



WINDSOR-ESSEX CATHOLIC  
DISTRICT SCHOOL BOARD

# **2019-20**

# **Budget Presentation**

## **June 11, 2019**

# Annual Budget Report

- ▶ Accompanying document to the presentation
- ▶ Available to all stakeholders
- ▶ Meant to serve as a reference to assist stakeholders in understanding the contents of the budget, as well as the process followed by senior admin to prepare the budget
- ▶ All budget materials available on-line at [www.wecdsb.on.ca](http://www.wecdsb.on.ca)



**DRAFT  
BUDGET**



**2019 – 2020**  
June 11, 2019  
*Learning Together in Faith and Service*

# GSN Highlights

## ▶ **Class Size Changes & Attrition Protection:**

### ○ **Kindergarten:**

- Funded ECE classroom staffing ratio change from 1.14 FTE to 1.0 FTE
- New amount for ECE supply costs

### ○ **Grades 4 – 8:**

- Funded average class size change from 23.84 to 24.5

### ○ **Grades 9 – 12:**

- Funded average class size change from 22 to 28
- Elimination of Secondary Programming Amount
- Funded Prep Time decrease

# GSN Highlights continued...

## ▶ **Class Size Changes & Attrition Protection:**

### ○ **Supplementary Area Factor (SAF):**

- Updated to align with changes to secondary class sizes
- Changes phased in over 5 years
- Secondary SAF reduced from 1.087 to 1.070 in 2019-20

### ○ **Attrition Protection:**

- New top-up provided when change in funded classroom teachers exceeds actual attrition and leaves
- Allows boards to phase-in class size changes
- Provided for up to 4 years

# GSN Highlights continued...

## ▶ **Increased Investments:**

- **Special Education** – increase in BEA allocation for more staff and training
- **Student Transportation** – new stabilization funding

## ▶ **Investments to keep up with costs**

## ▶ **Discontinued Funding:**

- **Cost Adjustment Allocation** – supplemental funding previously provided for education worker benchmarks
- **HR Transition Supplement** – previously provided to assist with managing collective agreements

# GSN Highlights continued...

- ▶ **International Student Recovery Amount:**
  - New reduction to operating grant
  - Flat fee of \$1,300 per international student recovered by province
  
- ▶ **Ongoing Implementation & Other Changes:**
  - Salary benchmark increases from 2017-19 central labour agreements
  - Continued phase in of historical grant changes
  - Expiry of Local Priority Fund

