

# Board Report Number: 24091

June 19, 2024  
For Decision

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**To:** The Chair and Members of the Halton District School Board  
**From:** R. Negoj, Superintendent of Business Services and Treasurer  
C. Ennis, Director of Education  
**Re:** **2024/2025 Budget Approval**

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## Recommendation

*Be it resolved that the Board of Trustees approve the 2024/2025 Halton District School Board PSAB Operating Budget in the amount of \$920,379,636 and that the Superintendent of Business Services and Treasurer be authorized to proceed with the expenditure of funds as outlined in [Appendix B](#).*

*Be it resolved that the Board of Trustees approve the 2024/2025 Halton District School Board PSAB Capital Budget in the amount of \$187,731,409 and that the Superintendent of Business Services and Treasurer be authorized to proceed with the expenditure of funds as outlined in [Appendix C](#).*

*Be it resolved that the Board of Trustees approve the 2024/2025 In-Year Deficit Elimination Plan in the amount of \$1,805,000, and that the Superintendent of Business Services and Treasurer be authorized to action the plan, as outlined in [Appendix D](#).*

*Be it resolved that the Halton District School Board authorize staff to tender and award the 2024-2025 Facility Services Projects, Operations and Maintenance, either individually or combined, as outlined in [Appendix E](#).*

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## Background

The Education Act requires all School Boards in Ontario to approve an annual balanced budget within the definitions set by the Ministry of Education regulations. The [2024/2025 Operating and Capital Budget](#) included in this report is a non-compliant budget, containing an in-year deficit of \$1.8 million which requires Ministry approval. It is important to note that this deficit relates to one-time investments, and does not represent a structural deficit.

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 2024/2025 budget will be submitted prior to the end of June 2024.

Beginning in 2010, all school boards were required to convert to a PSAB (Public Sector Accounting Board) basis of accounting. This resulted in a new definition of balanced budget including the requirement to approve a capital budget in addition to an operating budget.

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The PSAB standards follow more closely to private sector finance and expenditure principles including, but not limited to, a statement of amortization, deferred capital contributions and future liabilities (retirement gratuities).

The following appendices provide information regarding the 2024/2025 Budget:

[Appendix A – 2024/2025 Enrolment Statistics](#)

[Appendix B – 2024/2025 Operating Budget: Summary of Revenues and Expenditures](#)

[Appendix C – 2024/2025 Capital Budget: Summary of Revenues and Expenditures](#)

[Appendix D – 2024/2025 In-Year Deficit Elimination Plan](#)

[Appendix E - 2024/2025 Facility Services School Renewal Program](#)

A school board may incur an in-year deficit up to the lower of 1% of the school board's operating revenue or the accumulated surplus from the preceding school year, consistent with the requirements set out in Ontario Regulation 280/19. If a school board anticipates an in-year deficit greater than this, Minister approval will be required. A requirement for Budget approval, introduced in 2019, is for the Board of Trustees to approve an In-Year Deficit Elimination Plan for any in-year deficit, even within the 1% compliance limitations. This In-Year Deficit Elimination Plan should identify the reasons for the deficit and the plan to address it within a two-year period. This plan does not include the funding set aside for committed capital projects approved prior to August 31, 2019.

In addition, the new regulation requires that school boards that filed a deficit budget in 2022/2023 to balance within two years. This is the case for the HDSB and as such, is required to file a balanced budget for 2024/2025, or it requires Ministry approval to submit a deficit budget.

The 2024-2025 Draft Budget report ([Report 24082](#)) was previously presented at the June 5th Board meeting.

## 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 create learning conditions that elevate student achievement, champion supportive and inclusive practices within safe and caring environments and provide opportunities to take action for a sustainable world. The budget presented for the 2024/2025 school year continues this approach, focusing on student learning and well being, while a new Multi-Year Plan is finalized for 2024-2028.

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In 2024/2025, the Halton District School Board welcomes approximately 66,866 students in 91 elementary, 16 secondary schools and 5 continuing education centres. This enrolment projection results in an overall decrease of 0.4% as compared to the 2023/2024 school year. Enrolment decline is projected in all four municipalities for the 2024/2025 school year, as outlined in Appendix A. As we move forward, overall enrolment is projected to decline before increasing into 2027/2028. This will be primarily due to new residential development in Milton and Oakville, and increasing newcomers settling in the Region of Halton.

