



1325 California Avenue
 Windsor, ON N9B 3Y6
 CHAIRPERSON: Fulvio Valentinis
 DIRECTOR OF EDUCATION: Terry Lyons

Meeting Date:
 June 11, 2019

BOARD REPORT

Public **In-Camera**

PRESENTED FOR: Information Approval

PRESENTED BY: Senior Administration

SUBMITTED BY: Terry Lyons, Director of Education
 Penny King, Executive Superintendent of Business
 Emelda Byrne, Executive Superintendent of Education - Student Achievement K-12
 Dan Fister, Executive Superintendent of Innovation and Experiential Learning

SUBJECT: **2019-20 DRAFT BUDGET**

RECOMMENDATION:

That the 2019-20 Draft Budget Estimates be received and that the documents be tabled for a 2 week period to permit further stakeholder and community input, with the final budget, as may be amended, to be brought forward for approval by the Board at its meeting scheduled for June 24, 2019.

SYNOPSIS:

The purpose of this report is to present the 2019-20 Draft Budget Estimates and to seek further input from Trustees, stakeholders and the broader community regarding the budget recommendations. It is intended to submit the final budget, with any changes resulting from this additional community consultation, to the Board for approval at its meeting scheduled for Monday, June 24, 2019.

BACKGROUND COMMENTS:

The 2019-20 Draft Budget Estimates are appended for review and consideration. The draft is being tabled for a 2 week period to allow for further community consultation on the recommended budget. Administration will take any additional comments received under advisement in amending the draft for ultimate submission of a final budget for formal approval.

FINANCIAL IMPLICATIONS:

The 2019-20 Draft Budget Estimates as presented fulfills the requirements under the Education Act that the Board submit a compliant budget to the Ministry of Education prior to each fiscal year.

TIMELINES:

June 11, 2019 2019-20 Draft Budget tabled for a 2 week review/consultation period.

June 24, 2019 The 2019-20 Budget Estimates are to be formally approved.

June 28, 2019 The approved 2019-20 Budget Estimates are to be submitted to the Ministry of Education.

APPENDICES:

- 2019-20 Draft Budget

REPORT REVIEWED BY:

<input checked="" type="checkbox"/>	EXECUTIVE COUNCIL:	Review Date:	--
<input checked="" type="checkbox"/>	EXECUTIVE SUPERINTENDENT:	Approval Date:	June 6, 2019
<input checked="" type="checkbox"/>	DIRECTOR OF EDUCATION:	Approval Date:	June 6, 2019

WINDSOR-ESSEX CATHOLIC
DISTRICT SCHOOL BOARD

DRAFT BUDGET



2019 – 2020

June 11, 2019

Learning Together in Faith and Service

Prepared by:
Board Administration

Presented to Trustees:
June 11, 2019

2019-20 DRAFT BUDGET



Windsor-Essex Catholic
District School Board
1325 California Avenue
Windsor, ON N9B 3Y6

TABLE OF CONTENTS



INTRODUCTORY INFORMATION

- 1 Board of Trustees, Supervisory Officers & Our Mission
- 2 At a Glance

REVENUE

- 15 Revenue Highlights
- 16 Revenue – GSN Support
- 17 Detailed Revenues

CAPITAL

- 28 Capital
- 29 Capital Funding Program Updates
- 30 School Renewal
- 30 School Condition Improvement
- 32 Capital Deficit

BUDGET OVERVIEW

- 3 Financial Summary
- 4 2019-20 GSN Highlights
- 6 Budget Planning Objectives
- 8 Budget Process & Timelines
- 10 Budget Consultation
- 11 Budget Pressures, Challenges & Risks

EXPENDITURES

- 18 Expenditure Highlights
- 19 Expenditures by Category
- 20 Detailed Expenses
- 23 Accumulated Surplus

REPORTING

- 33 Ministry of Education Reporting Dates

ENROLMENT & STAFFING & OTHER

- 12 EQAO Highlights
- 13 Enrolment Highlights
- 14 Staffing Highlights

PROGRAMS

- 24 Faith Centered Learning
- 25 International Education
- 26 Special Education
- 27 Administration & Governance

APPENDICES

- 34 Budget Consultation Survey Results
- 35 Abbreviations

Board of Trustees, Supervisory Officers & Our Mission

BOARD OF TRUSTEES

Board Chair Fulvio Valentinis – Wards 1 & 10 Windsor
 Board Vice-Chair Lisa Soulliere – Area 3 Lakeshore

Trustees:

Fred Alexander Wards 5 & 8 Windsor
 Kim Bouchard Wards 6 & 7 Windsor
 Mary DiMenna Area 2 Essex, Harrow, Kingsville, Leamington
 Frank DiTomasso Area 1 Amherstburg, LaSalle
 Mary Heath Area 4 Tecumseh
 Bernie Mastromattei .. Wards 3 & 4 Windsor
 Tony Polifroni Wards 2 & 9 Windsor

Student Trustees:

Lauren Pupulin St. Anne Catholic High School
 Celina Seguin Assumption College Catholic High School

Board Chaplain:

Father Larry Brunet



SUPERVISORY OFFICERS

Terry Lyons	Director of Education & Secretary of the Board
Emelda Byrne	Executive Superintendent of Education - Student Achievement K-12
Dan Fister	Executive Superintendent of Innovation & Experiential Learning
Penny King	Executive Superintendent of Business
John Ulicny	Superintendent of Human Resources
Colleen Norris	Superintendent of Human Resources
Joseph Ibrahim	Superintendent of Education - Student Achievement K-12
Rosemary Lo Faso	Superintendent of Education - Student Achievement K-12
Melissa Farrand	Superintendent of Education - Student Achievement K-12

OUR MISSION

In keeping with the virtues of our Catholic faith, we are called to know every student, to inspire them to follow the example of Jesus, and empower them with the knowledge and skills they need to live purposeful, meaningful lives.

At a Glance

Classroom Staff

ECEs	Teachers	EAs & CYWs
75	1,191	312

SCHOOLS

Elementary	32
Middle	3
Secondary	9

Enrolment Day School

Elementary	13,250
Secondary	6,825

Support Staff

SCHOOL SUPPORT	250
BOARD ADMIN	41
FACILITY	176

BUDGET

Operating	\$259.6M
Capital	\$20.8M

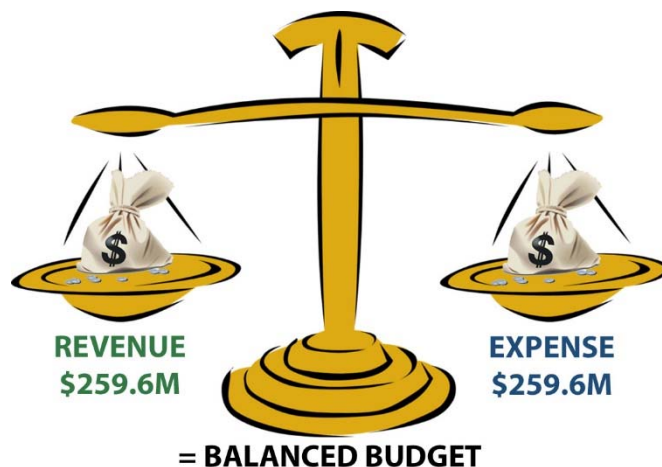
OTHER LEARNERS

140 Students over age 21
8 High Credit Students
151 International Students



Financial Summary

The Windsor-Essex Catholic District School Board is presenting a balanced budget consisting of \$259.6M of revenues and expenditures.



The budget also contains a provision for contingencies equal to 0.5% of the Board's operating allocation for the budget year being approved. A summary of financial results is shown below.

Summary of Financial Results

(\$Thousands)	2017-18 Financial Statements	2018-19 Budget Estimates	2019-20 Budget Estimates	Change (2018-19 Budget to 2019-20 Budget)	
				\$	%
REVENUE					
Operating	228,821	231,609	232,408	798	0.3%
Capital	20,280	20,083	21,110	1,027	5.1%
Other	7,845	6,874	6,116	(758)	(11.0%)
Total Revenue	256,945	258,566	259,633	1,068	0.4%
EXPENSES					
Instruction	194,323	196,919	195,803	(1,116)	(0.6%)
Administration	6,941	8,160	7,048	(1,112)	(13.6%)
Transportation	7,887	8,930	9,281	351	3.9%
Pupil Accommodation & Other	46,898	44,556	46,340	1,784	4.0%
Provision for Contingency	-	1,158	1,161	2	0.2%
Total Expenses	256,049	259,723	259,633	(90)	(0.0%)
In-Year Surplus/(Deficit)	897	(1,157)	0	1,157	100.0%

0.5% of 2019-20 operating revenue

2019-20 GSN Highlights

Provincial grants to school boards are provided through Grants for Student Needs (GSN) and are generated primarily by student enrolment. On April 26, 2019, the Ministry of Education advised that total GSN funding to all school boards across the sector is projected to be \$24.66 billion in 2019-20, an average of \$12,246 per pupil. This compares to a provincial investment of \$24.53 billion or \$12,300 per pupil in 2018-19. Major grant highlights are provided below.

Class Size Changes and Attrition Protection:

- ⇒ **Kindergarten:**
 - Funded Early Childhood Educators classroom staffing ratio change from 1.14 FTE to 1.0 FTE.
WECD SB impact = (\$502,049) less funding
 - New per-pupil amount of \$87.32 per average daily enrolment to support ECE supply costs.
WECD SB impact = \$200,749 more funding
- ⇒ **Intermediate (Grades 4 to 8):**
 - Funded average class size adjusted from 23.84 to 24.5.
WECD SB impact = (\$673,285) less funding
- ⇒ **Secondary (Grades 9 to 12):**
 - Funded average class size adjusted from 22.0 to 28.0.
WECD SB impact = (\$5,289,744) less funding
 - Elimination of the Secondary Programming amount of 1.02 staff per 1,000 ADE.
WECD SB impact = (\$590,871) less funding
 - Funded secondary preparation time decrease from 14.50 to 11.45 staff per 1,000 ADE
WECD SB impact = (\$1,766,821) less funding
- ⇒ **Supplementary Area Factor (SAF):**
 - Updated to align with the changes to secondary class size and to reflect other data updates.
 - Secondary SAF adjusted from 1.087 to 1.070.
WECD SB impact = (\$125,842) less funding
- ⇒ **Attrition Protection:**
 - New allocation provided for up to 4 years to top-up school boards where the change in funded classroom teachers exceeds the actual attrition and other voluntary leaves.
WECD SB impact = \$8,240,383 more funding

Increased Investments:

- ⇒ **Special Education:**
 - Increase in Behaviour Expertise Amount allocation to allow school boards to hire more professional staff and double the training opportunities.
WECD SB impact = \$178,454 more funding
- ⇒ **Student Transportation:**
 - Stabilization funding provided for boards running efficient transportation operations but for which the costs of transportation exceed the funding.
WECD SB impact = \$862,650 more funding

Discontinued Funding:

- ⇒ **Cost Adjustment Allocation:**
 - Previously provided supplemental funding for education worker benchmarks.
WECD SB impact = (\$589,372) less funding
- ⇒ **Human Resource Transition Supplement:**
 - Previously provided to assist school boards in managing the negotiated 2017-19 central collective agreements.
WECD SB impact = (\$96,600) less funding

Keeping Up With Costs:

- ⇒ 2% increase to non-staff School Operations benchmarks (for commodity price increases such as natural gas, facility insurance etc.).
- ⇒ Increase to Student Transportation Grant (4% net of surplus).