# PPF (Priorities & Partnerships Fund)

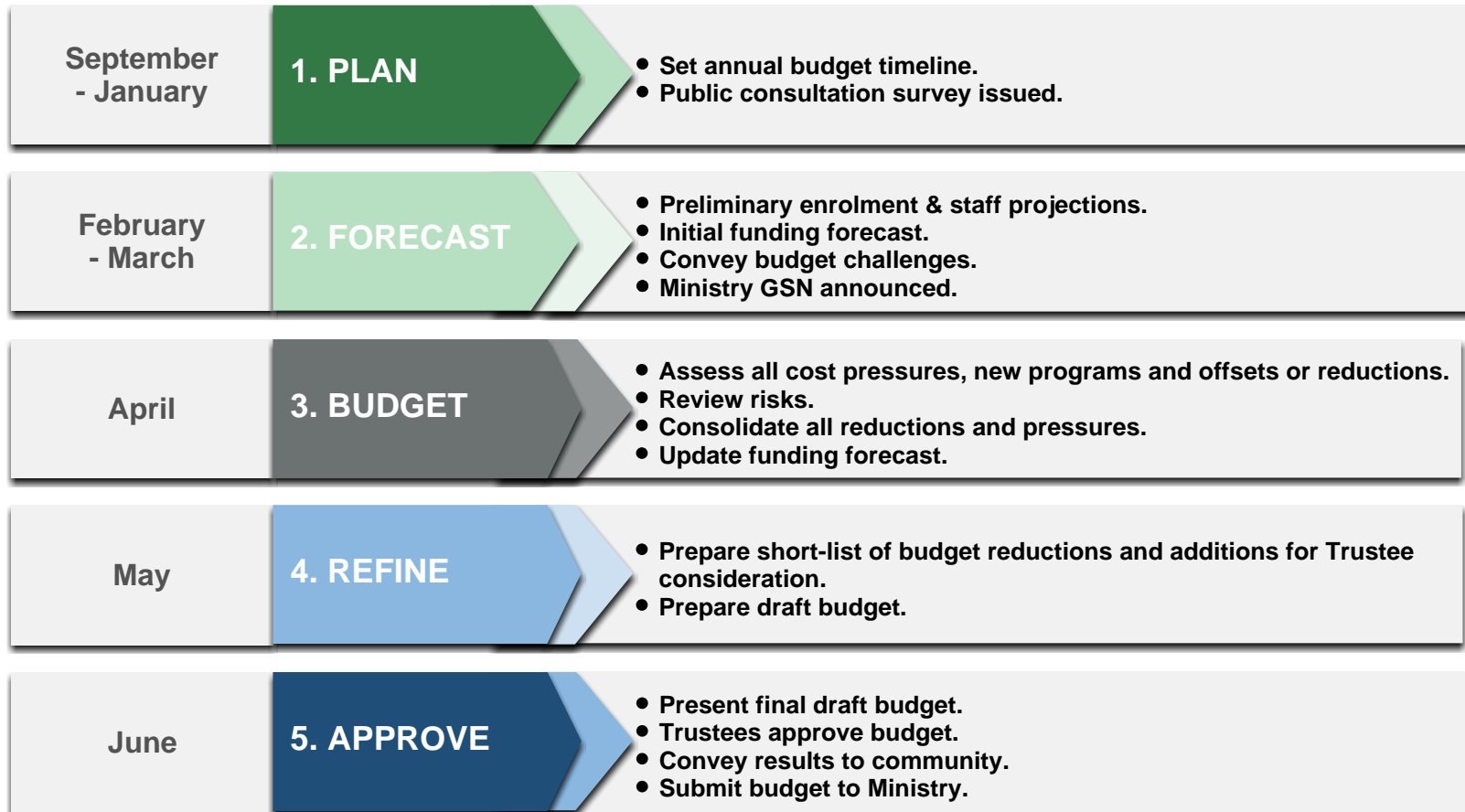
- ▶ Formerly known as EPOs
- ▶ Typically announced late March when GSN is traditionally announced
- ▶ Normally would see:
  - 1) Board-by-board allocations for certain programs, and
  - 2) Provincial allocations for other programs, with board allocations confirmed later in the year
- ▶ This year, no board level amounts in memo
- ▶ Certain PPFs verbally confirmed as discontinued (Outreach Coordinator & Priority Schools)
- ▶ Other amounts remain uncertain

# WECDSDS Budget Objectives

- ▶ Deliver a compliant budget, on time, with up to a 0.5% contingency per Board By-Laws
- ▶ Budget must be realistic and achievable
- ▶ Protect student achievement and faith development initiatives
- ▶ Compliance with legislation, accounting regulations and contractual agreements
- ▶ Maximize staffing efficiencies
- ▶ Build public confidence



# Budget Process & Timelines



# Budget Process continued...

## 1. Calculate Estimated Revenue Entitlements

- Forecast student enrolment
- Calculate estimated grant entitlements

## 2. Calculate Estimated Expenses

- Based on enrolment, estimate staffing requirements, salaries & benefits to meet contractual and legislative requirements
- Estimate balance of expenditures
- Calculate Board by-law contingency reserve

## 3. Calculate In-year surplus (deficit)

- If deficit exists, accumulated surplus to a maximum of 1.0% of operating revenue can be used to balance the budget, with Board of Trustee approved recovery plan. Any deficit in excess of this requires Ministry approval.

# Budget Consultation

## Structure

- ▶ Online public survey
- ▶ School Messenger phone survey

## Content

- ▶ Focused on Board priorities

## Results

- ▶ 1,299 responses received (210: 2018-19).
- ▶ Detailed responses: Appendix I.



