



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

Meeting Date:
 June 13, 2023

BOARD REPORT

Public **In-Camera**
PRESENTED FOR: Information Approval
SUBMITTED BY: Emelda Byrne, Director of Education
PREPARED BY: Penny King, Executive Superintendent of Business
 Susan Swiatoschik, Senior Manager of Finance
SUBJECT: **2023-24 DRAFT BUDGET**

RECOMMENDATION:

That the 2023-24 Draft Budget Estimates be received and that the document be tabled for a 1 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 20, 2023.

That the draft In-Year Deficit Elimination Plan be received, with the final plan, as may be amended, to be brought forward for approval by the Board at its meeting scheduled for June 20, 2023.

SYNOPSIS:

The purpose of this report is to present the 2023-24 Draft Budget Estimates and related Draft In-Year Deficit Elimination Plan, 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 Tuesday, June 20, 2023.

BACKGROUND COMMENTS:

The 2023-24 Draft Budget Estimates and related Draft In-Year Deficit Elimination Plan are submitted for review and consideration. The drafts are being tabled for a 1 week period to allow for further community consultation on the recommended budget and in-year deficit elimination plan. Administration will take any additional comments received under advisement in amending the drafts for ultimate submission of a final budget and in-year deficit elimination plan for formal approval.

Financial Summary

As shown in the table below, the Windsor-Essex Catholic District School Board is presenting a \$295.8M expenditure budget for the 2023-24 fiscal year. With only \$293.3M of in-year grant revenues to offset these expenses, a \$2.56M in-year deficit results. Changes to both in-year revenues and expenses are contributing to the deficit budget, and further explanations of the major causes are explained in subsequent sections of this report.

The 2023-24 budget also contains a provision for contingency of \$650K, which is 0.25% of the Boards operating allocation. This complies with section 13:05 of the Board By-Laws which states that “the Board shall include in its budget an annual contingency amount to be set at a level up to 0.5% of the Board’s operating allocation for the budget year being approved”.

	2021-22 Financial Statements (\$000)	2022-23 Budget Estimates (\$000)	2023-24 Budget Estimates (\$000)	Change (2022-23 Budget to 2023-24 Budget)	
				\$	%
Revenue					
Operating	242,804	251,081	258,656	7,575	3.0%
Capital	23,319	23,698	26,734	3,036	12.8%
Other	12,991	6,799	7,871	1,072	15.8%
TOTAL REVENUE	279,114	281,578	293,261	11,683	4.1%
Expenses					
Instruction	204,818	210,313	219,605	9,292	4.4%
Administration	6,502	7,022	7,642	620	8.8%
Transportation	10,732	10,393	11,248	855	8.2%
Pupil Accommodation & Other	51,593	51,444	51,729	285	0.6%
Provision for Contingency	-	3,250	5,595	2,345	72.1%
TOTAL EXPENSES	273,645	282,422	295,819	13,397	4.7%
In-Year Surplus/(Deficit)	5,469	(844)	(2,557)	(1,713)	(203.0%)

Includes \$650K contingency or 0.25% of 2023-24 operating revenue

Section 232 of the Education Act requires boards to adopt balanced budgets. In doing so, boards can use accumulated surplus, (formerly known as reserves) as part of balancing revenue and expenditures. According to the Education Act, balanced budgets are defined as:

1. Budgets not showing in-year deficits; or
2. Budgets showing in-year deficits if the deficits are not greater than the lesser of the following:
 - a. The accumulated surplus for the previous year (equals \$31.7M projected for WECDSB)
 - b. 1% of the Boards operating revenue for the fiscal year (equals \$2.6M for WECDSB)

Given the criteria above, item (1) does not apply as the 2023-24 budget contains an in-year

deficit. Moving to item (2), the lesser of items (a) and (b) for WECDSB is item (b) at \$2.6M. Therefore, since the planned 2023-24 in-year deficit of \$2.56M is not greater than item (b) or \$2.6M, the Board is in compliance with the Education Act and considered to have a balanced budget.

