



Halton
District
School
Board

2024/2025

Budget Planning

Wednesday, January 17, 2024

Learn • Grow • Inspire



TOGETHER

Presentation Overview

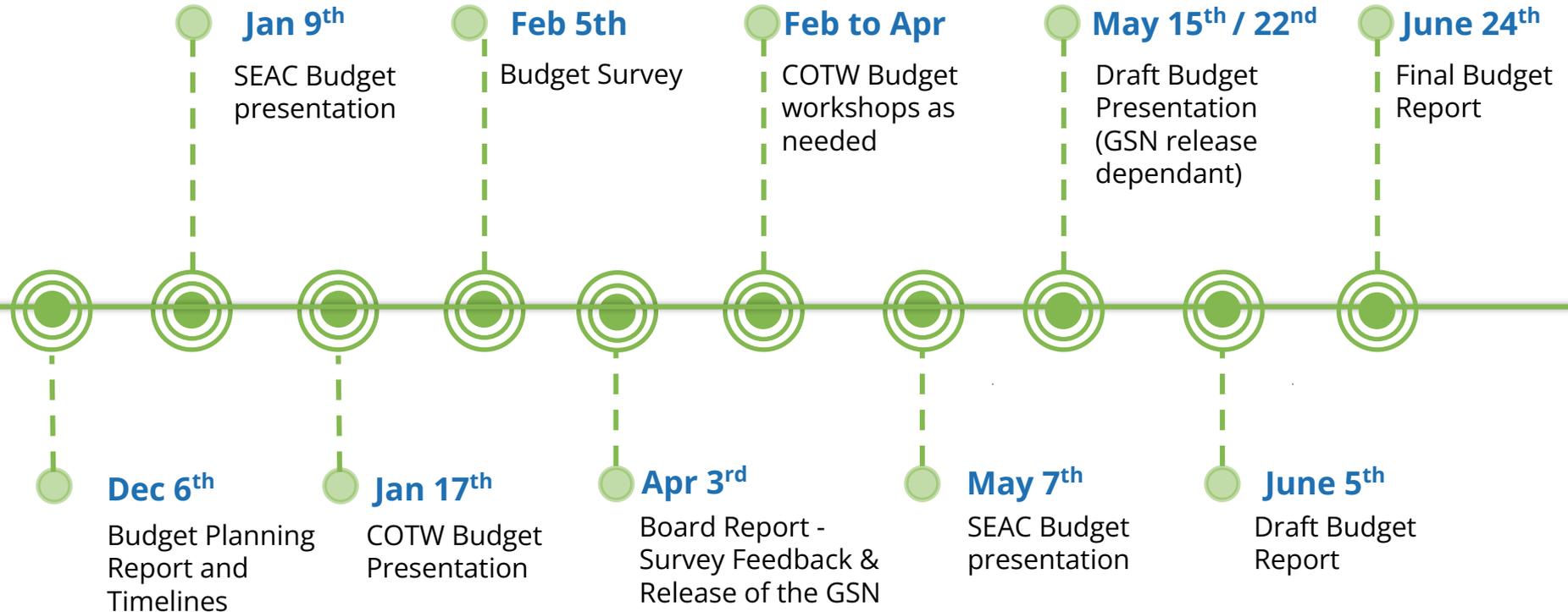
- 01 | Budget Development Process
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- 05 | Planning for 2024/2025
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2024/2025 Budget Development Objectives



- Supporting the 2024-2028 Multi-Year Plan (**strategic priorities currently under development**)
- Alignment of resources to 2024/2025 Annual Operational Plan
- Alignment of resources to 2024/2025 Annual Capital Plan
- Alignment of resources to 2024/2025 Special Education Plan
- Alignment of resources to address the Corporate Risk Profile
- Accountability over financial resources
- Regulatory compliance, enveloping of funds and employment terms and conditions

Budget Development Process – Key Dates



Budget Development Process - Feedback



- ➔ Information on the 2024/2025 Budget Development will be available on the [HDSB website](#) under Our Board/Budget and Financial Information
- ➔ Trustees will participate in a budget planning sessions from **January to May**
- ➔ Stakeholder feedback will be solicited in various ways:
 - Budget survey February 5 to 26
 - SEAC budget sessions
 - PIC budget sessions
 - Staff budget sessions
- ➔ Trustee and stakeholder feedback will inform prioritization of resources for the 2024/2025 draft budget

A Provincial Perspective

Education is the 2nd largest component of the Provincial budget (2023/2024 GSN was **\$27.1 billion** provincially) with additional funding announcements in year

\$516.2 million to support student learning needs provided in the form of Priorities and Partnership Funding (PPF) and **\$219.6 million** for the continuation of Supports for Students Fund (SSF)

Education Funding consultation focused on reducing administrative burden, enhancing transparency and modernizing the Special Incidence Portion (SIP) within the Spec. Ed. Grant



Provincial Fall Economic Outlook focused on **austerity measures** and balancing the provincial books by 2025/2026. That represents a **\$5.6 billion** budget reduction while absorbing inflation and labour negotiations increases)

Central labour negotiations to wrap up in March, leading to increased costs to the province. Bill 124 settlements currently in arbitration, also representing a provincial budget pressure.