International Student Recovery Amount:

- ⇒ New reduction to total GSN operating grants by an amount equal to a flat fee of \$1,300 multiplied by the international student enrolment, prorated where the students are not full-time.
WECDSB impact = (\$195,650) less funding

Ongoing Implementation and Other Changes:

- ⇒ 1% salary benchmark increase to reflect 2017-19 central labour agreements.
- ⇒ Continued phase-in (year 3 of 4) of funding impacts related to new definition of a school.
- ⇒ Continued phase-out (year 8 of 12) of retirement gratuities (decrease to benefit benchmarks by 0.167%).
- ⇒ Expiry of Local Priority Fund established in last round of negotiations. Possible extension dependent on upcoming central collective bargaining.



**MODERNIZATION
OF SCHOOL
BOARDS**

The government intends to look at all aspects of the education system, including school board operations, while respecting the four publicly funded education systems in Ontario. To this end, the Ministry of Education will be undertaking a thorough review of how boards can conduct their operations in the most efficient manner to best serve students and parents.

Budget Planning Objectives

The Windsor-Essex Catholic District School Board's budget is developed each year in accordance with specific pre-determined internal and external budget guidelines.

Internal Guidelines:

- ⇒ Internal Board policies and guiding principles that govern the budget development process include:
- Board level contractual, negotiated and self-determined conditions or restrictions must be respected.
 - All Ministry requirements must be met.
 - Alignment with Ministry and Board priorities must occur when allocating resources.
 - Where reductions are necessary, impacts to students and faith development initiatives must be minimized.
 - A conservative enrolment projection must be used.
 - The presented budget must be realistic.
 - An annual contingency in the budget of a level up to 0.5% of the Board's operating allocation for the year must be included.

External Guidelines:

- ⇒ Education funding is intended to mirror cost structures, but boards have flexibility in their actual expenditures. It is up to boards to determine their detailed budget commitments within the terms of the Education Act and other relevant regulations and memoranda. At the same time, there are restrictions on how school boards may use certain components of their allocation. Certain external requirements include:
- Compliance with the Education Act, associated regulations, Ministry memoranda and Public Sector Accounting Board (PSAB) standards.
 - Submission of a balanced budget, on time.
 - Achievement and maintenance of class size ratios.
 - Special Education funding must be spent on Special Education expenditures.
 - The following allocations within the Student Achievement Envelope of the Learning Opportunities Grant are limited for use collectively on six programs:
 1. the Literacy and Math Outside the School Day Allocation,
 2. the Student Success, Grades 7 to 12 Allocation,
 3. the Grade 7 and 8 Literacy and Numeracy and Student Success Teachers Allocation,
 4. the Ontario Focused Intervention Partnership (OFIP) Tutoring Allocation,
 5. the Specialist High Skills Major (SHSM) Allocation, and
 6. the Outdoor Education Allocation.
 - The Library Staff Allocation is to be used to fund library staff.
 - The Per-Pupil Amount Allocation and Board Action Plan Allocation within the Indigenous Education Grant are limited to expenditures that support Indigenous learning and are aimed at improving Indigenous student achievement and well-being.

External Guidelines (Continued):

- The Rural and Northern Education Fund is to be used to further improve education for students from rural communities.
- New Teacher Induction Program (NTIP) funding is to be used for eligible NTIP expenditures;
- Administration and Governance spending must not exceed the grant allocation.
- Program Leadership Allocation (PLA) funding is to be used for eligible expenditures for the program leaders funded through the PLA.
- School Renewal funding is primarily limited to capital renewal expenditures.
- School Condition Improvement funding is to be used for renewal expenditures that are capitalized.
- Capital funding is to be used for approved capital projects.
- Temporary Accommodation funding can only be used for portable moves, leases and purchases, as well as lease costs for permanent instructional space.
- PPF (Priorities and Partnerships Fund) grants received must be used consistent with the mandate of the particular program.
- Accumulated Surplus to a maximum amount of 1.0% of operating revenue can be used to balance the budget. Amounts beyond this require Ministry approval.



FUNDING FOR MINISTRY INITIATIVES

The Ministry of Education launched a new Priorities and Partnerships Fund (PPF) in alignment with this year's Budget. The approach will prioritize education funding, supplemental to the Grants for Student Needs (GSN) that directly support students in the classroom. The PPF replaces the previous Education Programs – Other funding and will be time-limited funding that will be reviewed and assessed by the Ministry each year. School boards are required to spend these grants for their intended purposes and the Ministry can take back any unspent funds.



Budget Process & Timelines

The budget is the Board’s fiscal plan that supports the delivery of education programs and services and reflects the Board’s strategic plan for the upcoming academic year. It also provides the authority for Administration to spend funds on a variety of programs and services.

The fiscal year for all school boards in Ontario is in alignment with the school year and runs from September 1 to August 31. The Ministry of Education requires school boards to approve a balanced budget for the upcoming fiscal year before the end of June of the current year.

WECDSD follows a five-stage strategic budget development process. Key elements for each of the respective stages of the budget process are depicted below.

FIVE-STAGE STRATEGIC BUDGET DEVELOPMENT PROCESS



As shown in the diagram above, the development of the annual budget is one of the most time consuming and labour intensive functions undertaken by Administration, spanning more than six months of the year.

Impacts to the 2019-20 Ministry Budget Development Timeline:

Key Ministry of Education documents including (1) the announcement of the GSN, (2) the communication of board-level PPF funding amounts, (3) the release of the Technical Paper and (4) the availability of EFIS for staff to begin funding calculations typically occurs in late March to early April, as noted in the diagram above. In this budget year however, the GSN was announced on April 26th, EFIS was accessible to Boards on May 10th, and the Technical Paper was released on May 24th. In addition, Provincial consultations on the proposed changes to class sizes and hiring practices remained open until May 31st. As of early June,

district school boards hadn't yet received all of the PPF funding amounts for the 2019-20 fiscal year. Despite these challenges, Administration has continued to progress with budget development, ensuring key milestones were met and the final draft budget was presented to Trustees on the originally planned date of June 11th.

2019-20 Staff Budget Workgroup:

The Staff Budget Workgroup facilitates the budget development process and helps ensure compliance of all departments with specific budget-related tasks. The members and the departments they represent are depicted below:

STAFF BUDGET WORKGROUP	
Susan Swiatoschik	Staff Budget Workgroup Chair
Emelda Byrne	Student Achievement K-12
Dan Fister	Student Achievement K-12
Penny King	Business & Board Administration
John Ulicny	Information Technology & Secondary Staffing
Colleen Norris	Human Resources & Elementary Staffing
Joseph Ibrahim	Student Achievement K-12 & Special Education
Gary McKenzie	Facilities Services

PURPOSE

This Staff Budget Workgroup, reporting to Executive Council, allows the Board to take a holistic view of budget development and consider the unique needs and competencies of each department.

Capital Budget Process:

The Board is required to distinguish between operating and capital budgets since the sources of funding are separate and distinct. The Capital Budget is developed in conjunction with the Facilities Services and Information Technology departments who assist in determining the Board's future capital needs.



Requested projects from departments and schools are prioritized along with a detailed project description with the requested budget. Administration reviews the requests, and recommendations are put forward to balance the projects to available funding. The recommendations are based on departmental priorities taking into account asset management principles, previous funding allocations, and Board priorities.

There is a portion of the funding for each year of the capital budget that is left unallocated to allow for some level of flexibility to address changing priorities, unanticipated projects and/or changes to currently approved capital projects.

For further detail on the 2019-20 capital budget, refer to page 28.

Budget Consultation

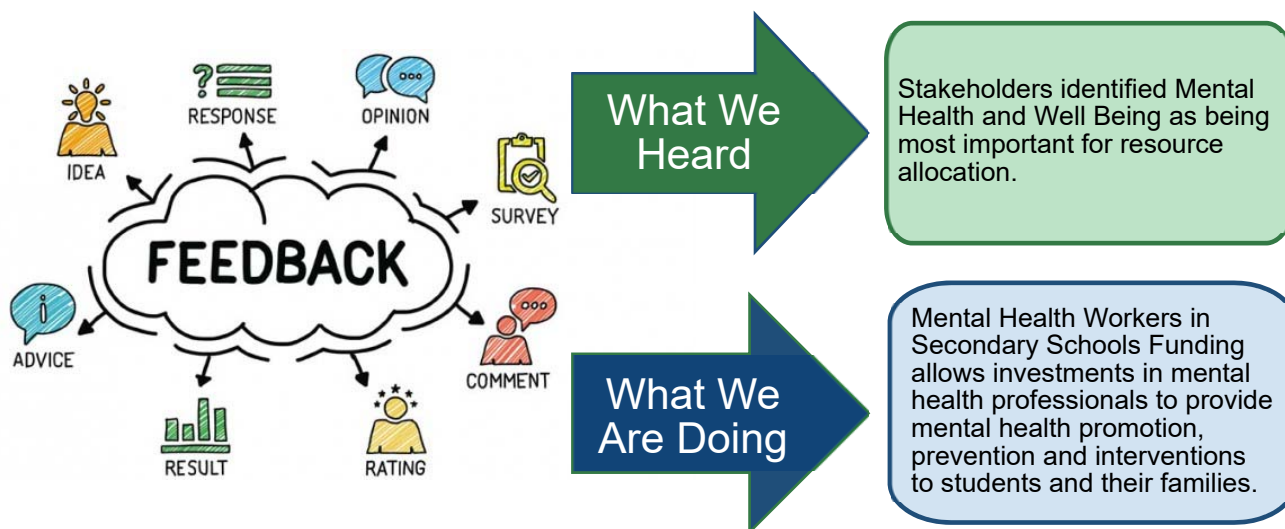
The Board is committed to ensuring that sufficient communication and consultation with the community exists regarding 2019-20 budget development. The community was invited to provide input at an early stage of budget development through a formal budget consultation survey, which was posted on the Board’s website on February 1, 2019. The intent of the survey was to inform the Board’s budget development and assist in formulating and affirming Board priorities as the Board works to promote excellence in education within a Faith-centered learning environment. The challenge faced by the Board is that there is very little flexibility in the application of grant funding to all but specified programs.



The Board continued to use an on-line survey tool that allows for ease of access on tablets and smart phones; however, this year School Messenger was utilized to perform a phone survey of all student families. Availability of the on-line survey was advertised in the Windsor Star, and communicated formally to certain stakeholders including Principals and Vice-Principals, the Parent Involvement Committee, the Special Education Advisory Committee, the French Immersion Advisory Committee, the Audit Committee, the Indigenous Education Advisory Committee, the Equity & Inclusiveness Committee, Catholic School Advisory Councils, employee groups (OECTA, Unifor, CUPE, Non-Union), the Student Senate, and employees via the internal email system.

In addition to utilizing the Board’s social media (i.e., Facebook, Twitter) to reach a broader stakeholder base, the Director of Education formally communicated to the Pastoral Team requesting their assistance in notifying their parish communities of the opportunity to provide input. Survey responses received by March 8, 2019 were compiled and summarized in a report to the Board at its meeting of March 26, 2019. At that time, the Board had received a total of 1,299 responses, up 1,089 from the total 210 responses received to last year’s survey.

Overall responses to the 2019-20 Budget Consultation Survey are summarized in Appendix I.



Budget Pressures, Challenges & Risks

A school board's budget contains inherent pressures, challenges, and risks. Necessary restraint measures, combined with new and creative approaches to the way the Board delivers education and the way funds are used are needed to mitigate, as much as possible, the challenges and risks.

An identification of preliminary budget pressures and challenges facing the Board was presented to the Board of Trustees at its meeting of March 26, 2019. A listing of known pressures, challenges and risks related to the 2019-20 budget are highlighted below.