# Budget Challenges & Risks

## Prevalent in 2019-20:

- ▶ Labour negotiations for 2019-20 unknown
- ▶ Managing increased class sizes within current collective agreement constraints
- ▶ Attrition Protection funding at risk if actual attrition varies from projection
- ▶ Uncertainty of PPF amounts and discontinuance of certain PPF funding

# Budget Challenges & Risks

## Ongoing:

- ▶ Projecting enrolment
- ▶ Cost of phasing-in post age 65 retirement benefit liability
- ▶ Managing costs for students with individual needs
- ▶ Aging infrastructure and renewal needs
- ▶ No direct funding for Faith initiatives
- ▶ Controlling staffing costs (80% of total budget)
- ▶ Capital deficit
- ▶ Providing for a 0.5% contingency with available funds

# Enrolment

- ▶ Key driver for most Ministry grants ~ 2/3 of grants vary with enrolment
- ▶ Challenging to project as actual results will differ

## **Projected enrolment for 2019-20 was...**

- ▶ Prepared by Human Resources
- ▶ Based on historical data updated for current circumstances
- ▶ Presented to and approved by Executive Council for use in budget development

# Enrolment continued...

## 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)	
				#	%
<b>Elementary</b>					
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%
<b>Total Elementary</b>	<b>13,124</b>	<b>13,050</b>	<b>13,250</b>	<b>200</b>	<b>1.5%</b>
<b>Secondary &lt; 21</b>					
Grade 9 to 12	6,919	6,730	6,825	95	1.4%
<b>Total Secondary &lt; 21</b>	<b>6,919</b>	<b>6,730</b>	<b>6,825</b>	<b>95</b>	<b>1.4%</b>
<b>TOTAL DAY SCHOOL</b>	<b>20,043</b>	<b>19,780</b>	<b>20,075</b>	<b>295</b>	<b>1.5%</b>
Secondary > 21	111	140	140	-	0.0%
High Credit	7	10	8	(3)	(25.8%)
Visa (Tuition Paying)	120	217	151	(67)	(30.6%)
<b>TOTAL BOARD</b>	<b>20,281</b>	<b>20,147</b>	<b>20,373</b>	<b>226</b>	<b>1.1%</b>

Day School  
Enrolment projected  
to be 20,075 pupils.

This is an increase of  
295 pupils over 2018-  
19 Estimates.

Tuition paying pupils  
projected to decrease  
by 67 pupils from  
2018-19 budget, but  
up 31 from 2017-18  
actual.

# Staffing Highlights

## 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)	
				#	%
<b>Classroom</b>					
Teachers	1,207	1,199	1,191	(8)	(0.7%)
Non-Teachers	644	640	637	(3)	(0.5%)
<b>Total Classroom</b>	<b>1,852</b>	<b>1,840</b>	<b>1,828</b>	<b>(11)</b>	<b>(0.6%)</b>
<b>Non-Classroom</b>					
Admin, Governance & Transportation*	54	59	52	(7)	(11.7%)
School Operations	163	171	176	5	2.7%
<b>Total Non-Classroom</b>	<b>217</b>	<b>230</b>	<b>228</b>	<b>(2)</b>	<b>(1.0%)</b>
<b>TOTAL BOARD</b>	<b>2,068</b>	<b>2,070</b>	<b>2,056</b>	<b>(14)</b>	<b>(0.7%)</b>

\* Includes 9 Trustees + 2 Student Trustees

Salaries & benefits comprise 79.8% of the total Board budget.

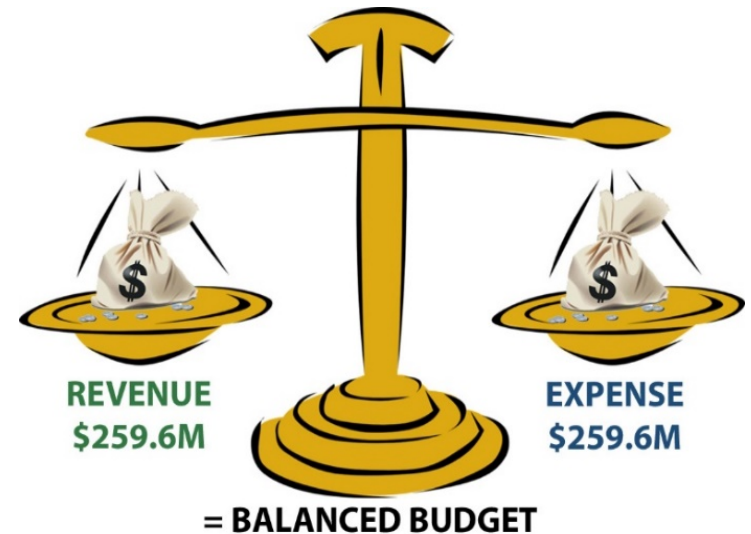
Total salaries and benefits for 2019-20 is \$207.1M.