Ministry of Education mandate is to improve student achievement, focus on skill trades and student well being; however uncertainty remains around funding these priorities while balancing provincial the budget

A Provincial Perspective

Inflation and market cost pressures on contracted goods and services far exceed GSN increase over the last few years

GSN has not kept up with supply costs increases (sick leave provisions are negotiated centrally)

Federally mandated enhancements to CPP/EI contributions are not reflected in the GSN



Special Education funding model has not kept up with increase in students with exceptionalities

The new Transportation funding allocation resulted in a reduction in funding to most school boards

Uncertainty around Student Support Funds (SSF), tied to collective agreements (confirmed for some groups, not all)

A Board Perspective

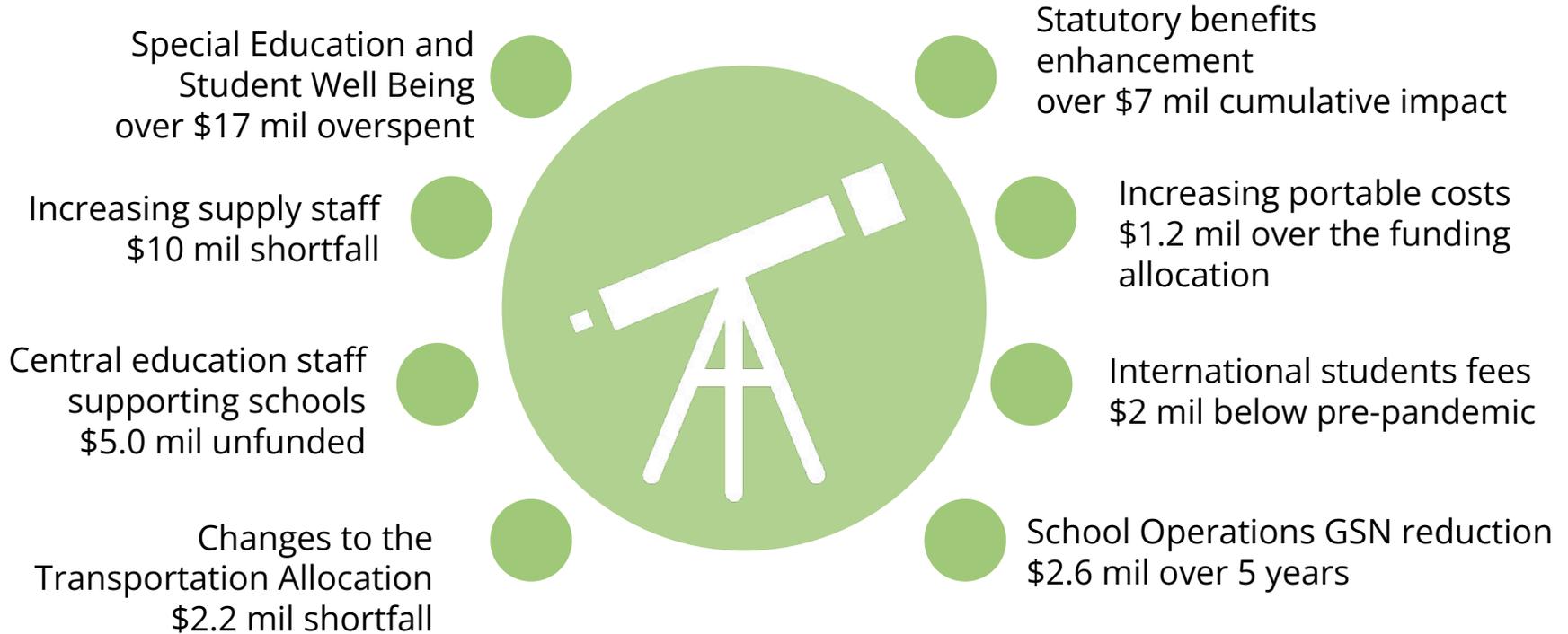
- 2024/2025 GSN not expected to change significantly from 2023/2024
- Enrolment is expected to decline in both the elementary and secondary panels, and in fee paying students
- Interest rates expected to decline, reducing Interest Revenue
- Continued impact of high inflation, increasing operating costs
- Secondary panel enrolment pressures in North Oakville – planning for Oakville NE #1 secondary school
- Opening of Milton SW #12 public school, Oakville #3 under construction and planning/design of Milton SE #13 and Oakville NE #5
- Regulatory requirement to BALANCE the budget, resulting in the need to reduce the budget by \$7.7 million



A Board Perspective - Funding Pressures

- ❖ GSN tables based mostly on 2006 census and 2011 National Household Survey
- ❖ 2014/2015 Special Education grant reallocation resulted in \$20 million lost revenue with no adjustment to service model and resources
- ❖ Federally mandated enhancement to CPP/EI contributions cost HDSB over \$7 million a year with no change to benefit funding benchmarks
- ❖ New transportation funding model results in funding loss to HDSB (\$2.2 million less)
- ❖ Over the last 4 years, the CPI increase was over 16%
 - Contractual costs increased by 10-30%
 - GSN increase in non staffing component was 2% for transportation and 11.5% for school operations
- ❖ Province's "cash management strategy" results in a delayed grant payment, which is \$28 million for HDSB for 2023/2024, resulting in an opportunity loss of over \$1.5 million in interest revenue
- ❖ Province is focused on fiscal responsibility, and containing or reducing costs (not expecting GSN increases in 2024/2025)

A Board Perspective - Budget Pressures



2023/2024 Budget Areas Supporting Funding Pressures

Budget areas that are supporting funding / program pressures:

- School Operations (Facilities)
- Board Administration
- Library and Guidance
- Language Allocations (French and English as a second language)
- Allocation for Early Childhood Educators
- Non-GSN Revenues (i.e. tuition fees, rental income, interest income)
- Board Accumulated Surplus (Reserves)



A Board Perspective - HDSB Trends since 2017/2018

- Total Revenue increased 15.46%
- Total Expenditures increased by 15.54%
- Deficit for compliance grew from \$5.6M to \$7.2M (at Budget) and \$7.7M at Revised Budget
- Factors contributing to the deficit have been impacting since before 2017
- Decreasing Accumulated Surplus, with close to 30% spent in last 3 years
- Board enrolment increased by 5.68%
 - *Elementary - 1.75% (flattening projection)*
 - *Secondary - 15.2% (increasing trend; decline projected)*

A Board Perspective - HDSB Trends since 2017/2018

Cumulative revenue vs spending since 2017:

- ❖ Overspent:
 - Instruction - \$73.3M (classroom and central teachers, professionals/paraprofessionals, EAs, supply costs)
 - Student Transportation - \$6.9M
 - Other areas - \$1.8M (mainly due to Board contingency)

- ❖ Underspent:
 - Board Admin - \$19.3M
 - Pupil Accommodation - \$54M (school and grounds maintenance, cleaning and repair)

A Board Perspective - Comparison to Similar Boards

Comparator boards' data reviewed for 2017/2018 to 2023/2024:

School Board	2023/2024 Enrolment	Per Pupil Funding	Funding Ranking
Halton	67,667.32	\$ 11,853	71
Durham	77,907.95	11,884	70
Halton Catholic	35,667.07	11,680	72
Hamilton-Wentworth	51,555.00	12,534	57
Ottawa-Carleton	78,026.50	12,723	49
Thames Valley	84,421.52	12,422	63
Waterloo Region	65,329.74	11,967	68
Average funding		12,152	
<p><i>Note: HDSB per pupil funding is \$299 below comparator boards, at 67,667 ADE, that is amounts to \$20.2M (provincial average is \$13,125, \$1,272 higher than HDSB)</i></p>			

A Board Perspective - Comparison to Similar Boards

2017/2018

- Halton & Durham in deficit
- 2nd highest overspent in Instruction (range \$18.6M over to \$13.5M under)
- Highest overspent in Spec Ed (range \$2.1M over to \$19.9M over)

2023/2024

- All but 2 boards in deficit
- Highest overspent in Instruction (range \$13.7M over to \$10.1M under)
- Highest overspent in Spec Ed (range \$2.7M over to \$17.5M over)

A Board Perspective - Comparison to Similar Boards

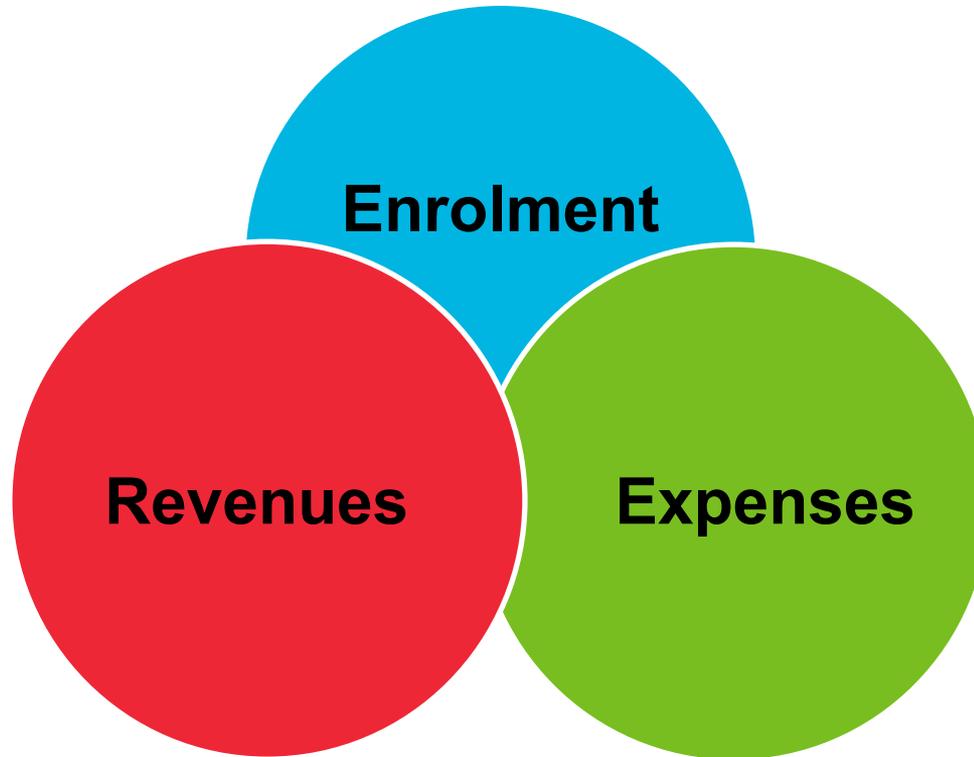
2017/2018

- Admin - highest underspent - \$4.0M (\$1M over to \$4.0M under)
- Transportation - Breakeven (\$0.75M over to \$0.4M under)
- Pupil Accommodations - 3rd highest underspent - \$6.7M (\$1.6M under to \$10.6M under)