Risks

- Enrolment projections may vary from actual results creating disruptions to school scheduling and changes in grant revenues.
- Utility cost volatility.
- Unforeseen activity and events (i.e. weather, government policy changes).
- Occasional teacher costs difficult to project.
- Inflation and actuarial assumptions.
- Legal costs difficult to project.
- Claims, grievances and legal settlements.
- Unanticipated students with special needs.
- Innovative programming – ensuring financial feasibility of programs.
- International education revenues at risk if political climate / major incident deters students from travelling abroad.
- Attrition Protection funding at risk if actual attrition varies from projection.
- Labour negotiations for 2019-20 unknown - the final budget does not include a provision for any costs that may result from the upcoming collective bargaining. Assumes Province will fund any cost pressures resulting from Provincial discussions.
- Uncertainty of PPF amounts.
- Uncertainty regarding the provincial "School Board Modernization" initiative.



Pressures & Challenges

- Cost of phasing-in post age 65 retirement benefit liability.
- Capital deficit crowds out spending that could be used for other initiatives.
- Aging infrastructure – buildings, equipment.
- Upgrading hardware and software.
- Supporting an increasing proportion of students with special education needs in an inclusive environment with available funding.
- Supporting faith initiatives with no direct source of funding.
- Controlling staffing costs (80% of total budget).
- Managing sick leave usage and replacement costs.
- Balancing the budget with a contingency using available funding.
- Aligning funding received with Ministry and Board priorities.
- Lack of discretionary funds.
- Managing increased class sizes within current collective agreement constraints.
- Planning for programs with limited PPF information available.
- Planning for future capital needs with unknown capital application processes.
- Discontinuation of Outreach Coordinator PPF funding.
- Discontinuation of Priority Schools PPF funding.

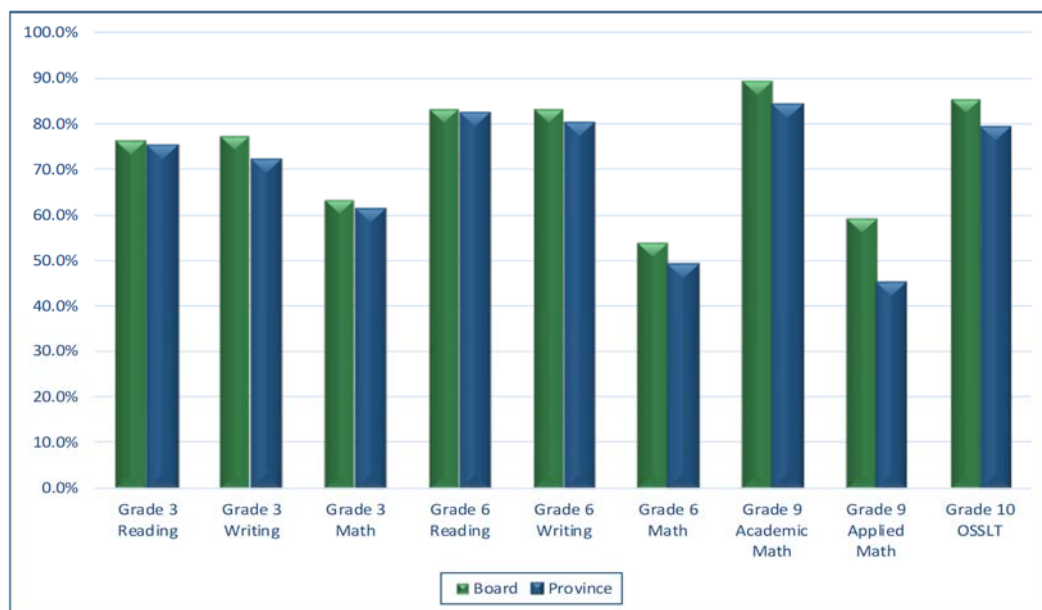
"The ultimate measure of a man is not where he stands in moments of comfort and convenience, but where he stands at times of challenge and controversy".

Martin Luther King Jr (1929-1968)

EQAO Highlights

The Education Quality and Accountability Office (EQAO) is the provincial agency that designs and tests Grade 3 and Grade 6 students in reading, writing and mathematics. Grade 9 students are tested in mathematics and Grade 10 students are given a literacy test. The EQAO is independent of the Ontario government, and the tests give parents, teachers, principals and school boards accurate, objective and clear information about how well students have learned the Ontario curriculum in reading, writing and mathematics.

Students in Catholic schools throughout Windsor-Essex continue to perform well above provincial averages on mathematics and literacy assessments. The chart below compares WECDSB's 2017-18 results to the provincial achievement levels.



Each year administration systematically reviews the EQAO results to assist with the implementation of key board and school strategies to support literacy and numeracy. WECDSB has exceeded the provincial achievement levels in all 9 categories for 3 consecutive years. Results from the 2017 assessment show that in both Grade 3 and Grade 6 reading, writing, and math, the number of WECDSB students who met the EQAO standard were above provincial average by anywhere from one to five per cent.

WECDSB continues to implement renewed strategies in order to improve student achievement in the areas of mathematics, with the following results:

Students achieving Level 3 or 4 in:

- Grade 9 Applied Math was 14% higher than the provincial average;
- Grade 9 Academic Math was 5% higher than the provincial average;
- Grade 6 Math was 5% higher than the provincial average; and
- Grade 3 Math was 2% higher than the provincial average.



Enrolment Highlights

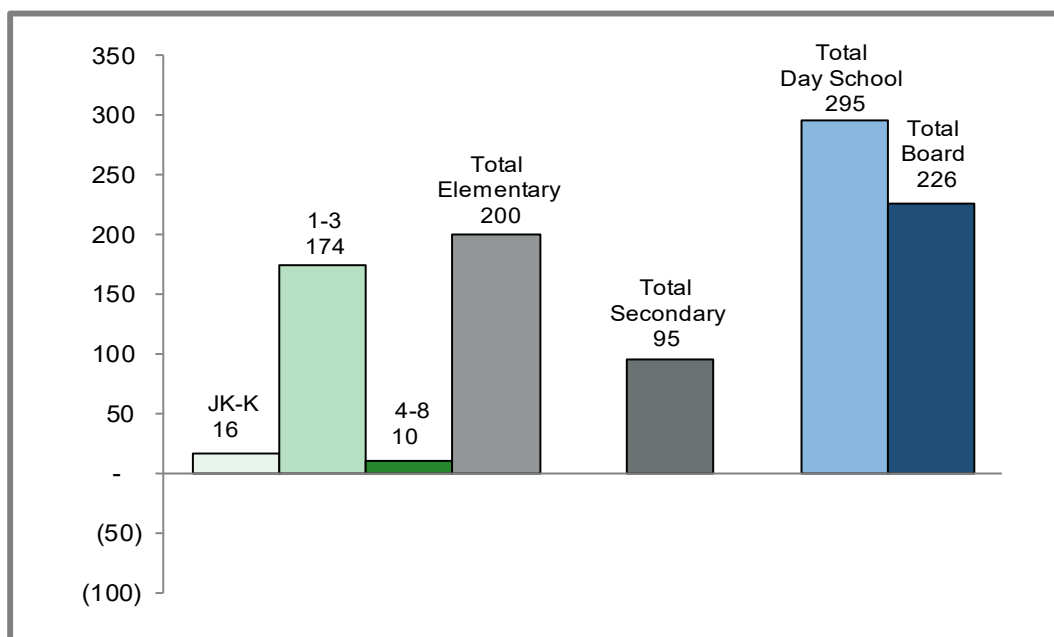
Enrolment projections for the 2019-20 Budget are conservative in nature, and were established based on historical data, updated for current circumstances. The Board's projected day school enrolment for 2019-20 is expected to be 20,075. This is an increase of 295 students compared to the 2018-19 Budget Estimates.

With approximately two-thirds of education funding based on enrolment, the 2019-20 increase in enrolment equates to approximately \$2.42M in incremental grant revenue for the Board. The projected full-time equivalent (FTE) average daily enrolment for 2019-20 is follows:

Summary of Enrolment

Full-Time Equivalent (FTE) Average Daily Enrolment (ADE)	2017-18 Financial Statements	2018-19 Budget Estimates	2019-20 Budget Estimates	Change (2018-19 Budget to 2019-20 Budget)	
				#	%
Elementary					
JK-K	2,359	2,283	2,299	16	0.7%
1-3	3,736	3,757	3,931	174	4.6%
4-8	7,029	7,010	7,020	10	0.1%
Total Elementary	13,124	13,050	13,250	200	1.5%
Secondary < 21					
Grade 9 to 12	6,919	6,730	6,825	95	1.4%
Total Secondary < 21	6,919	6,730	6,825	95	1.4%
TOTAL DAY SCHOOL	20,043	19,780	20,075	295	1.5%
Secondary > 21	111	140	140	-	0.0%
High Credit	7	10	8	(3)	(25.8%)
Visa (Tuition Paying)	120	217	151	(67)	(30.6%)
TOTAL BOARD	20,281	20,147	20,373	226	1.1%

Changes in Enrolment: 2018-19 Budget v. 2019-20 Budget



Staffing Highlights

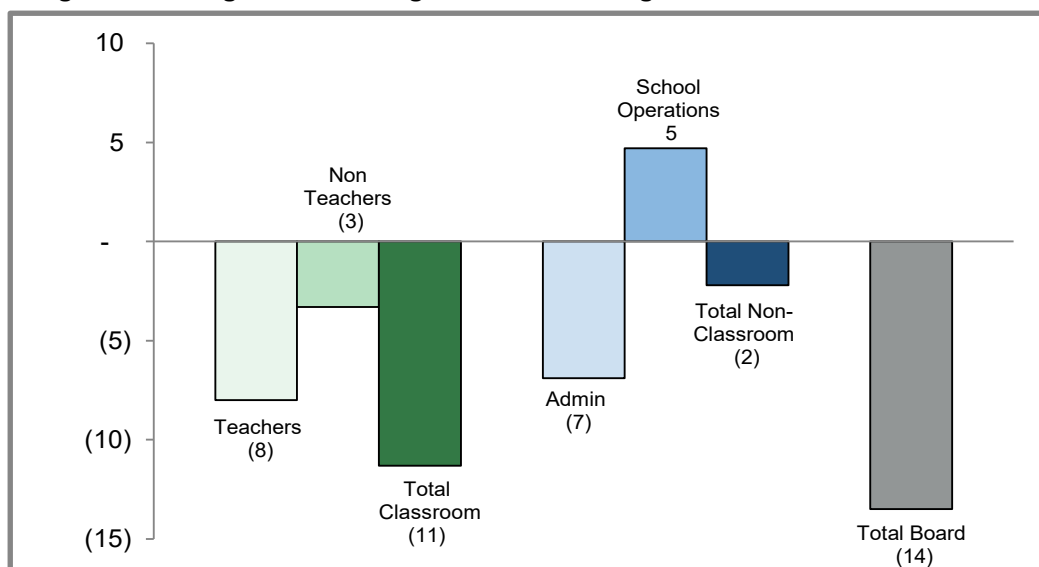
Staffing is the largest expenditure of the Board and comprises 79.8% of the overall budget. Staffing for all positions is the responsibility of the Human Resources Department. The greatest challenge is controlling costs while ensuring Ministry class size targets and collective agreement provisions are maintained. The Board's total estimated expenditures of salaries and benefits for the 2019-20 fiscal year are \$207.1M as compared to \$208.5M for 2018-19. A summary of staffing is presented below.