- ▶ **Teacher** decrease due to reductions related to Local Priority Funding positions and secondary retirements.
- ▶ **Non-Teacher** decrease due to reductions related to loss of Local Priority Funding offset by a reallocation of Program Lead positions.
- ▶ **Administration** decrease due to reallocation of Program Leads to the Non-Teacher category.
- ▶ **School Operations** increase due to increased custodial and maintenance staff compared to conservative estimate in 2018-19.



# Budget Overview

- ▶ Budget is balanced:
  - ▶ Revenue = \$259.6M
  - ▶ Expense = \$259.6M
- ▶ Budget contains provision for contingency = 0.5% of operating allocation



# Budget Overview continued...

Submission Version: Board Working Version  
 School Board Name: Windsor-Essex Catholic DSB  
 School Year: 2019-20  
 Cycle: Estimates



Excerpt from  
 Ministry Reporting  
 tool (EFIS)  
 showing 2019-20  
 Budget as  
 compliant

## Compliance Report

<b>Administration and Governance</b>		
Gross Expenses excluding internal audit		6,978,034
Other incomes		1,890,135
Net Expenses excluding internal audit		5,087,899
Funding allocation excluding internal audit		6,208,751
Overspending on Administration and Governance		0
		<b>COMPLIANT / CONFORME</b>
Compliant /Non-compliant		
<b>Is the board in a Multi-Year recovery Plan?</b>		
(If board is in multi-year recovery plan then compliance report below does not apply.)		
<b>Balanced Budget Determination</b>		
1.1	In-year revenues (Sch 9, line 10.0 - Sch 9, line 4.4)	250,633,289
1.1.1	In Year Revenues for Land (Schedule 5.6, item 1.2 + item 1.3 + item 1.3.1 - item 1.4 - item 1.4.1 + Sch 5.5 Land Projects col. 5.1 + col. 6.1)	0
1.2	In-year expenses for compliance purposes (From Sch 10ADJ Page 2, line 90, Col 20)	250,633,289
1.3	In-year surplus/(deficit) for compliance purposes .....item 1.1 - item 1.1.1 - item 1.2	0
		<b>COMPLIANT / CONFORME</b>
1.4	If item 1.3 is positive, board is in compliance. Otherwise, see calculation below.	
<b>Compliance Calculation Prior to Ministry Approval Amount (Education Act, 231. (1))</b>		
1.5	Operating Allocation to be used in Compliance Calculation (From section 1A, item 1.92)	232,162,208
1.6	1% of item 1.5	2,321,622
1.7	Prior Year Accumulated Surplus Available for Compliance (From schedule 5, item 3, Col 1)	14,355,954
1.8	Lesser of item 1.6 and item 1.7	2,321,622
1.9	If the amount of deficit on at item 1.3 is less than item 1.8, then the board is in compliance. If the board is not in compliance, see the calculation below.	<b>COMPLIANT / CONFORME</b>
<b>Compliance Calculation After Ministry Approval Amount (Education Act, 231. (3))</b>		
1.10	Amount of Ministerial approval received allowing in-year deficit to exceed item 1.8	-
1.11	Amount of allowable in-year deficit: Sum of item 1.8 and item 1.10	2,321,622
		<b>COMPLIANT / CONFORME</b>
1.12	If the amount of deficit at item 1.3 is less than item 1.11, then the board is in compliance	

# Budget Overview continued...

## 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)	
				\$	%
<b>REVENUE</b>					
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%)
<b>Total Revenue</b>	<b>256,945</b>	<b>258,566</b>	<b>259,633</b>	<b>1,068</b>	<b>0.4%</b>
<b>EXPENSES</b>					
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%
<b>Total Expenses</b>	<b>256,049</b>	<b>259,723</b>	<b>259,633</b>	<b>(90)</b>	<b>(0.0%)</b>
<b>In-Year Surplus/(Deficit)</b>	<b>897</b>	<b>(1,157)</b>	<b>0</b>	<b>1,157</b>	<b>100.0%</b>

0.5% of 2019-20 operating revenue

# Revenue Highlights

- ▶ Total estimated revenue for 2019-20 is \$259.6M
- ▶ Increase of \$1.06M from prior year budget.
- ▶ Main contributors to increase include new and continued Ministry investments and increased enrolment.