2023/2024

- Admin - 2nd highest underspent - \$3.2M (\$0.5M over to \$3.7M under)
- Transportation - 3rd highest overspent (\$0M to \$2.9M over)
- Pupil Accommodations - 3rd highest underspent - \$6.6M (\$1.5M under to \$9.9M under)

Review of Key Budget Components



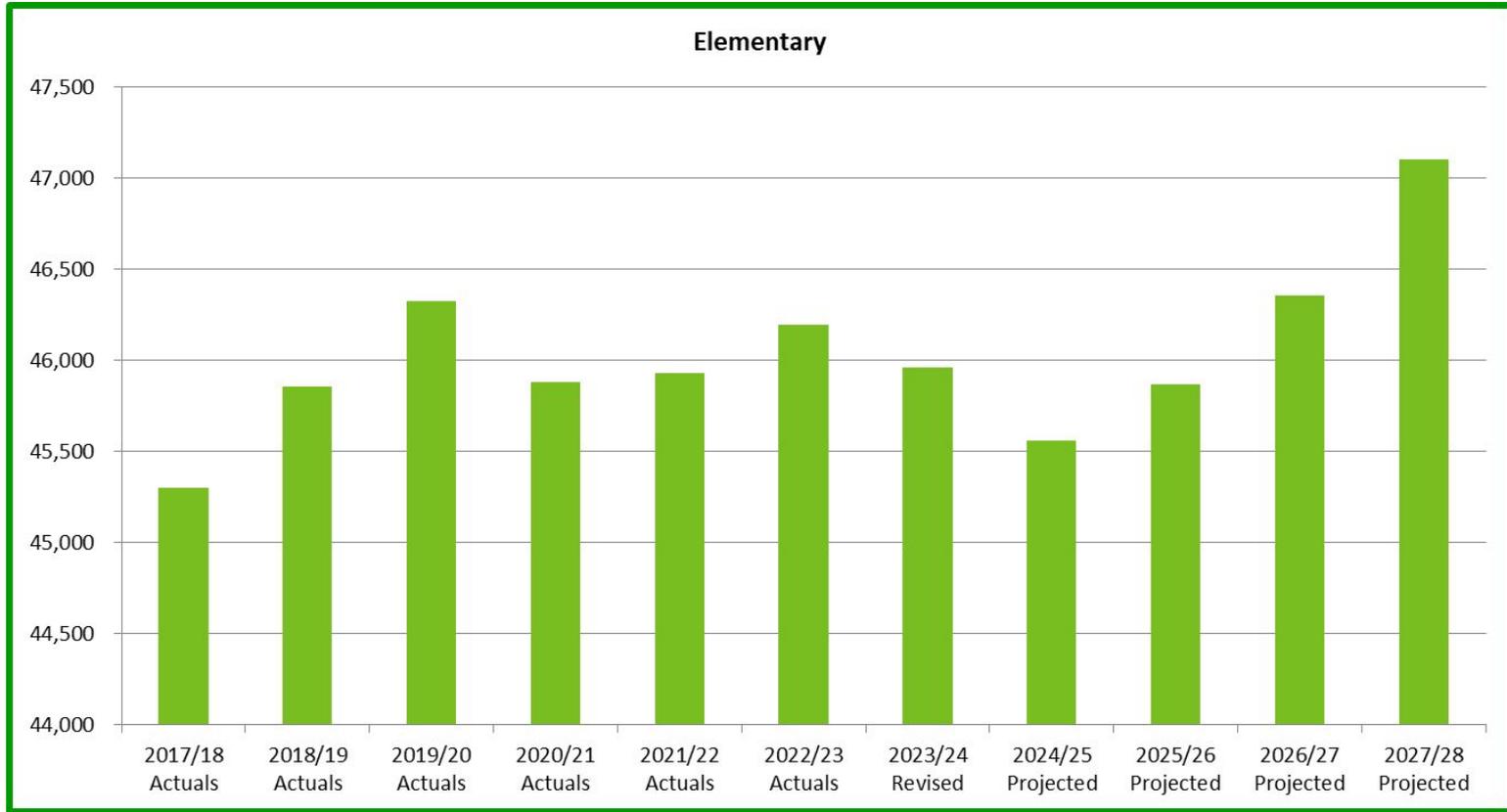
Enrolment History



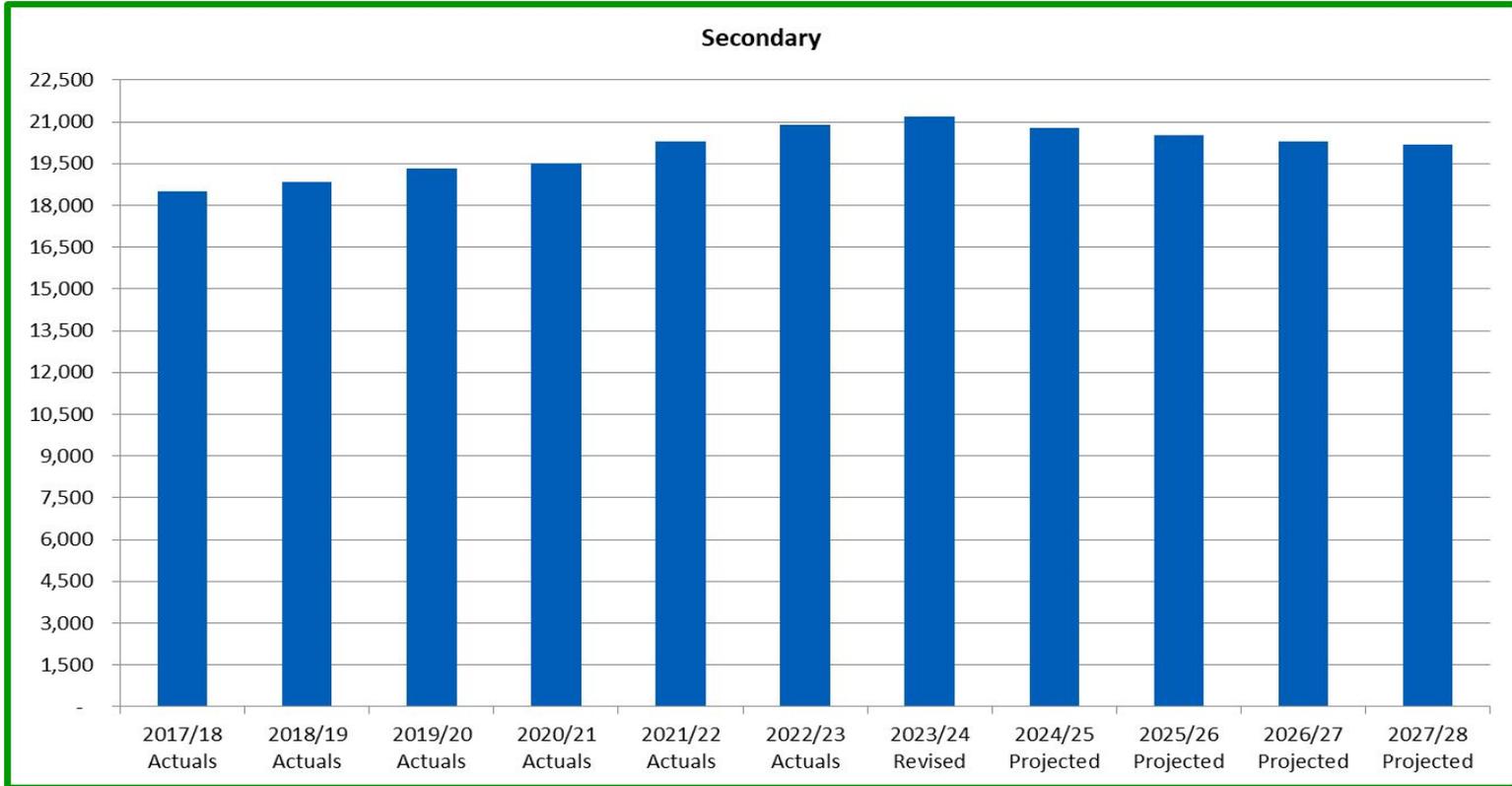
Enrolment

	2024/25 Projection***	2023/24 Revised Estimates*	Enrolment Increase (Decrease)	% Increase (Decrease)
Elementary	45,610.50	45,963.00	(352.50)	-0.77%
Secondary	21,014.30	21,174.11	(159.81)	-0.75%
	<u>66,624.80</u>	<u>67,137.11</u>	<u>(512.31)</u>	<u>-0.76%</u>
	2024/25 Projection***	2023/24 Original Budget**	Enrolment Increase (Decrease)	% Increase (Decrease)
Elementary	45,610.50	46,090.00	(479.50)	-1.04%
Secondary	21,014.30	21,577.32	(563.02)	-2.61%
	<u>66,624.80</u>	<u>67,667.32</u>	<u>(1,042.52)</u>	<u>-1.54%</u>
* Enrolment based on Actual October 31/23 and Projected March 31/24				
** Enrolment based on Projected October 31/23 and Projected March 31/24				
*** Enrolment based on Projected October 31/24 and Projected March 31/25				