Summary of Staffing

Full-Time Equivalent (FTE)	2017-18 Financial Statements	2018-19 Budget Estimates	2019-20 Budget Estimates	Change (2018-19 Budget to 2019-20 Budget)	
				#	%
Classroom					
Teachers	1,207	1,199	1,191	(8)	(0.7%)
Non-Teachers	644	640	637	(3)	(0.5%)
Total Classroom	1,852	1,840	1,828	(11)	(0.6%)
Non-Classroom					
Admin, Governance & Transportation*	54	59	52	(7)	(11.7%)
School Operations	163	171	176	5	2.7%
Total Non-Classroom	217	230	228	(2)	(1.0%)
TOTAL BOARD	2,068	2,070	2,056	(14)	(0.7%)

* Includes 9 Trustees + 2 Student Trustees

Changes in Staffing: 2018-19 Budget v. 2019-20 Budget



The **Classroom Teachers** category decreased 8.0 FTE from the 2018-19 Estimates due to reductions related to Local Priority Funding positions and secondary retirements. The **Non-Teachers** category reflected a net decrease of 3.0 FTE primarily due to reductions relating to Local Priorities Funding offset by a reallocation of the Program Lead positions. The **Administration** category decreased 7.0 FTE due to the reallocation of Program Leads to the Non-Teacher category. The **School Operations** category increased 5.0 FTE due to increased custodial and maintenance staff compared to a conservative estimate in 2018-19.

Revenue Highlights

Provincial grants to school boards are provided through annual Grants for Student Needs (GSN), (also known as “the funding formula”) and are generated primarily by student enrolment. The GSN is actually a collection of grants and it determines each board’s overall funding allocation.

Pupil Foundation Grant – base per-pupil allocation that supports the elements of a classroom education that are required by, and generally common to, all students.

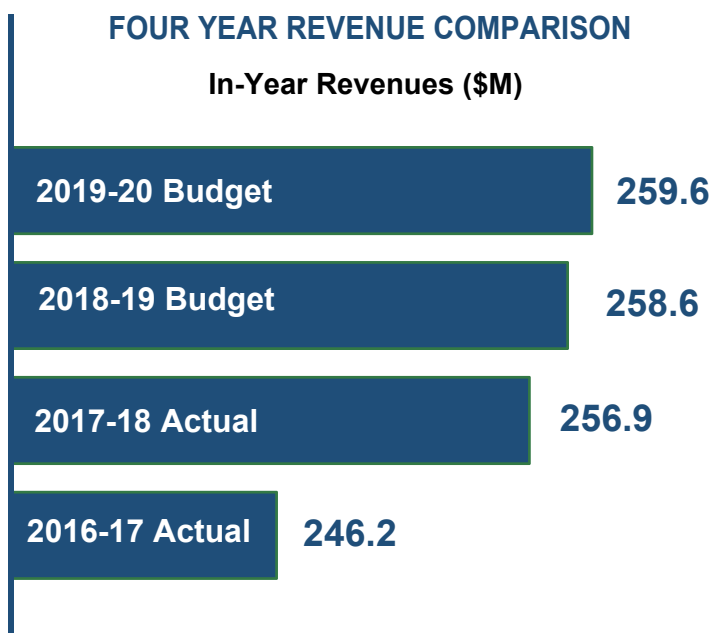
School Foundation Grant – provides a base for the costs of in-school administration and leadership as well as supplies for school administration purposes.

Special Purpose Grants – provides additional funding to recognize the different level of support required by boards, schools, and students related to location, student and school needs, and a board’s demographic profile.

Debt Service Support – provides funding to meet annual supported debt repayments (principal and interest), in addition to funding for short-term capital interest costs.

FOUR YEAR REVENUE COMPARISON

In-Year Revenues (\$M)



The Board’s total estimated funding for the 2019-20 fiscal year is \$259.6M as compared to \$258.6M for 2018-19, an increase of \$1.0M. A reconciliation of revenue between the 2018-19 Budget Estimates and the 2019-20 Budget is summarized below:

	Amount (\$M)
2018-19 Budget Estimates	258.57
New and continued funding investments (i.e. Transportation stabilization and cost update amount, ABA Expertise and training increases, Adult day school supplement)	1.49
Decreased funding (Local Priorities, Human Resource Supplement, Non-teaching cost adjustment, International Student Recovery amount)	(3.26)
Net change in benchmarks, including class size changes and attrition protection	(1.05)
Increased grant revenue due to increase in enrolment	2.42
Increased grant revenue due to increased ESL/FSL enrolment	0.80
Visa tuition revenue decrease	(0.65)
DCC revenue increase, offset by increase in amortization expense	1.41
Decrease in Priorities and Partnerships Funding – offset by decrease in PPF expenses	(0.43)
Other net revenue changes	0.33
2019-20 Budget Estimates	259.63

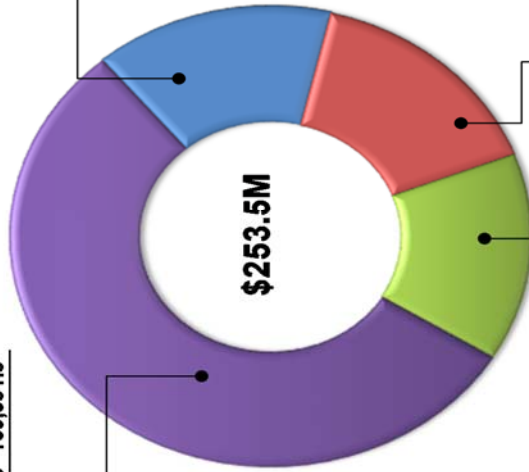
2019-20 DRAFT BUDGET

WHAT DOES THE 2019-20 GSN AT WECDSB SUPPORT?

Note: The individual grant revenue allocations in the below charts are represented in thousands unless otherwise stated.

Funding for classrooms	
Pupil Foundation Grant	\$ 104,745.3
Continuing Education and Other Programs Grant	\$ 1,031.8
Cost Adjustment & Teacher/ECE Qual. & Exp. Grant	\$ 33,824.7
New Teacher Induction Program (NTIP)	\$ 80.1
TOTAL	\$ 139,681.8

Funding for schools	
School Foundation Grant	\$ 14,929.5
School Facility Operations and Renewal Grant	\$ 21,647.2
Temporary Accommodation Allocation	\$ 624.6
TOTAL	\$ 37,201.4



Funding for specific education priorities	
Special Education Grant	\$ 27,860.6
Language Grant	\$ 6,187.1
Indigenous Education Allocation	\$ 345.1
Learning Opportunities Grant	\$ 3,957.4
Safe & Accepting School Supplement	\$ 679.0
TOTAL	\$ 39,029.1

Funding for a locally managed system	
Rural and Northern Education Fund	\$ 138.3
Declining Enrolment Adjustment Grant	\$ 262.0
School Board Administration and Governance Grant	\$ 7,101.2
Debt Service	\$ 21,109.7
Student Transportation Grant	\$ 9,241.4
Other	\$ (247)
TOTAL	\$ 37,605.3

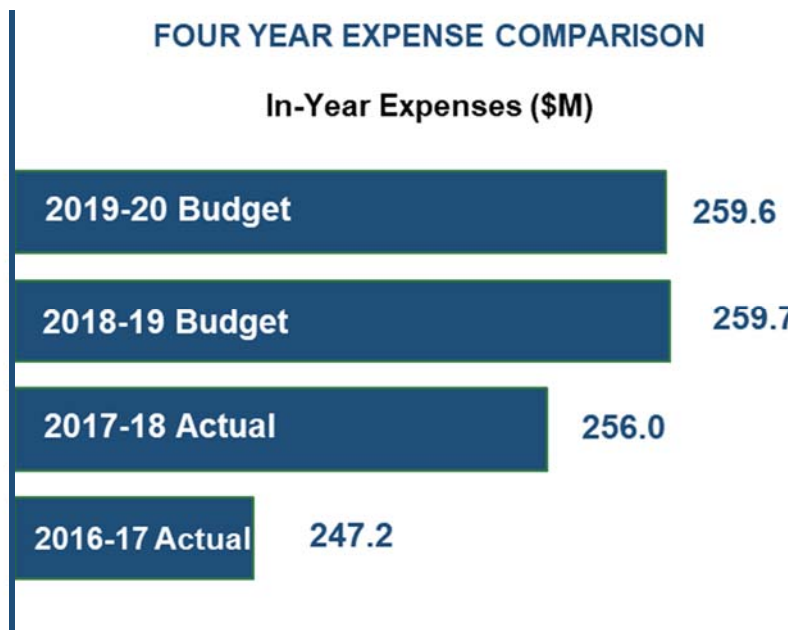
A detailed comparison of revenue by grant for the 2017-18, 2018-19 and 2019-20 fiscal years is provided below:

REVENUES (\$Thousands)	DETAILED REVENUES				
	2017-18 Financial Statements	2018-19 Budget Estimates	2019-20 Budget Estimates	Change (2018-19 Budget to 2019-20 Budget)	
				\$ Increase (Decrease)	% Increase (Decrease)
Operating Grants					
Pupil Foundation	110,100	110,871	104,745	(6,126)	(5.5%)
School Foundation	14,361	14,520	14,930	409	2.8%
Special Education	26,217	27,311	27,861	549	2.0%
French as a Second Language	2,769	2,778	2,953	176	6.3%
English as a Second Language	2,692	2,560	3,234	673	26.3%
Rural and Northern Education Allocation	140	142	138	(4)	(2.5%)
Learning Opportunities	6,594	6,179	3,957	(2,222)	(36.0%)
Continuing Ed., Summer School, International Languages, High Credit	538	482	521	39	8.1%
Adult Education	379	485	511	26	5.4%
Teacher Qualification & Experience	26,832	27,121	32,745	5,625	20.7%
ECE Qualification & Experience	1,124	1,124	1,079	(44)	(3.9%)
Transportation	7,862	8,048	9,241	1,193	14.8%
Admin and Governance	6,277	7,096	7,058	(37)	(0.5%)
School Operations	19,510	19,585	20,022	438	2.2%
Trustees' Association Fee	43	43	43	-	0.0%
Indigenous Education Allocation	524	343	345	2	0.7%
Safe Schools Supplement	644	670	679	8	1.3%
Community Use of Schools Grant	279	278	276	(1)	(0.5%)
New Teacher Induction Program	72	85	80	(5)	(6.1%)
Declining Enrolment	381	546	262	(284)	(52.0%)
Temporary Accommodation	750	558	625	66	11.9%
School Renewal - Operating Portion	1,310	1,181	1,349	168	14.2%
Restraint Savings	(89)	(89)	(89)	-	0.0%
Adjustment for mTCA	(486)	(307)	(158)	149	(48.5%)
Strike Savings	-	-	-	-	0.0%
Total Operating Grants	228,821	231,609	232,408	798	0.3%
Debt Servicing Grants					
Permanent Financing of NPF	1,613	1,613	1,613	-	0.0%
Amortization of DCC	12,160	12,324	13,731	1,407	11.4%
Capital Debt Support Payment - Interest	6,507	6,146	5,766	(380)	(6.2%)
Short Term Interest	-	-	-	-	0.0%
Total Debt Servicing Grants	20,280	20,083	21,110	1,027	5.1%
Total Legislative Grants	249,101	251,692	253,518	1,825	0.7%
Other (PPFs & Non-Grant Revenue)	7,845	6,874	6,116	(758)	(11.0%)
TOTAL REVENUES	256,945	258,566	259,633	1,068	0.4%

