – Non-Credit Adult ESL.

With the expectation of a gradual economic recovery and with majority of Ontarians anticipated fully vaccinated by the end of summer, the 2021-22 Continuing Education budget was set at pre-COVID-19 levels and is comparable to the 2018-2019 actuals. Also, although there is funding from the Ministry and fees charged for certain programs, the Continuing Education program typically operates in a net deficit position.

Q4. The Continuing Education - Literacy staffing budget amount increased by 20%. What does this increase relate to? Did we hire more staff? (Reference: Page 167 of the June 1 Detailed Budget Binder report)

A4. The budgeted FTEs in 2021-22 are comparable to 2019-20 budgeted levels, however, COVID-19 restrictions have led to school closures and program cancellations. Therefore, actual FTEs were lower than budgeted levels in 2019-20. The 2021-22 budget is set at pre-COVID-19 levels.

Q5. Under Continuing Education Non-Credit – Adult ESL, how did the deficit go from $310K to $924K? (Reference: Page 178-179 of the June 1 Detailed Budget Binder report)

A5. See response above regarding COVID-19 impacts to Continuing Education. In addition, although Ministry funding is received for the Con Ed – Non-Credit Adult ESL program, this program typically operates in a net deficit position with expenses exceeding funding levels. In 2018-19, this program had a net deficit of $1.4M, while the deficit in 2019-20 was lower at $311K with less expenses incurred due to COVID-19 pandemic impacts. The current 2020-21 Q2 surplus position of $137K is due to the timing of when the funding is received, compared to when expenses are incurred.

Q6. Under Benefit and Pension Services department, we went from a $2.7M budget in 2019-20 actuals to a $4.2M 2021-22 budget. What is the reason for this increase? (Reference: Page 210-211 of Detailed Budget Binder report)

A6. Actual compensation expenses incurred in 2019-20 were lower than budgeted levels as there were vacancies in the process of being filled. Fees & Contractual expenses are budgeted to be higher due to anticipated costs related to the pay equity project.

Q7. We went from a $15.6M actual spending in Construction Trades in 2021-20 to $0 in the 2021-22 budget. What is the reason for this change? (Reference: Page 234-235 of Detailed Budget Binder report)

A7. Construction Trades is budgeted to be net zero as expenditures are expected to be fully charged out to capital projects in 2021-22. 2019-20 was a unique year impacted by the COVID-19 pandemic where costs were unable to be fully charged out to projects due to school closures (e.g. non-productive time). Due to shut down in the beginning of the pandemic, we were not able to charge the costs to the capital budget in 2019-20 but were not able to lay off staff to reduce these costs.

Q8. Under Facilities services - Strategy and Planning department, why did the budget increase to $4.5M compared to only $3.4M in 2019-20. Were there excessive cuts in 2019-20? (Reference: Page 242 to 243 of the Detailed Budget Binder report)

A8. This department is currently undergoing restructuring and has not filled some vacancies, therefore 2019-20 expenses incurred is lower than budgeted levels.

Q9. Under SAP Operation, why did the budget increase by $1.5M compared to actuals in 2019-20? (Reference: Page 264-265 of the Detailed Budget Binder report)

A9. The number of budgeted FTEs in 2021-22 is comparable to 2020-21 and 2019-20 levels, however, as there are currently still some vacancies in the department, actual expenses incurred in 2019-20 were lower than budgeted amounts. There is also an increase in Fees & Contractual Service expenses related to the timing of a HR project which commenced part way through 2019-20 reflecting only a portion of the subscription and maintenance costs. The 2021-22 budgeted expenses reflect the full year's cost of the subscription and maintenance costs.

Q10. Under Central Processing – General, the staffing went from 107.7 to 83 FTEs but compensation expenses went from $21.2M to $26.6M. What is the reason for these discrepancies? (Reference: Page 292-293 of Detailed Budget Binder report)

A10. Central Processing – General contains costs that are centrally budgeted and not allocated to individual departments. Compensation expenses encompass centrally budgeted items such as future employee benefits, secondments, gapping and temp costs and other items. The increase is mainly driven by higher future employee benefits based on actuarial valuation.

Q11. Under the section on First Nations, Métis and Inuit Studies, this funding is intended to support the call to action. However, there are no costs or budgets. Has funding for this expired or rolled in somewhere else such as the UIEC? (Reference: Page 154 of Detailed Budget Binder report)

A11. The overall Indigenous Education budget has not changed. The First Nations, Métis and Inuit (FNMI) Studies budget for 2021-22 aligns with the Ministry's new enveloping, and the reporting and budget reflects the direct support to the FNMI secondary courses. Other Indigenous Education work is now budgeted under the Urban Indigenous Education Centre budget as shown on page 155 to 157.

Q12. TDSB collects a lot of data and shares the information. What data has the Ministry specifically flagged for Boards to collect? Having the data is essential as we move forward with offering remote learning. We require clarity on data required.

A12. To date, the research department has only been providing the Ministry with student exemption numbers for virtual school students in elementary and secondary panels on a monthly basis.

Q13. Can staff provide details around the re-engagement plan and how resources will be allocated to areas that are hardest hit by the pandemic. There was a motion that the Board approved the 3-year engagement plan, and if there is money attached, can staff explain the re-engagement framework, cost it and explain the financial implications.

A13. Staff are working on a report around student re-engagement for the Planning & Priorities Committee meeting on June 23. The financial impact and staffing requirements will be communicated to Trustees once the re-engagement framework is finalized.