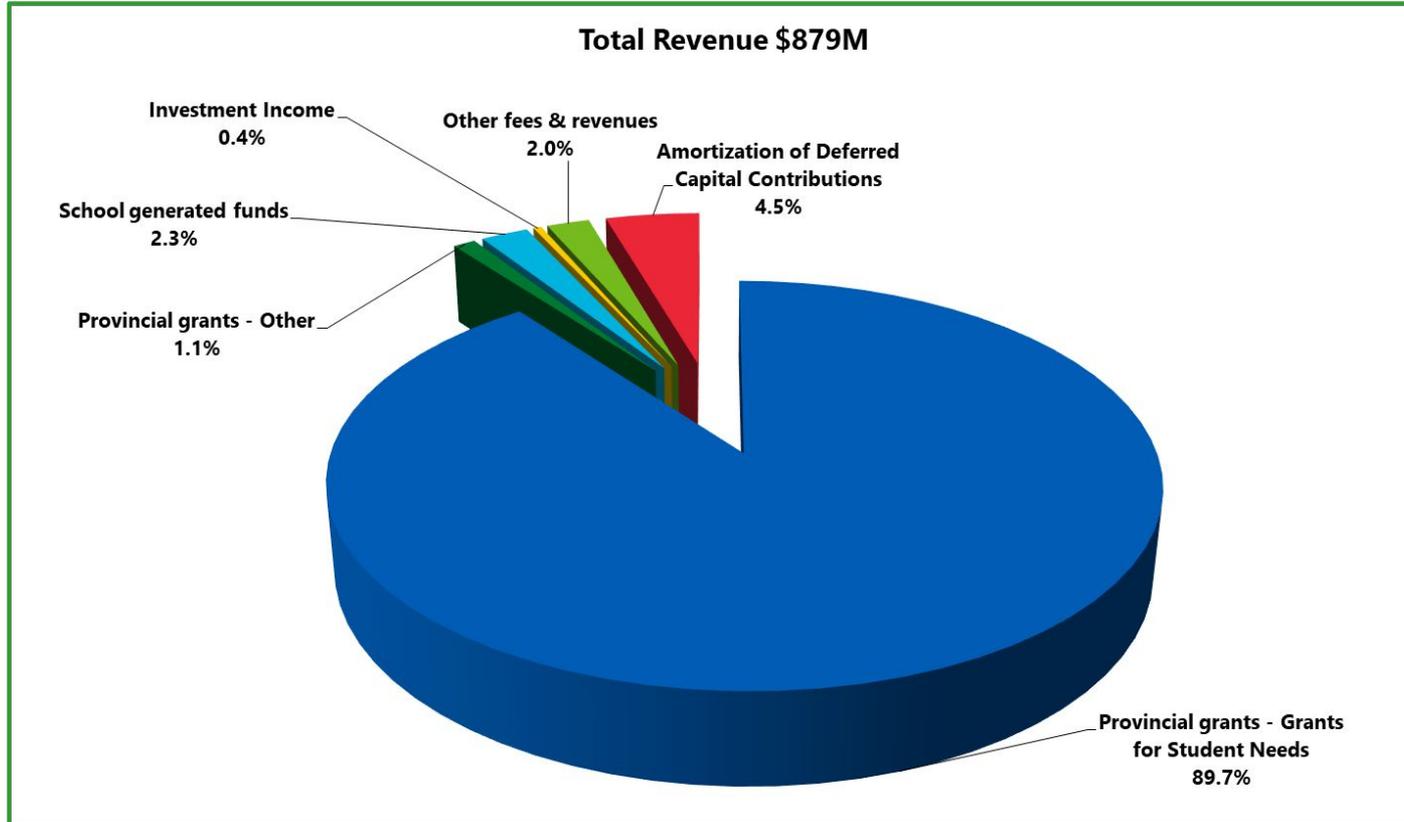
Enrolment History and Projections



Enrolment History and Projections



2023/2024 Revenue



2023/2024 Revenue



Revenues

Ministry Funding

- ❑ Provincial Grants – Grants for Student Needs (GSN) **89.7%**
 - HDSB share of municipal education levies with the balance from the Province
 - Mainly based on enrolment, but also based on socio-demographic factors, number of schools and on the ground capacity
- ❑ Provincial Grants – Other **1.1%**
 - Priorities and Partnerships Fund (PPF)

School Generated Funds (school level) **2.3%**

Other Revenues **6.9%**

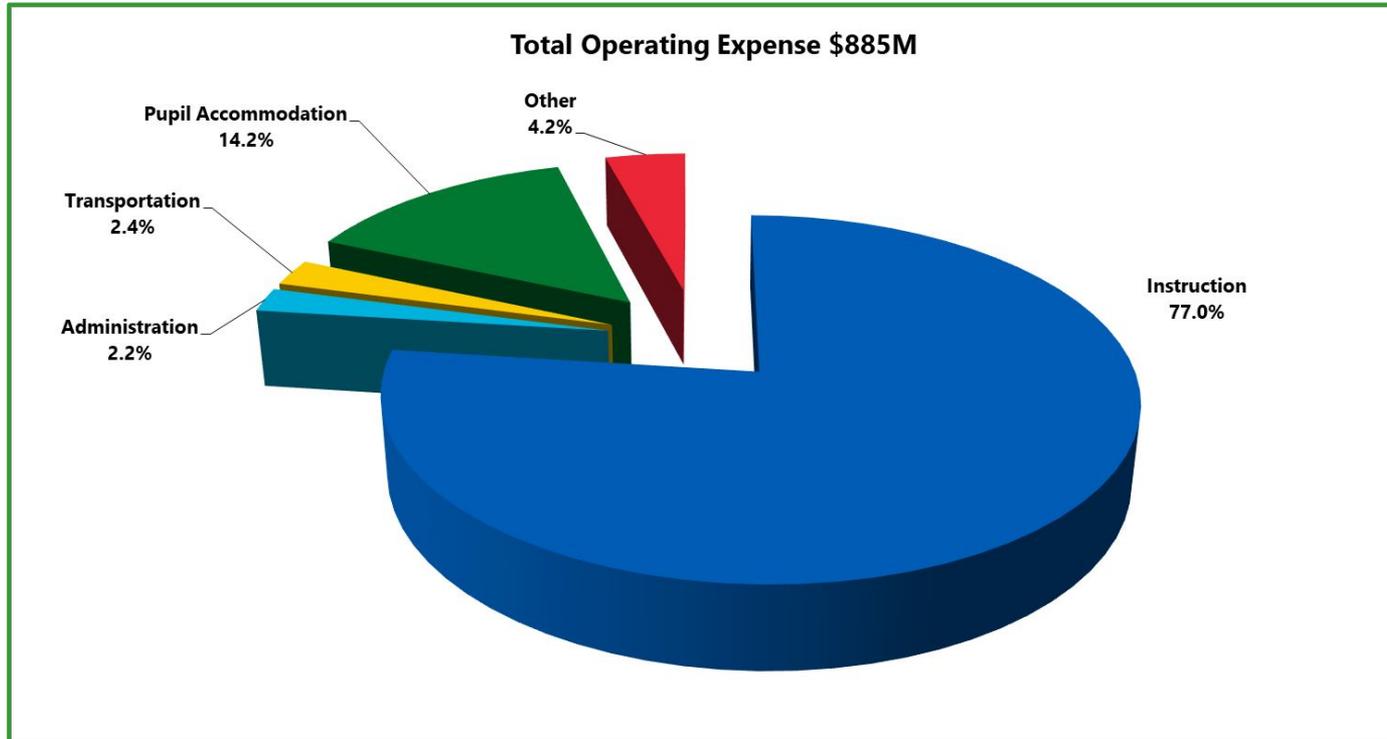
- ❑ Other Government Funding (Federal) **0.3%**
- ❑ Investment Income **0.4%**
- ❑ Other Fees & Revenue **1.7%**
 - Tuition Fees
 - Rental Income
- ❑ Amortization of Deferred Capital Contributions **4.5%**