	Amount (\$M)
<b>2018-19 Budget Estimates</b>	<b>258.57</b>
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
<b>2019-20 Budget Estimates</b>	<b>259.63</b>

# Expenditure Highlights

- ▶ Total estimated expenses for 2019-20 is \$259.6M
- ▶ Decrease of \$0.1M over prior year budget

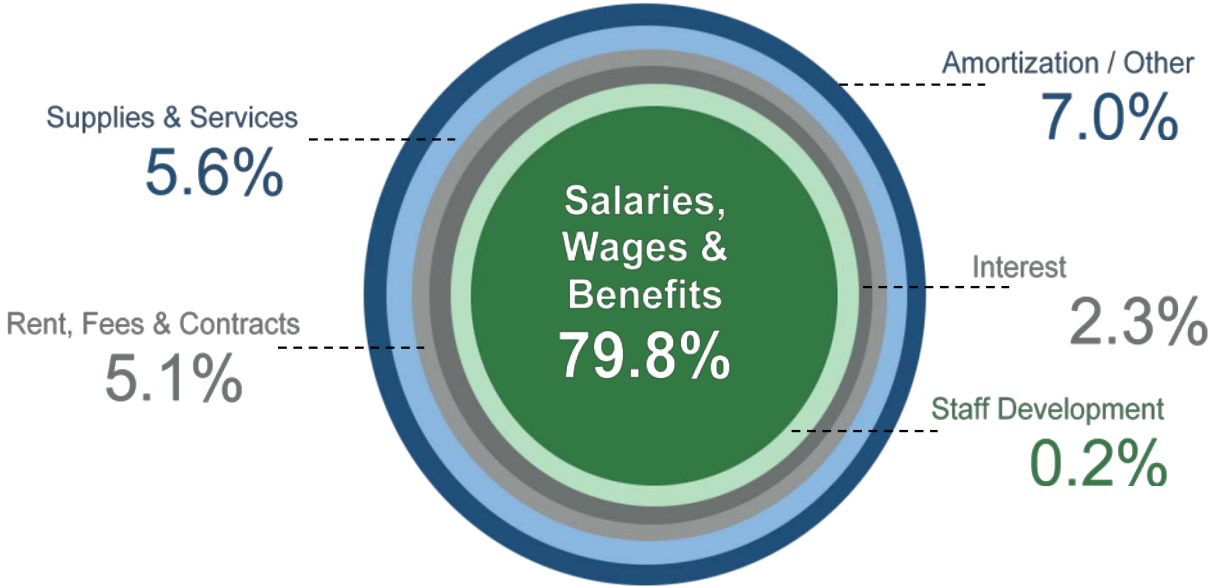
	Amount (\$M)
<b>2018-19 Budget Estimates</b>	<b>259.72</b>
Negotiated increase in salaries, offset by increased benchmark funding	1.91
Decreased staffing resources, net	(1.47)
Benefit expense phase-in decrease, net	(1.14)
Expenditure additions	0.43
Expenditure reductions	(0.32)
Debenture interest decrease	(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)
<b>2019-20 Budget Estimates</b>	<b>259.63</b>

# Expenditure Highlights continued...

## ▶ **Notable increases relate to:**

- Salary benchmark increases to reflect 2017-19 central labour agreements.
- School Facilities Operation increases to groundskeeping, roofing, gym repairs
- Contractual Transportation increases