With an accumulated surplus of \$31.5M at the end of 2021-22 that is projected to remain at a healthy level of \$31.7M at the end of 2022-23, Administration is recommending to use \$2.56M of reserves to balance the budget in 2023-24 -- less than the maximum allowable amount of \$2.6M. This strategy will enable the Board to make important investments to support our most vulnerable students with special needs, invest in system priorities, and ensure stability and sustainability of programs and services in 2023-24.

In-Year Deficit Elimination Plan

According to Ministry of Education memorandum 2023:SB04 “2023-23 Grants for Student Needs Funding”, school boards incurring an in-year deficit in 2023-24 in compliance with the requirements set out in Ontario Regulation 280/19 *Calculation of Maximum In-Year Deficit*, must submit an In-year Deficit Elimination Plan (IYDEP) indicating the measures the board will take to balance its budget and eliminate the in-year deficit within a two-year period.

With a \$2.56M planned in-year deficit in 2023-24, WECDSB is required to prepare this plan and present it to the Board of Trustees for approval prior to submitting the Budget Estimates to the Ministry of Education by the June 30, 2023 deadline.

The recommended plan is attached as Appendix A to this report, and proposes to eliminate the in-year deficit in 2024-25 utilizing the following measures:

- Forecasted increase in enrolment;
- Reduction in Supply staff expenditures budgets to pre-COVID levels;
- Reduction to the provision for contingency expense. With a provision for contingency of \$650K inherent in the board budget, a reduction of \$513K to the contingency will satisfy the requirements of the IYDEP, and still leave \$137K contingency remaining in 2024-25.

Grants for Student Needs (GSN) Overview

Provincial grants to school boards are provided through annual Grants for Student Needs, (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.

On April 17, 2023, the Ministry of Education announced the Grants for Student Needs, advising that total GSN funding to all school boards across the sector is projected to be \$27.1 billion in 2023-24, an average of \$13,125 per pupil. This compares to a provincial investment of \$26.1 billion or \$13,059 per pupil in 2022-23.

Highlights of the changes announced by the Ministry of Education for the 2023-24 budget are as follows:

Targeted Investments and Adjustments for a Range of Initiatives

- A new student transportation funding framework is being implemented in 2023-24 with a focus on transparency, equity and reliability. The new allocation is based on needs derived from provincially-set Common Reference Standards criteria, and the grant contains transition support to ensure that no school board sees a funding reduction as a result of the new funding formula (i.e., no funding reduction compared to the 2022-23 school year allocation).
- \$10.1M funding for Remote Learning Administration will be provided in the School Foundation Grant. School boards may offer remote learning instruction directly or they may partner with another school board.
- \$19.9M Safe and Clean Schools Supplement will be provided in the Learning Opportunities Grant for additional services that support student well-being and maintaining clean schools.
- Realignment of Indigenous Education Funding.
- New limitations on how long School Renewal and School Condition Improvement funds can be deferred.

Labour Related Changes

- \$1 per hour increase in education worker salary benchmarks to reflect the recently ratified CUPE and OCEW central collective agreements.
- 1.25% provision for teacher salary benchmarks.
- Continuation of the Supports for Students Fund (SSF) in 2023-24.

Keeping Up with Costs

- The school operations allocation continues to provide funding support to optimize ventilation in schools, and includes a 2.0% benchmark increase for the non-staff-portion of the allocation to assist school boards in managing increases in commodity prices (i.e., electricity, natural gas, etc.).

