

Halton District School Board

Report Number: 22016

Date: January 26, 2022

FOR INFORMATION

TO: The Chair and Members of the Halton District School Board

FROM: R. Negoi, Superintendent of Business Services and Treasurer
C. Ennis, Director of Education

RE: **2022/2023 Budget Development**

Background

This report is intended to present the 2022/2023 Budget Development Schedule and the Board's Budget Objectives.

Reporting

The fiscal year for all School Boards in Ontario is in alignment with the school year and runs from September 1 to August 31. According to Ministry of Education reporting and accountability requirements, a School Board's budget must be submitted to the Ministry by the end of June preceding the start of the fiscal year in question. Consequently, the 2022/2023 budget must be submitted prior to the end of June 2022.

Provincial Perspective

The education sector has overcome many challenges during the past two years, creating multiple learning models and being ready to pivot to virtual learning at a moment's notice. During the 2021/2022 school year, the Provincial and Federal governments have provided significant investments to school boards across Ontario in an effort to support safe and healthy learning environments. These investments focused on additional staffing to support both in-person learning and virtual school models, resources to support mental health and well being of students, enhanced cleaning and ventilation in schools, provide additional technology to students and staff, and provincially procured personal protective equipment (PPE). Building on the prior year's approach, the ongoing collaboration of the education sector, Trustee Associations and the Ministry of Education, in consultation with public health, has informed the areas of needs and how to best direct the investments into the sector to address the increasing cost pressures of school boards.

Enrolment growth has shifted provincially, with families moving from urban centers to rural areas. The Greater Toronto Area boards, including Halton District School Board (HDSB), have experienced declining enrolment or reduced growth trends. Other factors contributing to reduced growth include an increase in homeschooling, lower kindergarten registrations, decrease in international students and lower levels of immigration.

Planning for 2022/2023 presents many unknowns. The Province is planning an election this summer, which will influence many decisions in the coming months. The Ministry of Education has signaled a commitment to release the Grants for Student Needs (GSN) and other one-time investments on time, or earlier than in prior years. To date, there has been no indication of any significant changes to the GSN; however there has also not been a commitment as to whether next year will be an all in-person learning year, or whether virtual schools will be established once again. The province has provided significant one-time investments to school boards to assist with COVID cost pressures, mental health concerns and to provide learning supports to students. None of these investments are confirmed to continue.

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To compound the challenges of planning for next year, labour agreements are set to expire and central labour negotiations will unfold. Tied to collective agreements are timed investments called Supports for Students Fund (SSF) which provided funding for many staffing positions across all employee groups. At this point in time, there is no indication whether these positions will be continued to be supported in the next round of bargaining. As a result, the base budgets will be excluding all timed positions, leaving a large gap within the workforce across the system.

On October 22, 2021, the Ministry released the 2022/2023 Education Funding Guide (attached as [appendix A](#)), soliciting input into the budgeting process. This year's guide focuses on mental health supports, reducing administrative burden and red tape, the learning opportunities grant, urban and priority schools and the new teacher induction program. The Superintendent of Business Services participated in the development of the Council of Senior Business Officials (COSBO) education funding submission, which considered input from all school boards. Trustee representatives on the Ontario Public School Boards Association (OPSBA) also provided input into the association's submission to the Ministry of Education. Further, the Director of Education collaborated on education funding through the Regional Education Council.

Revenue – Grants for Student Needs (GSN)

The Ministry of Education allocates funding to school boards using a model referred to as Grants for Student Needs (GSN) that is based on enrolment and the needs of students in each board. In 2021/2022, the HDSB projected to receive 91.0% (approximately \$749.5 million) of total operating revenue from GSN funding. Specific funding allocation details are normally provided to Boards following the provincial budget. In the past few years, this information has been made available in late March or early April. The timing of these funding announcements present challenges for boards in the province given that certain major decisions such as staffing need to be made in advance of final budget discussions.

The information from the Education Funding consultation may influence the direction of the GSN, however it is expected that overall, the grants will remain consistent to the current year, with potentially a greater focus on mental health supports and enveloping of the learning opportunities grant. There is also a provincial working group reviewing the transportation allocation and transportation parameters. As this work is still unfolding, it is unclear whether any recommendations from this group would be reflected in next year's funding formula. The impact of the pandemic on immigration levels and migration into the Halton region continue to have a negative impact on the language grant allocation, while enrolment is expected to decline at the elementary panel, and increase modestly at the secondary panel. Outside of the GSN, rental revenues and community use of schools are anticipated to continue to be impacted, as well the low interest rates will continue to impact interest revenue.