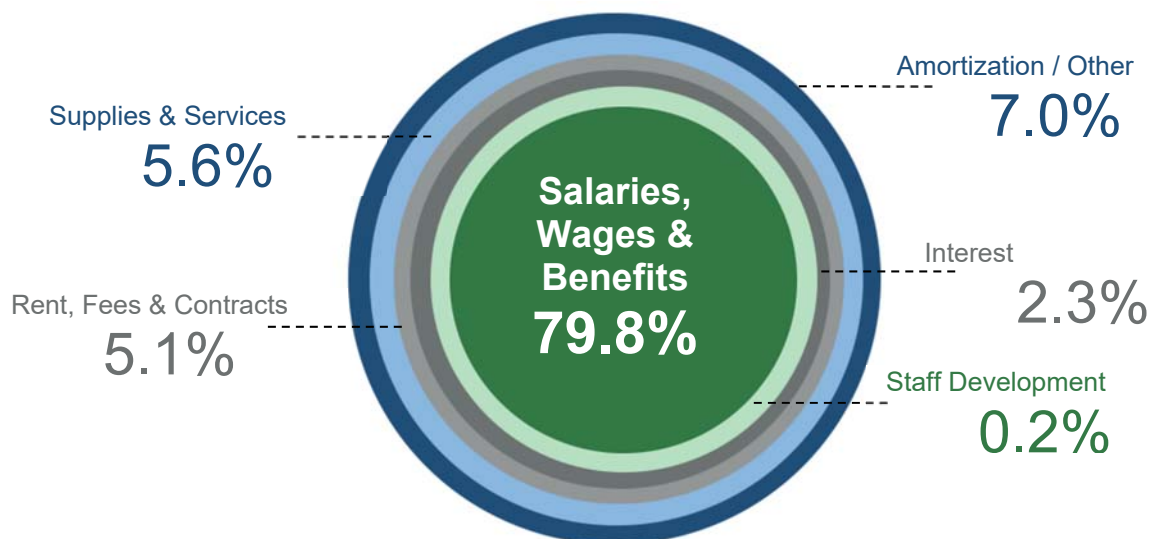
Expenditure Highlights

The 2018-19 Budget Estimates expenditure budget, informed by the Board’s projection of the 2018-19 year-end financial results, was used as the base for the 2019-20 budget, adjusted:

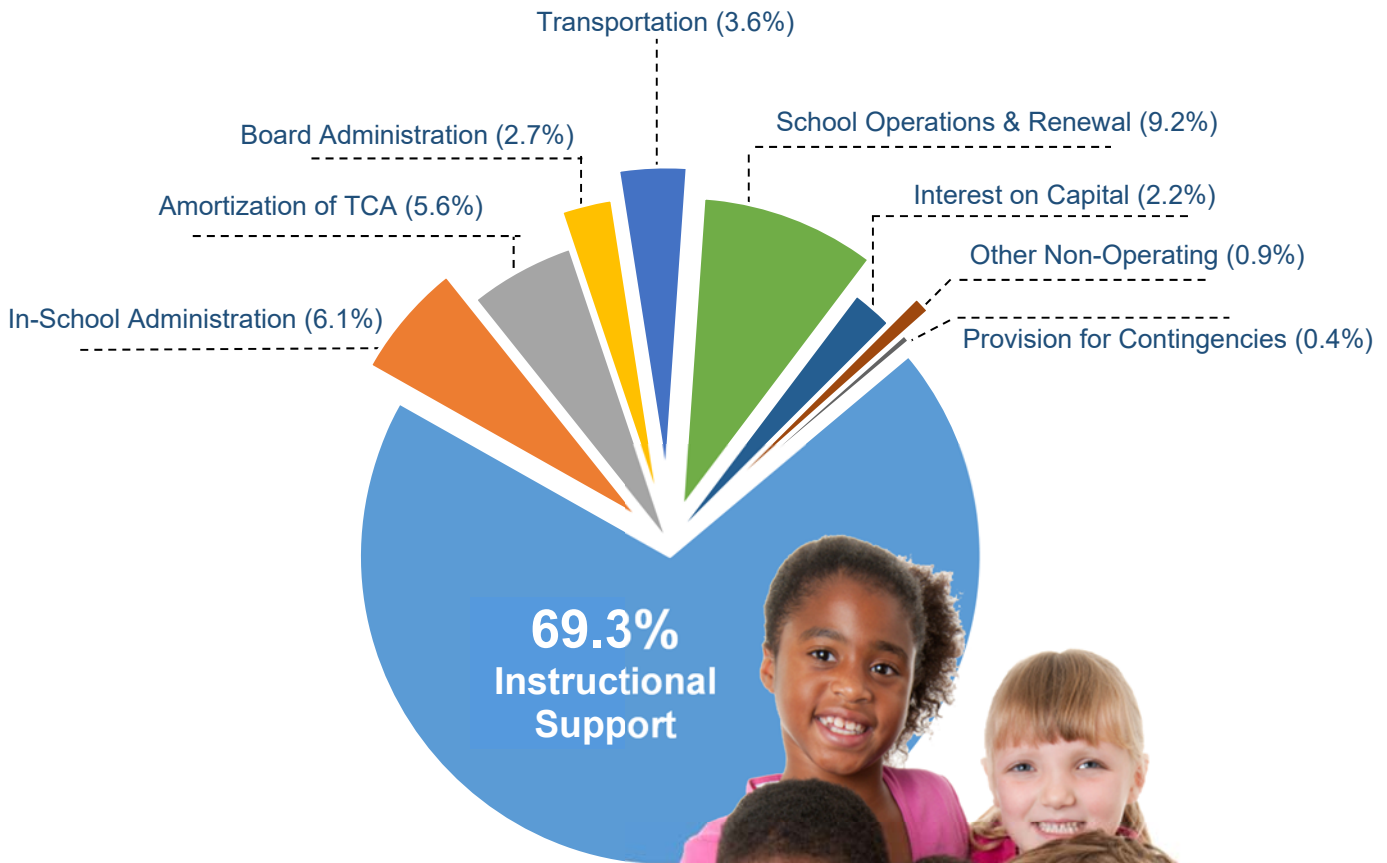
1. to exclude one-time budget allocations;
2. to include inflationary pressures such as increased utility costs;
3. to include contractual/statutory changes due to current collective agreements, service contracts etc.;
4. to reflect the most recent PSAB (Public Sector Accounting Board) actuarial forecasts;
5. to include anticipated PPFs offset by matching revenue;
6. to reflect the impact of enrolment projections on staffing; and
7. to allow for the implementation of Board priorities and previously approved Board commitments.



The Board’s total estimated expenditures for the 2019-20 fiscal year are \$259.6M as compared to \$259.7M for 2018-19, a decrease \$0.1M. WECD SB expenses are largely comprised of labour related costs (salaries and benefits) for staff which typically represent about 79.8% of total expenditures. WECD SB’s central administration costs are only 2.7% of the Board’s total expenses.



Expenditures by Category



A detailed comparison of expenses for the 2017-18, 2018-19 and 2019-20 fiscal years is provided below:

EXPENSES (\$Thousands)	DETAILED EXPENSES				
	2017-18 Financial Statements	2018-19 Budget Estimates	2019-20 Budget Estimates	Change (2018-19 Budget to 2019-20 Budget)	
				\$ Increase (Decrease)	% Increase (Decrease)
Instruction					
Teachers	130,722	133,171	132,125	(1,046)	(0.8%)
Supply Staff	7,686	6,027	5,832	(195)	(3.2%)
Educational Assistants	16,812	17,326	17,146	(180)	(1.0%)
Early Childhood Educators	3,773	3,867	3,987	119	3.1%
Classroom Computers	1,350	1,150	1,120	(30)	(2.6%)
Textbooks and Supplies	4,013	4,719	4,404	(315)	(6.7%)
Professionals and Paraprofessionals	6,151	6,380	6,332	(48)	(0.7%)
Library and Guidance	2,185	2,394	2,433	39	1.6%
Staff Development	1,099	1,593	1,385	(208)	(13.1%)
Department Heads	655	671	678	7	1.0%
Principal and Vice-Principals	9,681	9,687	9,302	(386)	(4.0%)
School Office	6,407	6,268	6,527	259	4.1%
Co-ordinators and Consultants	3,137	3,152	4,051	899	28.5%
Continuing Education	346	329	329	-	0.0%
Amortization and Write-downs	306	184	153	(31)	(16.8%)
Total Instruction	194,323	196,919	195,803	(1,116)	(0.6%)
Administration					
Trustees	113	134	132	(2)	(1.6%)
Director/Supervisory Officers	988	882	821	(62)	(7.0%)
Board Administration	5,774	7,067	6,026	(1,041)	(14.7%)
Amortization and Write-downs	66	78	70	(7)	(9.2%)
Total Administration	6,941	8,160	7,048	(1,112)	(13.6%)
Transportation	7,887	8,930	9,281	351	3.9%
Pupil Accommodation					
School Operations & Maintenance	23,518	22,579	23,109	530	2.3%
School Renewal - Operating Portion	795	666	834	168	25.3%
Other Pupil Accommodation	6,512	6,152	5,772	(380)	(6.2%)
Amortization and Write-downs	12,511	12,784	14,229	1,445	11.3%
Total Pupil Accommodation	43,335	42,181	43,944	1,763	4.2%
Other Non-Operating	3,563	2,375	2,397	21	0.9%
Provision for Contingencies	-	1,158	1,161	2	0.2%
TOTAL EXPENSES	256,049	259,723	259,633	(90)	(0.0%)

2019-20 expenses by category and object are detailed below.

2019-20 EXPENSE DETAIL BY CATEGORY - ELEMENTARY & SECONDARY COMBINED								
Expense Categories	Salaries and Wages	Employee Benefits	Staff Development	Supplies & Services	Interest Charges on Capital	Rent, Fees & Contractual Services	Amortization & Other	Total Expenses
INSTRUCTION								
Classroom Teachers	\$ 116,462,908	\$ 15,616,769	\$ -	\$ 45,276	\$ -	\$ -	\$ -	\$ 132,124,953
Supply Staff	5,265,231	566,994						5,832,225
Teacher Assistants	13,221,610	3,924,350						17,145,960
Early Childhood Educators	3,120,265	866,333						3,986,598
Computers				1,119,929				1,119,929
Textbooks/Supplies				4,161,554		242,168		4,403,722
(Para)Prof./Technicians	4,642,064	1,358,604		127,369		204,020		6,332,057
Library/Guidance	2,032,362	400,145						2,432,507
Staff Development	944,237	29,741	395,021				16,000	1,384,999
Department Heads	677,648							677,648
Principals/Vice-Principals	8,035,873	1,142,608	118,638	4,450				9,301,569
School Office	4,274,254	1,801,958		332,187		118,346		6,526,745
Coord. and Consultants	3,298,566	465,297		248,404		38,980		4,051,247
Continuing Education	293,500	10,661		24,878				329,039
Amortization/Write-downs							153,379	153,379
Instruction Subtotal	\$ 162,268,518	\$ 26,183,460	\$ 513,659	\$ 6,064,047	\$ -	\$ 603,514	\$ 169,379	\$ 195,802,577
ADMINISTRATION								
Trustees	\$ 102,003	\$ 5,001	\$ 13,500	\$ 11,000	\$ -	\$ -	\$ -	\$ 131,504
Director/Supervisory Officers	654,591	125,137	31,300	9,500				820,528
Board Administration	2,913,469	1,079,369	18,935	352,104		1,411,863	250,262	6,026,002
Amortization/Write-downs							70,464	70,464
Administration Subtotal	\$ 3,670,063	\$ 1,209,507	\$ 63,735	\$ 372,604	\$ -	\$ 1,411,863	\$ 320,726	\$ 7,048,498
TRANSPORTATION								
Pupil Transportation	\$ 103,458	\$ 20,842	\$ -	\$ 1,300	\$ -	\$ 9,134,529	\$ 21,000	\$ 9,281,129
Transportation Subtotal	\$ 103,458	\$ 20,842	\$ -	\$ 1,300	\$ -	\$ 9,134,529	\$ 21,000	\$ 9,281,129
PUPIL ACCOMMODATION								
School Oper./Maintenance	\$ 9,749,233	\$ 3,944,114	\$ 4,495	\$ 8,006,677	\$ -	\$ 1,402,215	\$ 2,000	\$ 23,108,734
School Renewal-Operating					139,991	693,871		833,862
Other Pupil Accommodation					5,766,867	5,000		5,771,867
Amortization/Write-downs							14,229,279	14,229,279
Pupil Accommod. Subtotal	\$ 9,749,233	\$ 3,944,114	\$ 4,495	\$ 8,006,677	\$ 5,906,858	\$ 2,101,086	\$ 14,231,279	\$ 43,943,742
OTHER								
Other Non-Operating							\$ 2,396,535	\$ 2,396,535
Provision for Contingencies							1,160,808	1,160,808
Subtotal - Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,557,343	\$ 3,557,343
TOTAL EXPENSES	\$ 175,791,272	\$ 31,357,923	\$ 581,889	\$ 14,444,628	\$ 5,906,858	\$ 13,250,992	\$ 18,299,727	\$ 259,633,289

The challenges cited previously made this budget difficult to balance within available funding, given that 79.8% of the Board's budget is salaries and benefits, which is determined by Ministry ratios, collective agreements, legislative compliance, and student needs.