The Ministry of Education allocates funding to School Boards using a model that is based on enrolment and the local needs of students in each board. For 2024/2025, the HDSB expects to receive 87.0% (approximately \$834.3 million) of total operating revenue from the Ministry of Education (which includes Core Education Funding and Responsive Education Programs). On April 26, 2024, the Ministry of Education released information with respect to education funding for 2024/2025, which underwent a significant restructuring with the intent to simplify the understanding of funding and increase transparency and accountability. The funding will be known as Core Education Funding (CoreEd) and the main funding changes for 2024/2025 are:

- Average provincial per pupil funding increased 1.9% to \$13,852
- Three years of compensation provisions of 1.25% increase to salary benchmarks for teaching groups and \$1 per hour increase to salary benchmarks for non-teaching groups
- 2.0% increase for the non-staffing components of the School Operations Allocation to address increasing commodity prices
- Continued CoreEd allocation to support broadband network operations and security
- The De-streaming Supports Responsive Education Program (REP) funding has been discontinued
- New REPs for Special Education Needs Transition Navigators and Critical Physical Security Infrastructure have been announced
- Continued supports for special education and student mental health that were provided in 2023/2024 as elements within the CoreEd, and
- The Supports for Students Fund (SSF) is continuing until 2026

The 2024/2025 fiscal year poses significant challenges to a system experiencing declining enrolment such as HDSB. The CoreEd funding does not contain a provision to offset the mandatory increases for statutory benefits enhancements, nor the significant cost pressures on contractual services and licensing fees the sector has been experiencing as a result of high inflation. The updated Transportation allocation results in an increase of funding for the HDSB, however funding is still below 2022/23 levels under the old formula.

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The supply (staff) allocation parameters remain unchanged while the costs have been increasing over the past few years, and Special Education and Student Well Being funding continues to be less than program expenses, creating challenges to support students' needs.

The key objective of the Budget Development Process is to align the allocation of resources with the Multi-Year Plan (MYP), Annual Operating Plan and the Special Education Plan, identify school-based staffing requirements, identify budget challenges and opportunities, and gather input from the various stakeholder groups. Updates on the Budget Development Process were presented to the Trustees in January, March and May 2024. In addition, communication and stakeholder input was requested via HDSB website, and summarized in the April 3, 2024 Board report. All budget development documentation has been posted on the HDSB [website](#).

Under the new regulation, the 2024/2025 Budget is a non-compliant budget reflecting a \$1.8 million deficit (or 0.23% of the provincial allocation) to incorporate new or continuing initiatives to support student achievement, equity and inclusion, and strategic initiatives. The HDSB has a long history of financial stewardship and accountability and has, over the years, accumulated a strong reserve balance. Over the past 4 years however, the accumulated reserve balance has been reduced in order to keep up with costs and services that support students and school communities. While the current accumulated reserve balance is \$63.3 million, most of it is encumbered for capital projects and sinking fund adjustments, with only \$24.3 million available to support operating expenses. Further, the proposed 2024/2025 budget is requesting the use of \$1.8 million from accumulated reserves, which will reduce the operating portion to \$22.5 million, representing less than 3% of HDSB's provincial allocation.

The 2024/2025 draft budget contains fiscal measures to balance the budget and eliminate the structural deficit, as outlined in the [draft budget presentation](#), which include the reduction of 94.33 FTEs across the system and over \$10 million in savings and efficiencies. In addition a number of cost containment measures have been implemented, including program viability and location reviews, transportation efficiencies, and cost containment for school operations and maintenance. The budget also does not afford increased operating budgets for learning materials, school supplies and technology renewal, which will be a challenge due to the increasing costs associated with these goods and services.



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## **Conclusion:**

The 2024/2025 Operating and Capital Budget of the Halton District School Board is a non-compliant budget, which eliminates the structural deficit, while requesting Ministry approval for one-time investments, for a total of \$1.8 million. The budget continues to support the strategic priorities in the Multi-Year Plan (currently under development), as well as the actions identified in the 2024/2025 Annual Operating Plan, 2024/2025 Special Education Plan and 2024/2025 Annual Capital Plan.

## **Respectfully submitted,**

Roxana Negoi  
*Superintendent of Business and Treasurer*

Curtis Ennis  
*Director of Education*