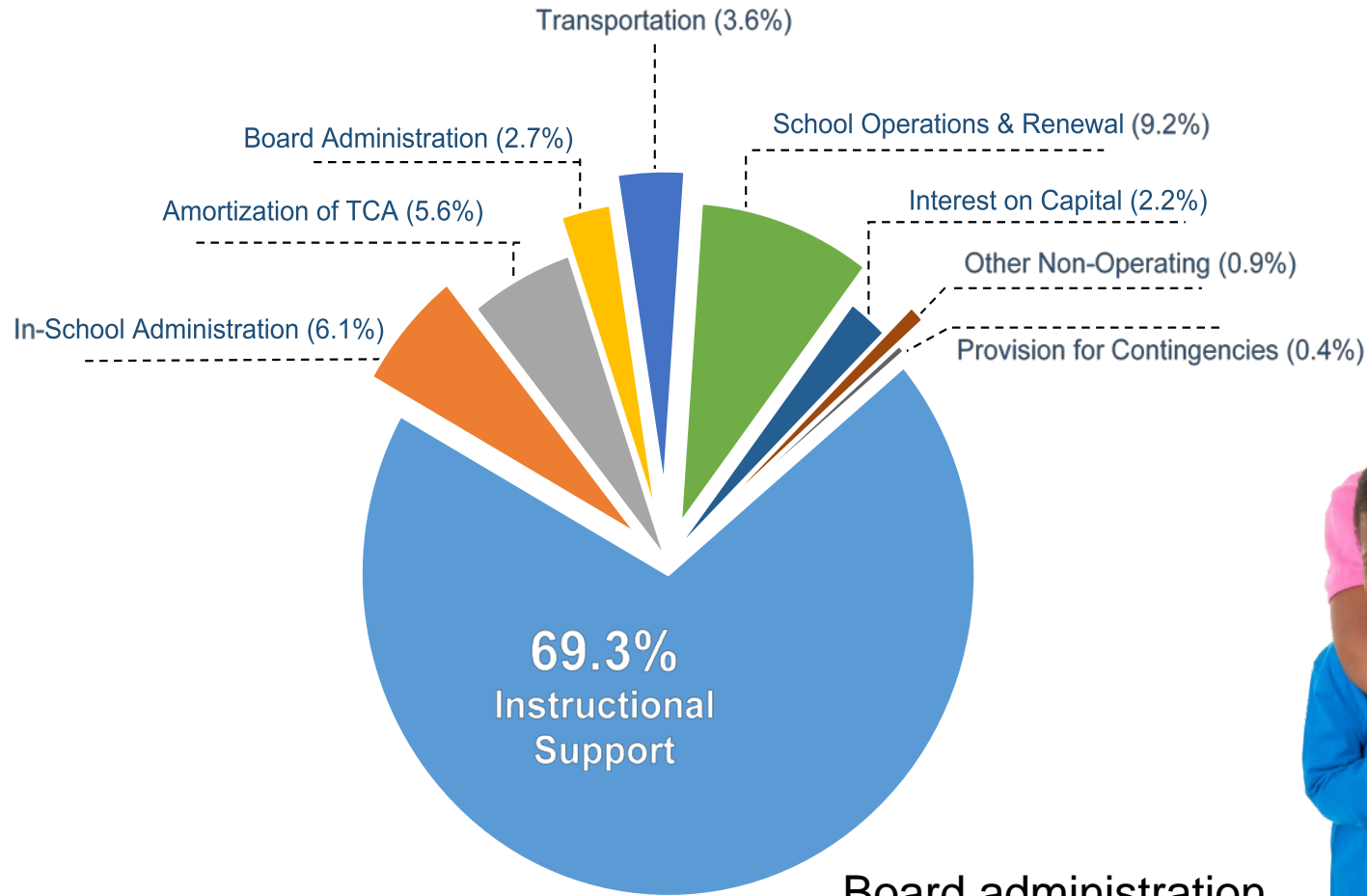
# Expenditure Highlights continued...



Labour related costs represent 79.8% of total expenses.