A reconciliation of **expenses** between the 2018-19 Budget Estimates and the 2019-20 Budget is summarized below:

	Amount (\$M)
2018-19 Budget Estimates	259.72
Negotiated increase in salaries, offset by increased benchmark funding	1.91
Decreased staffing resources, net	(1.47)
Benefit expense phase-in decrease, net	(1.14)
Expenditure additions	0.43
Expenditure reductions	(0.32)
Debenture interest decrease	(0.38)
Amortization expense increase, offset by increase in DCC revenue	1.41
Decrease in PPF expenses, offset by decrease in PPF revenue	(0.30)
Other net expenses	(0.23)
2019-20 Budget Estimates	259.63

As shown in the table above, certain expenses changed due to the impact of existing negotiated agreements that are set to expire on August 31, 2019 (i.e., previously negotiated salary increases, as well as the expiry of Local Priority funding). Other expenditures have changed through the normal course of budget development (debenture interest, amortization and PPF expenditures).

Benefit expenses have decreased due to a reduction in the retirement gratuity phase-in amount. In 2019-20, the liability remaining to be phased into expense is only 40% of the previously phased-in amount. After 2019-20, the entire liability will be phased into compliance and will no longer be an expense for the board.

The table above identifies \$0.32M of expenditure **reductions** in 2019-20 relative to the 2018-19 Budget Estimates. This reduction consists of decreases to various line-by-line accounts, school budgets and other miscellaneous accounts.

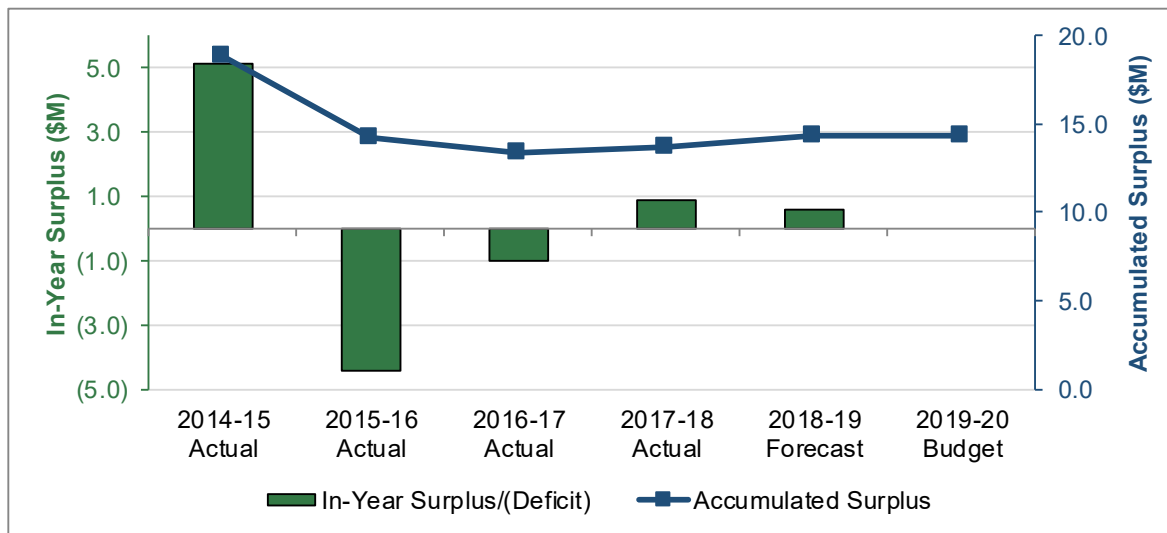
While the 2019-20 budget required reductions to balance, Administration found it necessary to **add** \$0.43M in order to respond to inflationary pressures and allow for implementation of Board priorities as follows:

- Contractual transportation increases along with increased transportation costs associated with non-congruent days.
- School Operations increases to groundskeeping, roofing and gym repairs.

Accumulated Surplus

Revenues less expenses generate an annual or “in-year” surplus or deficit. The annual balance accumulates from one year to the next, and is referred to as the accumulated surplus/deficit. The accumulated surplus can be set aside or “internally appropriated” by the Board for specific purposes (formerly known as internally restricted reserves) such as reserves for working funds, retirement gratuities, capital reserves not required by legislation and so forth.

The following chart shows the actual balance of the accumulated surplus/deficit available for compliance for the last 4 years, as well as the current forecast for 2018-19 and the projection for 2019-20:



As depicted in the chart above, the Board ended the 2017-18 fiscal year with an in-year surplus of \$897K, and is currently forecasting an in-year surplus in 2018-19 of \$612K. The 2019-20 budget is balanced, therefore generating no in-year surplus/(deficit).

The actual components of the accumulated surplus available for compliance for 2017-18, along with projections for 2018-19 and 2019-20 are detailed below.

(\$Thousands)	2017-18 Actual	2018-19 Forecast	2019-20 Estimates	
Operating surplus	6,572	7,247	7,311	unrestricted
School Renewal	172	172	172	restricted
Benefit Plan	762	762	762	restricted
Unfunded Post Age 65 Retirement Benefit Liability Phase-In (2012-13 to 2015-16)	5,145	5,145	5,145	restricted
Sinking fund interest	1,093	1,029	966	restricted
TOTAL	13,744	14,356	14,356	

↑ of \$612K projected
↑ budget balanced

2019-20 DRAFT BUDGET

Faith Centered Learning

In keeping with the virtues of our Catholic faith, we are called to know every student, to inspire them to follow the example of Jesus, and empower them with the knowledge and skills they need to live purposeful, meaningful lives.

To support this mission, WECDSB strives:

- To understand and know each student, in order to better promote their intellectual, spiritual, emotional, and physical well-being.
- To create an atmosphere that nurtures the faith journey of all our students and encourages them to put into practice the virtues inherent in our faith.
- To foster mutual respect for other beliefs while remaining true to our core Catholic principles and values.
- To seek out creative ways of strengthening connections between faith and academics through curriculum.
- To provide meaningful and ongoing Catholic faith formation for all students and employees.
- To encourage all our employees, our ratepayers, and the broader Catholic community to commit to the faith formation and achievement of our students.



Although Faith Development is a part of every program offered by the Board, specialized resources are provided to assist classroom teachers and provide system-wide retreats and activities, which ensure the delivery of faith-oriented programming.

Funding for the following items in the 2019-20 budget is provided through a combination of savings in other areas and a reallocation of funding within the GSN, as there is no direct funding source to support the costs:

	Amount (\$)
Campus Ministers and Board Chaplain	682,531
Faith Consultant	119,460
Faith related staff development	35,800
Faith related supplies and services	14,900
Memberships	16,000
Provision for faith in school budgets	78,000
Retreats	46,000
TOTAL	992,691

Other resources that support this priority including superintendents, school principals, teachers and support staff that are involved in the planning of activities are not included in the expenditures listed above.

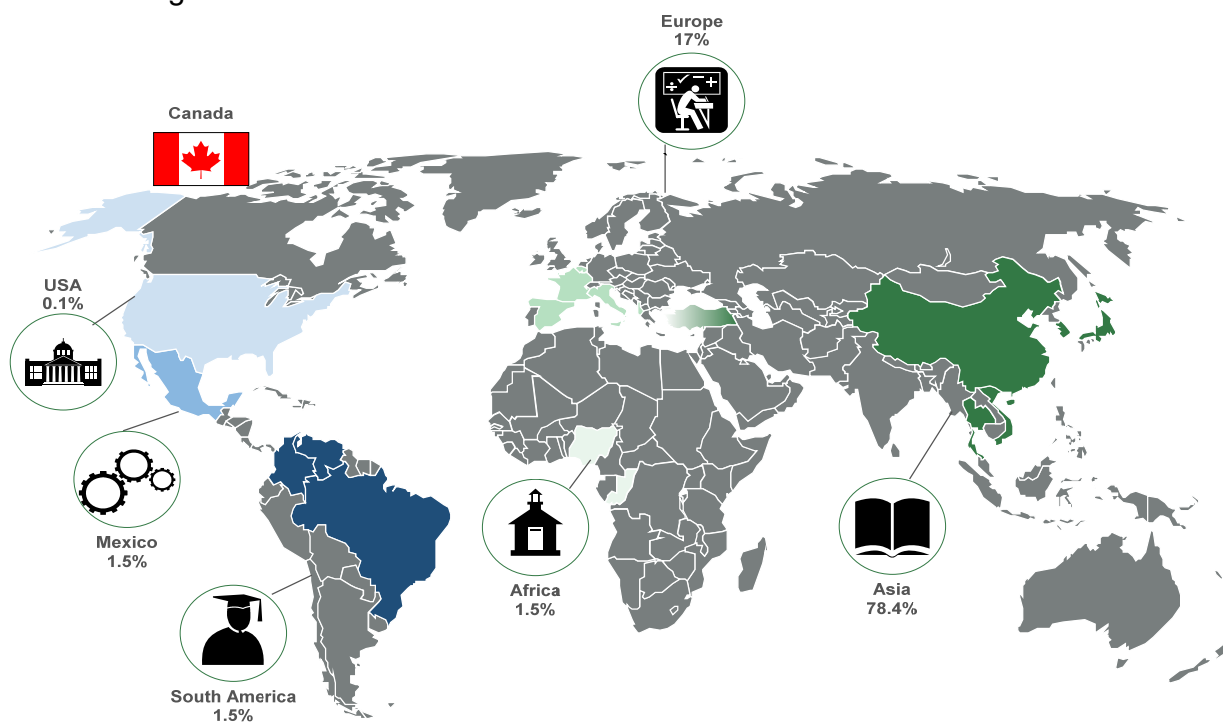
International Education

WECD SB’s International Education Program provides students from outside of Canada an opportunity to study at a local school, improve English language skills and gain an experience that will last a lifetime.

International Education

	2014-15 Actual	2015-16 Actual	2016-17 Actual	2017-18 Actual	2018-19 Budget	2019-20 Budget
Enrolment						
Elementary	3	9	12	9	19	12
Secondary	57	58	86	111	198	139
Total Enrolment (FTE)	60	67	98	120	217	151
Revenues	649,057	647,130	981,174	1,430,644	2,316,958	1,675,802
EXPENSES						
Teaching Staff	280,036	309,093	463,403	577,997	1,057,613	592,059
Support Staff	66,959	152,606	161,632	209,411	263,949	270,484
Other	41,149	24,751	96,659	112,490	85,948	85,948
Total Expenses	388,144	486,450	721,694	899,898	1,407,510	948,491
Net Contribution	260,913	160,680	259,480	530,746	909,448	727,311

The program has expanded over the past 10 years with students coming from Albania, Belgium, Brazil, China, Colombia, Congo, France, Italy, Japan, Mexico, Nigeria, South Korea, Spain, Thailand, Turkey, United States, Venezuela, and Vietnam. The following map shows the current origin of our International Students:



Special Education

In addition to the Pupil Foundation Grant and other GSN funding for classrooms, schools and the system as a whole, the Ministry provides school boards with the Special Education Grant. This grant provides additional funding for students who need special education programs, services and/or equipment.