Board Perspective

Objectives of Budget Development Process

The key objective of the Budget Development Process is to align the allocation of resources with the annual Operational Plan of the Board, the 2020-2024 Multi-Year Plan, and the Special Education Plan; identify school-based staffing requirements; identify budget challenges and opportunities; and gather input from the various stakeholder groups. The budget development process also considers the corporate risk profile in determining the allocation of resources. Updates to the corporate risk profile are aligned with the development of the annual Operational Plan and its progress review. These inform any

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changes in direction or initiatives required to support the five key strategic commitments, which are then reflected in the original budget and updated in the revised estimates.

The 2022/2023 budget timelines are attached to this report. A survey will be developed in February, seeking input into the upcoming budget process. Results will be presented to the Board of Trustees during April. A budget presentation will be scheduled during April 2022 at the Committee of the Whole meeting, with a draft budget proposed for May 2022. The final budget will be presented to the Board for final approval in June 2022.

Multi-Year Plan 2020-2024 and Operational Plan

The budget development process aligns the allocation of resources to the Board's strategic priorities and operating goals identified in the annual operating plan. The 2020-2024 [Multi Year Plan](#) list the Board's key strategic commitments:

- **Equity & Inclusion** -- champion supportive and inclusive practices to ensure equitable access to positive opportunities and outcomes for all
- **Mental Health & Well-Being** -- strengthen safe and caring environments that promote well-being
- **Learning & Achievement** -- create learning conditions to elevate student achievement
- **Environmental Leadership** -- take action for a sustainable world
- **Indigenous Perspectives & Awareness** -- promote knowledge and understanding of Indigenous perspectives and realities

The 2022/2023 Operational Plan and Special Education Plan will be developed and approved in June 2022, and will build on the current year plans. The budget development process will align the allocation of resources in order to support these plans.

Enrolment

The Halton District School Board is projecting a decrease in enrolment in the elementary panel of (542) students, and a modest increase of 315 students in the secondary panel, for a total overall decrease of (227) Average Daily Enrolment (ADE) or 0.3% reduction, as compared to 2021/2022 Revised Budget Estimates.

Rationale:

The Halton District School Board has always been financially responsible with a clear focus on providing the system with the resources and supports necessary to champion inclusive and equitable practices, strengthen safe environments, create learning conditions for all, promote knowledge and understanding of Indigenous perspectives and take action for a sustainable world. Staff will update the budget assumptions as information becomes available, and report updates to the Board at future meetings.

Respectfully submitted,

R. Negoi, Superintendent of Business and Treasurer

C. Ennis, Director of Education

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Timelines for 2022/2023 Budget Development

November/December 2021

Education Funding Consultations

- Provide feedback to senior administration and include in the next Board report
- Collaborate with COSBO on GSN Consultation submission
- Provide feedback on Education Funding at the Regional Education Council

January / February 2022

Administrative Council budget planning meetings

Senior Staff budget meetings

- Individual meetings with budget owners
- Identifying gaps and priorities
- Review corporate risk profile and align to resource allocation

Budget Development Report

- Budget objectives, schedule, funding, consultation, review of budget assumptions

Budget Survey

- Deploy online budget survey
- Staff budget meetings
- Trustee input

March/April 2022

Administrative Council meetings to form recommendations

Trustee Budget Meeting(s)

- Discussion re: Alignment of Financial Resources
 - Multi-Year Plan
 - Annual Operational Plan
 - Special Education Plan
 - Corporate Risk Profile
- Review of Budget Parameters
 - Preliminary Enrolment
 - Revenue Assumptions
 - Expenditure Assumptions
 - Review ratified agreements implications
 - Review details of 2022/2023 GSN
 - Overview of Grant Revenue Calculation (based on GSN release)
 - Review Expenditures to ensure alignment with GSN
 - Discuss restraint measures if required
- Review of Accountability and Reporting Requirements
- Review Trustee Input
- Review Stakeholder Input
- Presentation/review with Board of Trustees and SEAC

May/June 2022

Trustee Budget Meeting(s)

- Review of draft budget
- Review Administrative Council recommendations
- Update on Trustee Input
- Update on Stakeholder Input
- Update on Communication Plan
- Continue to discuss restraint measures if required

Board Meeting

- Budget finalized

Budget filed with Ministry and posted on the website