Priorities and Partnerships Funding (PPF) Transferred to the GSN

PPF funding is supplemental to the GSN and provides time-limited funding which is reviewed and assessed by the ministry each year. The following PPF allocations will be transferred into the GSN beginning in 2023-24:

- Summer Learning Program funding, previously provided through the Council of Ontario Directors of Education (CODE), is moving into the Learning Opportunities Grant. This funding supports literacy and numeracy programming to elementary students who would benefit from additional learning support over the summer months to mitigate the impacts of learning loss. (**WECD SB amount = \$75,000**)
- Additional Specialist High Skills Major (SHSM) funding is moving into the existing SHSM allocation in the GSN to support program growth and provide students with access to more SHSM programs, including programs in skilled trades related sectors and other high demand industries in key labour market sectors. (**WECD SB amount = \$180,000**)

- The 'Early Math Intervention for Students with Special Education Needs' PPF is moving into the Differentiated Special Education Needs Amount (DSENA) Allocation in the Special Education Grant. This funding helps increase student engagement, closes learning gaps and ensures students are prepared for the transition into a de-streamed Grade 9 curriculum. (**WECDSEB amount = \$112,731**)
- The 'Demographic Data Gathering' PPF, which supports school board capacity to collect, analyze and use voluntary student and workforce demographic data, will be moving into the School Board Administration and Governance Grant. (**WECDSEB amount = \$34,082**)

Enhanced Accountability

- A new External Audit Allocation is being provided to enhance school boards' external auditors' capacity to support the ministry's enrolment audit accountability function and FTE compliance audits.

Ongoing Implementation & Other Changes

- The online and in-person learning credit load benchmarks are being updated for the third year of a multi-year trajectory.
- A 0.167% reduction to benefits benchmarks is incorporated due to the final year of a 12-year phase out of retirement gratuities.
- A continued phase-in of updates to the Supplementary Area Factor (SAF) for base school facility operations is included to reflect a secondary class size of 23.

Budget Planning Assumptions

When budgeting for expenses, the Board uses the prior year expenditure budget, informed by the projection of the current year-end financial results, as the base for the upcoming budget, adjusted:

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

Forecasted labour rate increases, for any labour groups that are currently in negotiations, are reflected on the "Provision for Contingency" line of the budget, as directed by the Ministry of Education.

Budget Consultation

The Board is committed to ensuring that sufficient communication and consultation with the community exists regarding 2023-24 budget development. The community was invited to provide input at an early stage of budget development through a formal budget consultation survey, which was issued for a five-week period on January 30, 2023. 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.

On March 28, 2023, Administration reported the budget survey results to the Board, noting that stakeholders identified the following as being most important for resource allocation:

1. Supporting student learning in the areas of reading, writing and math.
2. Supports for students with special education needs.

As a result of this feedback, the 2023-24 budget reflects an allocation of ministry funding to support the delivery of targeted support in the areas of literacy and numeracy. Specifically, reading intervention support funding will be used to ensure all young learners receive the necessary foundational skills and early interventions in reading that are critical to future success.

In addition, the 2023-24 budget directs funding to provide additional professional assessments (e.g. speech and language, psycho-educational) to reduce wait times, as well as supports the transition of students with special education needs as they start the new school year.

Pressures, Challenges & Risks

A school board's budget contains inherent pressures, challenges, and risks. Some of the more prevalent risks and challenges related to the 2023-24 budget are highlighted below.

Risks

- Enrolment projections may vary from actual results.
- Financial impact of the new transportation funding model has uncertainty as the new accountability and reporting requirements associated with the grant have not yet been announced.
- Uncertainty of the outcome of transportation operator contract negotiations, as well as labour negotiations.
- International education and dormitory revenues at risk if political climate/major incident deters students from travelling abroad.
- Cyber security vulnerability and potential impact on privacy information.
- Unforeseen activity and events (i.e. pandemic, weather, government policy changes).
- Inflationary pressures in excess of funding.
- Risk of fluctuation in actuarial assumptions.
- Claims, grievances and legal settlements difficult to predict.

Pressures & Challenges

- Increased demand for goods and services resulting in supply chain challenges.
- Worker shortages impacting the ability to meet system needs.