# Expenditure Highlights continued...



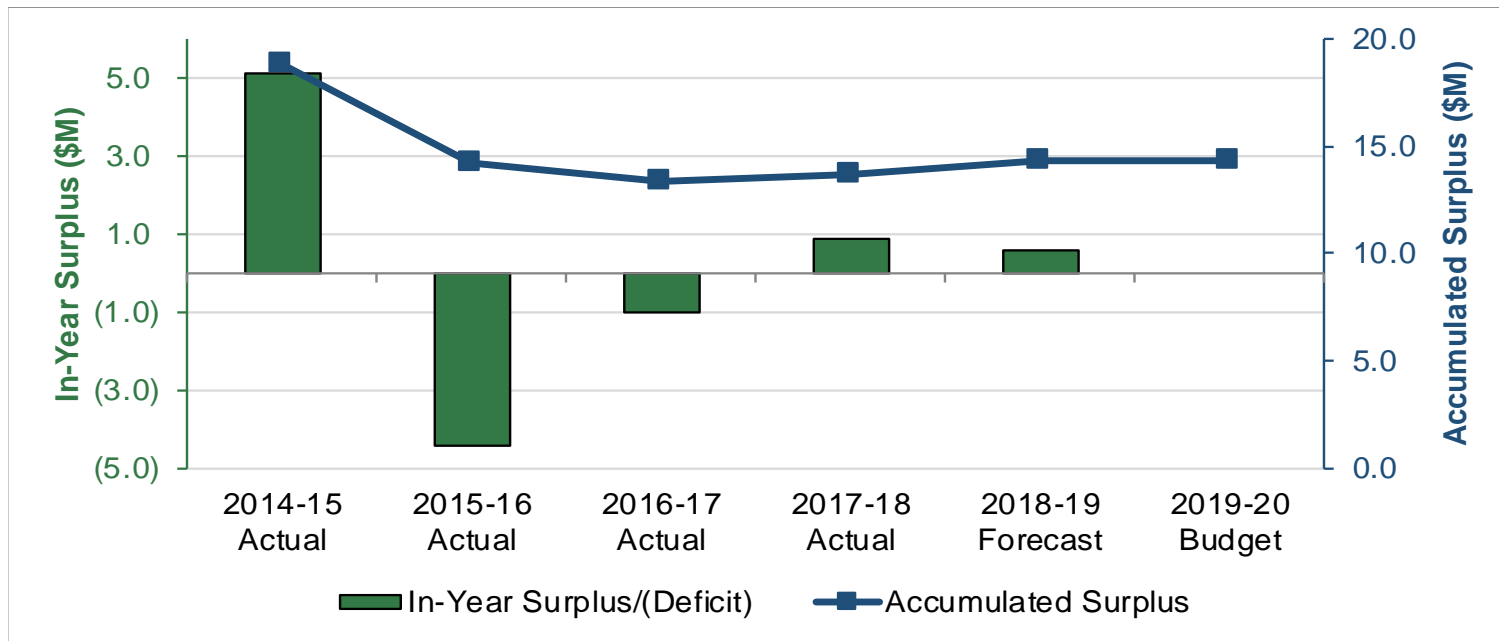
Board administration costs are 2.7% of total expenses





# Accumulated Surplus

- ▶ The Board continues to have a healthy total surplus at \$14.4M projected at 2019-20 year-end



# Accumulated Surplus continued..

## Components of Accumulated Surplus

<b>\$ Thousands</b>	<b>2019-20 Estimates</b>	
Operating Surplus	7,311	unrestricted
School Renewal	172	restricted
Benefit Plan	762	restricted
Unfunded PRB Liability Phase-In	5,145	restricted
Sinking Fund Interest	966	restricted
<b>TOTAL</b>	<b>14,356</b>	

- ▶ Only \$7.3M of the \$14.4M projected accumulated surplus is unrestricted for use in operations

# Capital and Debt

- ▶ 2019-20 capital asset additions of \$20.8M (\$)

Buildings	15,695,926
Land Improvements	4,800,000
Computer Hardware and Software	327,700
<b>TOTAL PLANNED ASSET ADDITIONS</b>	<b>20,823,626</b>

- ▶ Funding for additions is available from multiple sources
- ▶ \$259.6M expense budget includes:
  - ▶ Depreciation of capital assets (\$14.5M)
  - ▶ Interest on long-term debt (\$5.8M)
    - ▶ continues to be reduced annually

# Faith Centered Learning

- ▶ 2019-20 budget reflects commitment to our Catholic distinctiveness
- ▶ In 2019-20, \$992.7K of specialized resources are allocated to assist classroom teachers and provide system-wide retreats and activities, which ensure the delivery of faith-oriented programming



# International Education

- ▶ Program continues to expand due to concentrated recruitment efforts
- ▶ Budget is comprised of salary and benefits of staff, agent commissions, and resources to support operations
- ▶ Net contributions of \$727K will be reduced in 2019-20 by the International Student Recovery Amount of \$196K leaving \$532K to be redirected to support other Board priorities