Transfer to (from) Accumulated Surplus

2023/2024 Expenses



Expenses



2023/2024 Expenses

Expenses

Instruction 77.0%

- Classroom Teachers
- Supply Staff
- Educational Assistants
- Learning Resources and Supplies
- Computers
- Professionals, Paraprofessionals & Technical
- Library and Guidance
- Staff Development
- Department Heads
- Principals and Vice-Principals
- School Office
- Instructional Program Leads and Itinerants
- Continuing Education

Administration 2.2%

- Trustees
- Director and Supervisory Officers
- Board Administration

Transportation 2.4%

Pupil Accommodation 14.2%

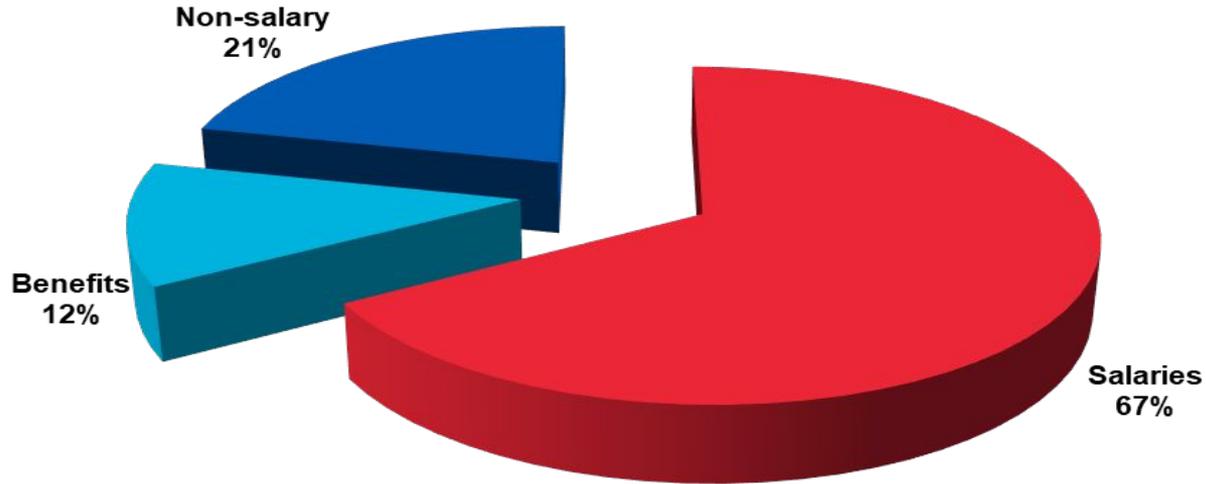
- School Operations and Maintenance
- School Renewal
- Debt Interest Expense
- Amortization

Other Expense 4.2%

- Priorities and Partnerships Fund
- School Generated Funds
- Permanent Financing of Not Permanently Financed debt
- Provision for Contingencies

2023/2024 Expenses

Expenses - Salary / Non-Salary



Planning for 2024/2025 - Balancing the Budget

- ❖ 2023/2024 Structural Deficit
- ❖ Regulatory Requirement to balance the budget
- ❖ \$7.7 million to be identified in savings and efficiencies
- ❖ In order to achieve the target, staff will perform a comprehensive budget review:
 - *Review of mandated staffing allocations and class sizes*
 - *Review of non mandated staffing*
 - *Review of any duplication of services (within HDSB and with other agencies)*
 - *Review of all programs*
 - *Review of school bus transportation*
 - *Review of all non staffing (operating) budgets*
 - *Considerations for areas that require additional investments*
- ❖ Keeping the Corporate Risk Profile and the current MYP in mind

Planning for 2024/2025 - Balancing Constraints

- ❖ No information on 2024/2025 GSN at this time
- ❖ Collective agreement timelines and potential restrictions
- ❖ Uncertainty around continuation of Supports for Student Funds (SSF)
- ❖ Staffing timelines (mostly before end of March, some sooner)
- ❖ New protected complements imposed prior to budget and funding decisions
- ❖ Enveloping provisions and restrictions
- ❖ Regulatory compliance
- ❖ Enrolment trends forecasting decline in both Elementary and Secondary panels