New investments in Special Education:

- Additional Special Education Per-Pupil Amount (SEPPA) funding (announced in the summer of 2018) for 2018-19 and 2019-20. This funding is to assist with costs of providing additional support to students with special education needs.
- Increased funding in the GSN for Behaviour Expertise Amount. This investment allows for the hiring of more professional staff at the board level who have expertise in Applied Behaviour Analysis (ABA), and also allows for increases in training opportunities that will build capacity.



WECD SB's inclusive model of Special Education service delivery expresses its commitment to educate each child to the maximum extent in the classroom they attend. It involves bringing the support services to the child rather than moving the child to the services. This vision enables students with special education needs to achieve personal excellence.

This model however causes budget pressures and the Board annually overspends its allocation in this area. In 2019-20, grant revenues are projected to decline due to the expiry of the Local Priority Funding, partially offset by the increases in SEPPA and BEA. Salaries and benefits are decreasing mainly due to the positions previously funded by the Local Priority Funding which were not renewed. The net impact is a \$3.6M gap between the expenses and funding.

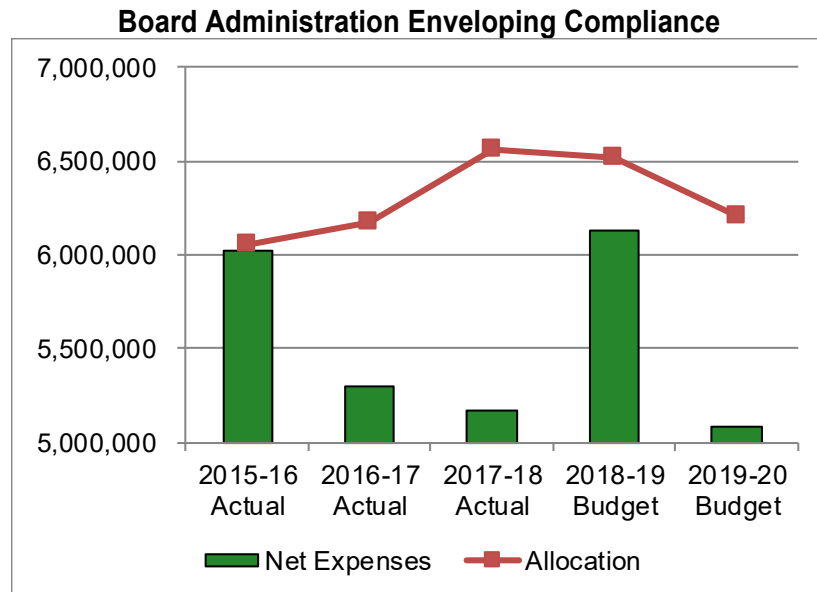
Special Education

(\$Thousands)	2014-15 Actual	2015-16 Actual	2016-17 Actual	2017-18 Actual	2018-19 Budget (restated)	2019-20 Budget
GRANT						
SEPPA	14,302	14,076	14,289	14,639	14,672	15,319
SEA	834	927	980	873	916	895
DSENA	10,811	10,691	10,616	10,506	11,186	11,211
SIP	324	324	135	54	361	82
BEA	142	141	143	145	176	354
Other Revenue	-	-	-	1,080	1,080	-
Total Funding	26,413	26,160	26,162	27,297	28,391	27,861
EXPENSES						
Salaries and Wages	22,444	23,312	25,346	25,929	26,544	25,389
Employee Benefits	4,702	4,494	5,066	5,209	5,729	5,672
Staff Development	7	8	8	12	8	8
Supplies and Services	499	583	514	446	453	454
Fees and Contract Services	57	9	5	9	8	8
Total Expenses	27,708	28,407	30,938	31,605	32,742	31,530
Less: Self-Contained Class Allocation	(91)	(95)	(200)	(131)	(89)	(99)
Net Expenses	27,617	28,312	30,738	31,474	32,654	31,431
In-Year Surplus/(Deficit)	(1,203)	(2,152)	(4,576)	(4,177)	(4,262)	(3,570)

Administration & Governance

The School Board Administration and Governance Grant provides funding for administration and governance costs such as operating board offices and central facilities, board-based staff and expenditures, including supervisory officers and their secretarial support.

The School Board Administration and Governance Grant enveloping provision incorporated in the GSN requires that boards' net administration and governance expenses in a fiscal year do not exceed the administration and governance grant. The expectation is that school boards are in compliance with the enveloping provision. As shown in the chart, WECDSB does not overspend its allocation and in fact continues to redirect surplus funds to other areas of the Board.



Funding for School Board Administration and Governance is provided through the following allocations:

1. Trustees Allocation
2. Reporting Entity Project Allocation
3. Parent Engagement Funding Allocation
4. Internal Audit Allocation (not applicable for WECDSB)
5. Board Administration Allocation
6. Program Leadership Allocation (PLA)
7. Employer Bargaining Agent Fees Allocation
8. Capital Planning Capacity Allocation
9. Managing Information for Student Achievement (MISA) Local Capacity Allocation

NEW FOR 2019-20

The Human Resource Transition Supplement, which was provided through the School Board Administration and Governance Grant to assist school boards in managing the negotiated 2017-19 agreements, is being discontinued in 2019-20.

The 2019-20 budget also contains compensation benchmark adjustments to reflect the 2017-19 central labour agreements for all school board administration staff, with the exception of the benchmarks related to the Director and Senior Administration staff.

Capital

The 2019-20 Budget reflects planned asset additions of \$20,823,626, summarized in the table below.

	(\$)
Buildings	15,695,926
Land Improvements	4,800,000
Computer Hardware and Software	327,700
TOTAL PLANNED ASSET ADDITIONS	20,823,626



The \$20.8M of capital expenditures have been balanced against available Ministry funding, as follows:

Funding Source	(\$)
Early Years Capital	5,240,854
Capital Priorities Grant – Major Capital	2,618,302
School Condition Improvement Allocation	10,750,000
School Renewal Allocation (portion spent on capital)	2,029,500
Minor Tangible Capital Assets (moveable type assets)	158,200
Retrofitting School Space for Child Care	26,770
TOTAL FUNDING	20,823,626

For all capital assets the Board must calculate amortization. The annual amortization expense projected in 2019-20 as calculated on the Board's total capital asset net book value of \$242.3M is \$14,453,122. It is this amount that forms part of the Board's projected \$259.6M expenditure budget in 2019-20.

The balance of the capital budget that is included in the Board's overall expenditure budget consists of known interest payments on debt obligations that resulted from historical construction of buildings and purchases of land. Therefore, the capital expense in the 2019-20 budget is comprised of:

	(\$)
Interest on long term debt	5,766,867
Amortization of capital assets	14,453,122
TOTAL CAPITAL EXPENSE	20,219,989

The Ministry continues to provide funding for the renewal of facilities through the School Renewal and School Condition Improvement Allocations, recognizing the large provincial and local renewal backlog. Details are provided on pages 30 and 31.


Capital Funding Program Updates

The Ministry continues its multi-year capital funding allocations designed to target board identified capital needs. The primary means for funding new construction is the Capital Priorities Grant while School Condition Improvement funding helps address high and urgent renewal needs and facility condition. In addition, the Ministry provides funding to create new licensed child care spaces, meet enrolment demands through temporary accommodation, purchase land for new schools and additions and support expanded use of schools by communities.

Highlights Announced in 2019-20 GSN:

- Continuation of a \$1.0 billion province-wide investment in School Condition Improvement (SCI) funding.
- Additional \$40 million provincially in the School Renewal cost benchmark for capital expenditures.
- Continuation of the Capital Planning Capacity program.

In 2019-20, the Ministry will provide funding to the WECDSB for its capital needs through the following programs:

<p>Capital Priorities (CP):</p> <ul style="list-style-type: none"> ⇒ Primary means to fund projects required to address accommodation pressures, replace facilities in poor repair and support consolidation of underutilized facilities. ⇒ \$26,255,807 for new Catholic Central High School. 	<p>Early Years Capital Program (EYCP):</p> <ul style="list-style-type: none"> ⇒ Intended to create access to more licensed child care for children aged 0 to 4 years old over the next five years. ⇒ \$2,117,516 for St. Teresa of Calcutta ⇒ \$1,588,137 for St. Louis ⇒ \$2,117,516 for Stella Maris
<p>Temporary Accommodation Allocation:</p> <ul style="list-style-type: none"> ⇒ Funds portable moves, leases and purchases, as well as lease costs for permanent instructional space. ⇒ \$521,542 for WECDSB in 2019-20. 	<p>Capital Planning Capacity (CPC):</p> <ul style="list-style-type: none"> ⇒ Supports boards as they undertake additional capital planning activities to make efficient use of school space. ⇒ \$122,173 for WECDSB in 2019-20.
<div style="border: 2px solid green; border-radius: 15px; padding: 10px;">  <p style="text-align: center;">FACILITY CONDITION INDEX (FCI)</p> <p><i>The Ministry of Education conducts a School Condition Assessment Program where independent, third-party facility inspectors conduct assessments to obtain data on the current condition of all open and operating schools across the province. The Facility Condition Index (FCI) is derived from the information that is collected through this process and informs SCI capital funding allocations. Information on the condition of Ontario schools is gathered in five-year cycles, the first of which took place from 2011 to 2015. The program is currently in year two of its second cycle (2016 to 2020).</i></p> </div>	<p>School Renewal Allocation (SRA):</p> <ul style="list-style-type: none"> ⇒ Addresses the costs of repairing and renovating schools. ⇒ \$3,396,671 for WECDSB in 2019-20. <p>School Condition Improvement (SCI):</p> <ul style="list-style-type: none"> ⇒ Addresses the backlog in school renewal needs focusing on ensuring facilities are in good condition, energy efficient, accessible and safe. ⇒ 70% of the grant is restricted to address major building components; 30% is unrestricted. ⇒ \$8,171,411 for WECDSB in 2019-20.

School Renewal

The School Renewal Allocation, which addresses the costs of repairing and renovating schools, is \$3,396,671 in 2019-20, an increase of \$44,810 over the 2018-19 funding level of \$3,351,861. This funding can be spent on both operating and capital expenses, but there is a limit as to the amount that can be spent on operating. Any unspent funds at year-end are deferred to the following year for future school renewal expenses. A list of planned projects for 2019-20 is provided below.

2019-20 School Renewal

Project / School	Project Description	Projected Cost
<u>SITE IMPROVEMENTS</u>		
Elementary	Based on project list & VFA assessments	500,000
Secondary	Based on project list & VFA assessments	500,000
<u>FLOORING</u>		
Various Schools	Carpet replacement, floor finishes	100,000
<u>PAVING</u>		
Various Schools	Paving and bus bays	500,000
<u>ACCESSABILITY</u>		
Various Schools	Address accessibility issues	100,000
<u>ELECTRICAL - SITE</u>		
Elementary	Various schools	100,000
Secondary	Various schools	100,000
<u>SECURITY</u>		
Elementary	Security upgrades	30,000
Secondary	Security upgrades	30,000
<u>OTHER</u>		
Various Schools	IT projects (computer hardware)	169,500
Villanova	Water sewage treatment services	80,000
Unassigned	Additional projects to be determined	513,871
Provision for Unsupported Debt		655,082
TOTAL PROJECTS		3,378,453
Amount remaining in Deferred Revenue		18,218
TOTAL		3,396,671

School Condition Improvement (SCI)

For 2019-20, the Ministry will continue to allocate \$1B in core School Condition Improvement (SCI) funding. This funding is intended to help boards address the identified renewal backlog from the data collected to date through the Ministry's five-year Facility Condition Assessment Program, which began in 2011. The funding is allocated in proportion to a board's total assessed renewal needs under the program, relative to the provincial total.