## International Education

	2014-15 Actual	2015-16 Actual	2016-17 Actual	2017-18 Actual	2018-19 Budget	2019-20 Budget
<b>Enrolment</b>						
Elementary	3	9	12	9	19	12
Secondary	57	58	86	111	198	139
<b>Total Enrolment (FTE)</b>	<b>60</b>	<b>67</b>	<b>98</b>	<b>120</b>	<b>217</b>	<b>151</b>
Revenues	649,057	647,130	981,174	1,430,644	2,316,958	1,675,802
Expenses	388,144	486,450	721,694	899,898	1,407,510	948,491
<b>Net Contribution (\$)</b>	<b>260,913</b>	<b>160,680</b>	<b>259,480</b>	<b>530,746</b>	<b>909,448</b>	<b>727,311</b>

# Special Education

- ▶ Funding must be used solely for the purposes of supporting students with special needs

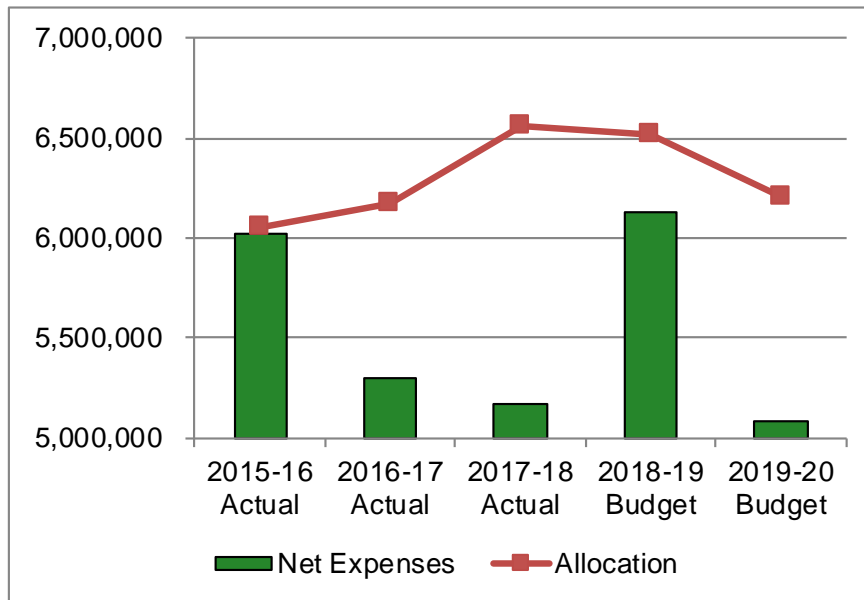
## Special Education

(\$Thousands)	2014-15 Actual	2015-16 Actual	2016-17 Actual	2017-18 Actual	2018-19 Budget (restated)	2019-20 Budget
Funding	26,413	26,160	26,162	27,297	28,391	27,861
Net Expenses	27,617	28,312	30,738	31,474	32,654	31,431
<b>In-Year Surplus/(Deficit)</b>	<b>(1,203)</b>	<b>(2,152)</b>	<b>(4,576)</b>	<b>(4,177)</b>	<b>(4,263)</b>	<b>(3,570)</b>

- ▶ **2019-20 funding** decreasing by \$0.5M (1.9%)
- ▶ **2019-20 net expenses** decreasing by \$1.2M (3.7%) mainly due to reduced local priority staffing.
- ▶ **2019-20 projected deficit** supported by funding redirected from other programs and services

# Board Administration

- ▶ Board's net administration and governance expenses in a fiscal year cannot exceed the administration and governance grant



## Board Admin Compliance

\$ Thousands	2019-20 Estimates
Net Expenses	5,088
Funding	6,209
<b>SURPLUS</b>	<b>1,121</b>

- ▶ Gross expenses decreased \$1M over prior year budget primarily due to PLA reallocation to Coordinator envelope
- ▶ 2019-20 Funding > Expenses by \$1.1M ∴ Compliant

# Summary

- ▶ The budget is balanced consisting of \$259.6M of revenues and expenditures
- ▶ The budget is compliant with Education Act
- ▶ There is inherent risk in some areas of the budget
- ▶ Budget Consultation Period: June 11 – 24, 2019
- ▶ Budget approval date: June 24, 2019
- ▶ Budget submission date to Ministry: June 28, 2019