Planning for 2024/2025 - Deficit Elimination Plan

	2023/24 Budget (Board Approved)	2023/24 Revised Budget (Board Approved)
Funding through Accumulated Surplus:		
Unappropriated In-Year Deficit:		
Remote learning impact	1,424,124	0
Provision for Contingency	500,000	500,000
Internally Appropriated:		
Temporary Staff	630,000	630,000
Initiatives Continuing for 2023-2024	255,000	255,000
System upgrades	170,000	170,000
Tuition Fees	1,000,000	224,000
Non-mandated staffing and non-staffing savings to be determined	3,208,754	5,887,942
Total Accumulated In-Year (Surplus)/Deficit for Compliance	7,187,878	7,666,942

Planning for 2024/2025 - Balancing the Budget

New Regulation requires a board with a deficit in 2023/2024 to balance the budget and action the In-Year Deficit Elimination Plan, or require Minister's approval to submit a deficit.

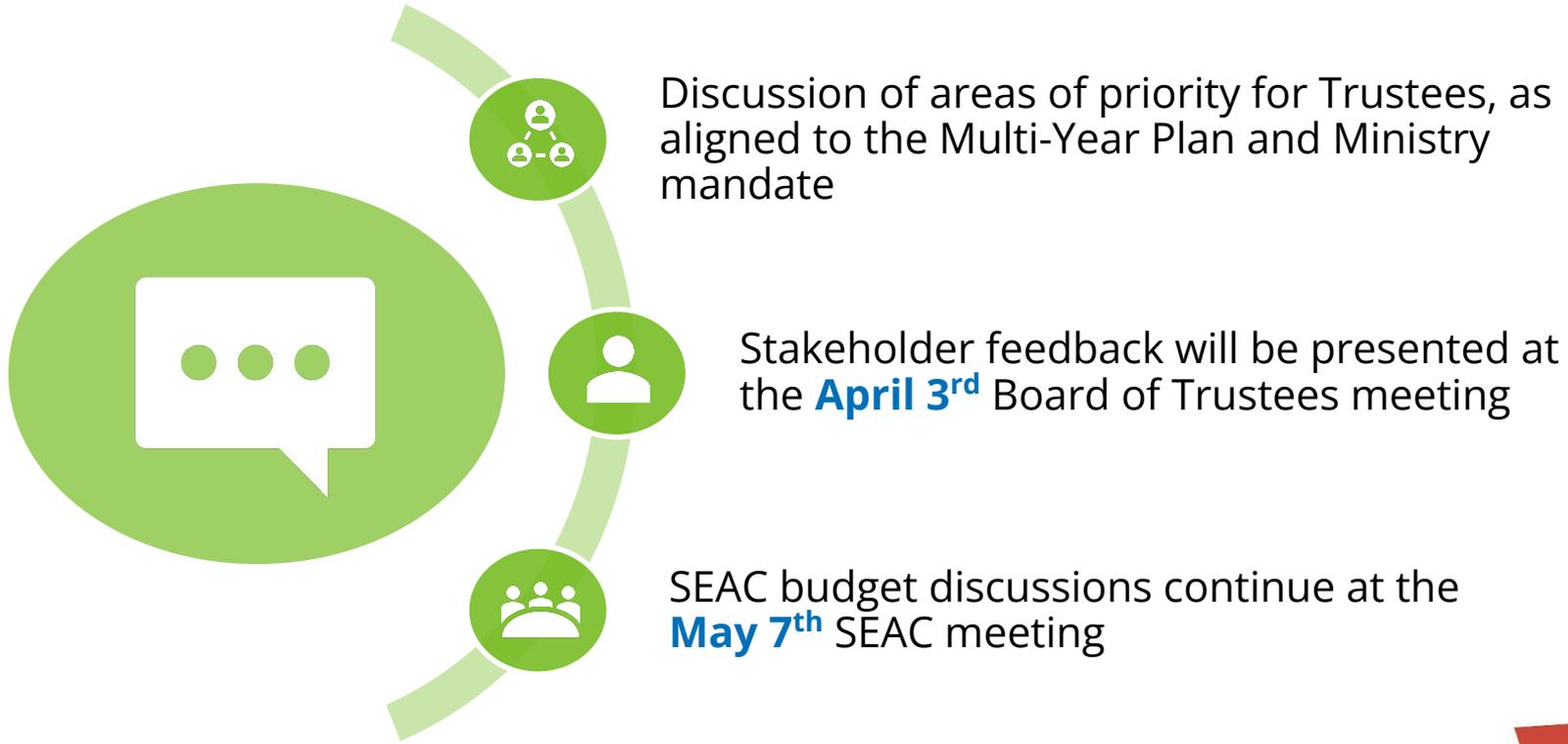
1. **Balance budget by 2024-25, starting now**

- a. **Requires Board approval**, no ministry involvement
- b. Compliant, fiscally responsible
- c. Highest impact in 2024-25, lessens the impact beyond 2025-26
- d. Aligns with Board motion

2. **Balance budget by 2025-26, starting now**

- a. **Requires Board and Minister's approval**
- b. Drawdown of accumulated surplus for one-time items
- c. Lower in-year reductions but potentially higher total reductions
- d. Non-compliant, dependent on Ministry approval and timelines

Planning for 2024/2025 - Next Steps



Breakout Room Discussions



Questions?