Boards must use this funding on depreciable renewal expenditures in schools that are expected to remain open and operating for at least five years. Boards are not to use this funding to expand the size of schools, build new schools, or to service debt.

School boards are required to direct 70 percent of their SCI funding to key building components (for example, foundations, roofs, windows) and systems (for example, HVAC and plumbing). The remaining 30 percent can continue to address major building components or, alternatively, building interiors and surrounding site components. School boards have the flexibility to prioritize schools and individual components and systems that fit under these categories and deal with problems as they emerge, rather than having to wait for the next condition assessment of a building.

WECDSB's SCI allocation is \$8,171,411 for 2019-20, an increase of \$618,631 over the 2018-19 funding level of \$7,552,780. Unspent funds will be carried forward to the following year.

A list of planned projects for 2019-20 is provided below.

2019-20 School Condition Improvement

Project / School	Project Description	Projected Cost
<u>PAVING:</u>		
Various Schools	Parking lot replacement and bus bays	500,000
<u>SITE IMPROVEMENTS:</u>		
Various Schools	Based on project lists and VFA assessments	500,000
<u>DOORS / WINDOWS:</u>		
Elementary	Replace exterior/interior doors/windows	100,000
Secondary	Replace exterior/interior doors/windows	100,000
<u>FIRE PROTECTION:</u>		
Elementary	Fire panel replacements	100,000
Secondary	Fire panel replacements	100,000
<u>ELECTRICAL:</u>		
Elementary	Interior lighting upgrade to LED	400,000
Elementary	Exterior lighting upgrade to LED	100,000
Various schools	Electrical upgrades and replacements	500,000
<u>MECHANICAL - PLUMBING:</u>		
Various Schools	Washroom renovations	150,000
<u>ROOFING:</u>		
Various Schools	Roof Replacement	1,500,000
<u>HVAC:</u>		
Various Schools	Hot water tank replacement	200,000
Various Schools	System upgrades and replacement	500,000
Various Schools	Boiler replacement	500,000
Various Schools	Rooftop unit replacement	500,000
<u>BUILDING & SYSTEMS:</u>		
Various Schools	Other capital building - TBD	3,000,000
Various Schools	Other site improvements - TBD	2,000,000
TOTAL PROJECTS		10,750,000

Capital Deficit

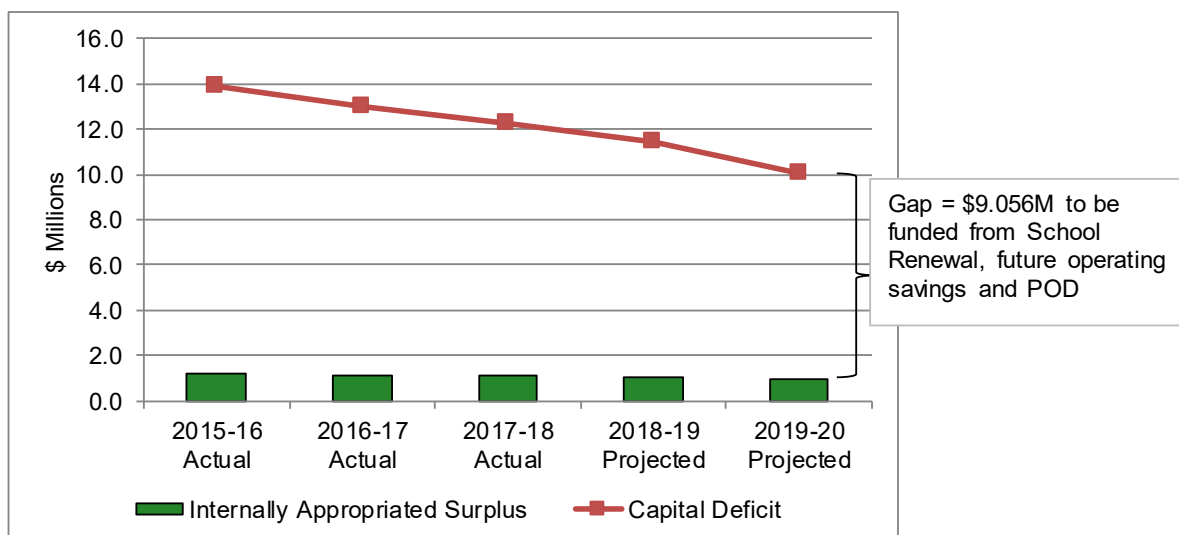
Under previous administrations, the Board undertook the construction of facilities not fully supported by grant revenues. As a result, there is a capital deficit or unsupported debt, meaning capital debt that is not supported with grant revenues from the Province to meet principal and interest payments. This debt affects the Board each year in the form of unsupported amortization expense, which is projected to be approximately \$722K per year as shown below:

Projected 2019-20 In-Year Activity:		(\$)
Amortization of Deferred Capital Contributions (funding)		13,731,075
Amortization and Writedowns of Tangible Capital Assets		(14,453,122)
UNSUPPORTED CAPITAL SPENDING		(722,047)

A projection of the unsupported debt balance at August 31, 2020, along with planned funding sources, is presented below.

Unsupported Debt Components:		(\$M)	Funding Sources:		(\$M)
Depreciable Assets (Buildings)		9.236	Internally Appropriated Surplus		0.966
Minor Tangible Capital Assets		0.295	School Renewal Allocation		7.322
Interest over life of debt		0.491	Future Operating Savings		1.465
TOTAL		10.022	Admin. Proceeds of Disposition		0.269
			TOTAL		10.022

As shown in the Funding Sources table above, the School Renewal Allocation is relied on considerably to fund the capital deficit. Should the Board wish to free up the future use of the School Renewal Allocation, it will need to generate and accumulate surpluses so they can be internally appropriated to offset the capital deficit. The chart below depicts the gap between the capital deficit and accumulated surplus internally appropriated to offset it.



Ministry of Education Reporting Dates

Financial reporting, monitoring, and auditing are important elements of an overall accountability framework associated with funding that is provided for education. The Ministry continues to monitor that grant claims by school boards are in accordance with the grant regulations and that school boards are in compliance with provincial standards and legislation, and funding envelopes.

The Ministry has established the following dates for submission of financial reports in 2019–20.

DATE	FINANCIAL REPORT
June 28, 2019 **	Board Estimates for 2019–20
November 15, 2019	Board Financial Statements for 2018–19
November 22, 2019	Board Enrolment Projections for 2020–21 to 2023–24
December 13, 2019	Board Revised Estimates for 2019–20
May 15, 2020	Board Financial Report for September 1, 2019 to March 31, 2020

Notes:

** A four-week extension, to July 24, 2019, was available to boards who may have needed additional time to submit, due to the late release of the Ministry of Education's 2019-20 funding information.

Some of the measures that the Ministry has taken to ensure compliance by school boards include:

- withholding grants when a board is not in compliance,
- requiring boards to prepare and submit deficit management plans when necessary, and
- directing boards to take measures to become compliant.



Appendix I: Budget Consultation Survey Results

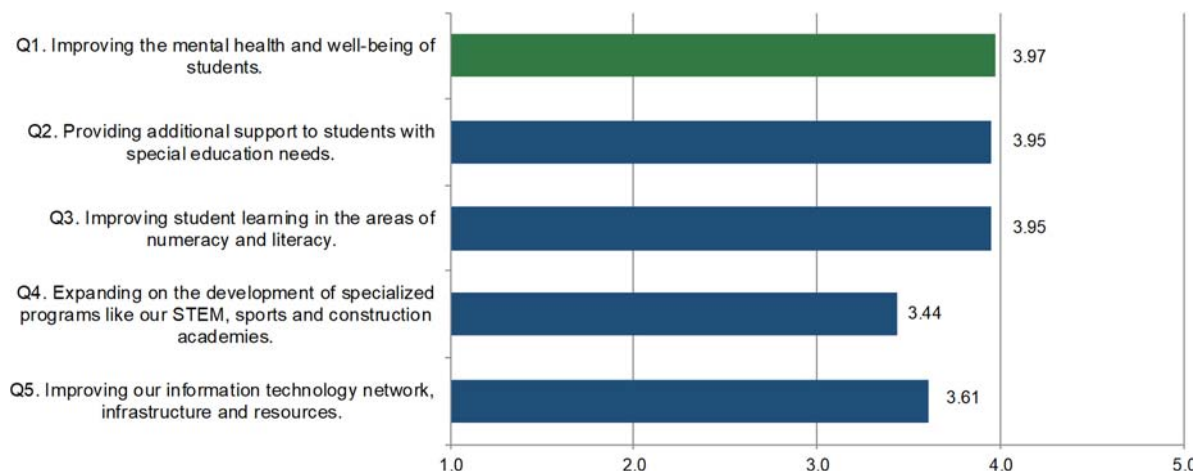
The Board is committed to ensuring that sufficient communication and consultation with the community exists regarding 2019-20 budget development. The community was invited to provide input at an early stage of budget development through a formal budget consultation survey. The intent of the survey was to inform the Board’s budget development and assist in formulating and affirming Board priorities as the Board works to promote excellence in education within a Faith-centered learning environment.

As of the original March 8, 2019 submission deadline, 1,299 survey responses were received. By comparison, 210 survey responses were received for the 2018-19 Budget Consultation Survey.

Overall responses to the 2019-20 Budget Consultation Survey are summarized below.

QUESTION:

The Ontario government is committed to making efficient and effective use of taxpayer dollars and is looking to the education sector to help find efficiencies. Given the economic realities facing all Ontario schools and the competing priorities, please rate the following, in terms of how much of the Board’s limited resources should be allocated to these areas: a 5 being the highest amount and a 1 being the least amount of resources allocated.



Consideration for budget

Stakeholders identified Mental Health & Well Being as being most important for resource allocation.

Overall results are representative of an average rating of importance.

Appendix II: Abbreviations

ABA	Applied Behaviour Analysis
ADE	Average Daily Enrolment
BEA	Behaviour Expertise Amount
CP	Capital Priorities
CPC	Capital Planning Capacity
CPI	Consumer Price Index
CUPE	Canadian Union of Public Employees
CYW	Child Youth Worker
DCC	Deferred Capital Contributions
DSENA	Differentiated Special Education Needs Amount
EA	Educational Assistant
ECE	Early Childhood Educator
EFIS	Education Financial Information System
EQAO	Education Quality and Accountability Office
ESL	English as a Second Language
EYCP	Early Years Capital Program
FCI	Facility Condition Index
FSL	French as a Second Language
FTE	Full-Time Equivalent
GSN	Grants for Student Needs
HVAC	Heating, Ventilation and Air Conditioning
IT	Information Technology
JK	Junior Kindergarten
K	(Senior) Kindergarten
LED	Light Emitting Diode (LED lighting)
MISA	Managing Information for Student Achievement
mTCA	Minor Tangible Capital Assets
NPF	Not Permanently Financed
NTIP	New Teacher Induction Program
OECTA	Ontario English Catholic Teachers' Association
OFIP	Ontario Focused Intervention Partnership
OSSLT	Ontario Secondary School Literacy Test
PLA	Program Leadership Allocation
POD	Proceeds of Disposition
PPF	Priorities and Partnerships Fund (formerly EPO - <i>Education Program - Other</i>)
PSAB	Public Sector Accounting Board
SAF	Supplementary Area Factor
SCI	School Condition Improvement
SEA	Special Equipment Amount
SEPPA	Special Education Per Pupil Amount
SHSM	Specialist High Skills Major
SIP	Special Incidence Portion
SRA	School Renewal Allocation
STEM	Science, Technology, Engineering, and Mathematics
TBD	To Be Determined
TCA	Tangible Capital Assets
VFA	VFA.database (relates to capital planning assessments)
WECD SB	Windsor-Essex Catholic District School Board



2019-20 DRAFT BUDGET



*For more information
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