- Managing increased payroll costs impacted by unfunded increased EI, CPP and OMERS contributions.
- Building capacity of system leaders in absence of Board Leadership Development funds.
- Supporting an increasing proportion of students with special education needs in an inclusive environment with available funding.
- Cost of phasing-in post age 65 retirement benefit liability.
- Limited sources of funding for renewal of administrative assets.
- Upgrading computer hardware and software.
- Supporting faith initiatives with no direct source of funding.
- Balancing the budget with a contingency using available funding.

Enrolment Highlights

Enrolment projections for the 2023-24 Budget were established based on historical data, updated for current circumstances. The Board's projected day school enrolment for 2023-24 is expected to be 21,125 pupils. This is an increase of 750 students compared to the 2022-23 Budget Estimates. With approximately two-thirds of education funding based on enrolment, the 2023-24 increase in enrolment equates to approximately \$7.3M in additional grant revenue for the Board.

Enrolment based funding is based on the average daily enrolment (ADE), which is calculated by the full-time equivalent (FTE) of students enrolled at each school as of October 31st and March 31st.

The projected full-time equivalent average daily enrolment for 2023-24 is as follows:

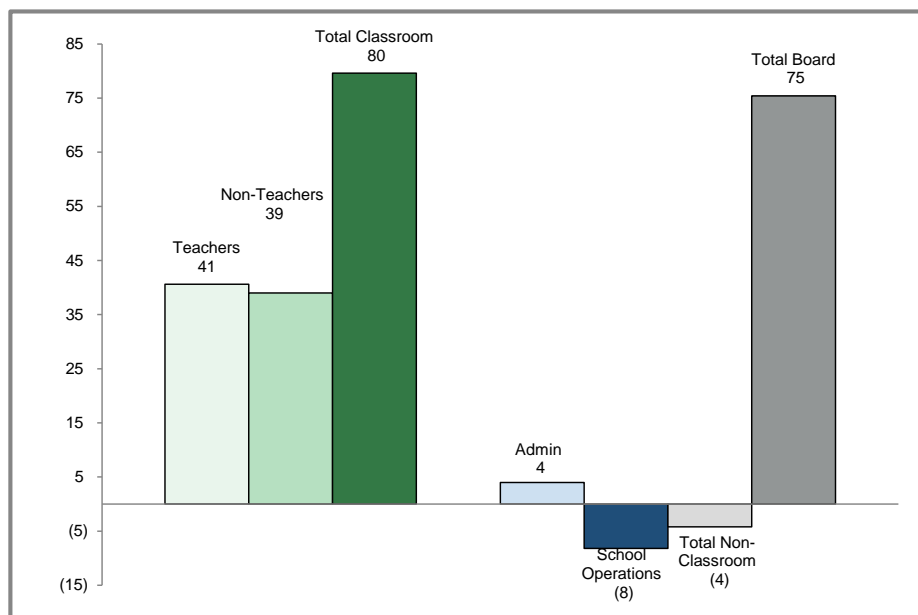
	2021-22 Financial Statements	2022-23 Budget Estimates	2023-24 Budget Estimates	Change (2022-23 Budget to 2023-24 Budget)	
				#	%
Elementary					
JK-K	2,355	2,328	2,387	59	2.5%
1-3	3,878	3,910	4,049	139	3.6%
4-8	7,004	6,962	7,214	252	3.6%
Total Elementary	13,236	13,200	13,650	450	3.4%
Secondary < 21					
Grade 9 to 12	7,229	7,175	7,475	300	4.2%
Total Secondary < 21	7,229	7,175	7,475	300	4.2%
TOTAL DAY SCHOOL	20,465	20,375	21,125	750	3.7%
Secondary > 21	340	250	435	185	73.9%
High Credit	9	7	4	(3)	(39.7%)
Visa (Tuition Paying)	85	110	135	25	22.7%
TOTAL BOARD	20,900	20,742	21,699	957	4.6%

Staffing Highlights

Staffing is the largest expenditure of the Board and comprises 79% of the overall budget. The Board’s total estimated expenditures of salaries and benefits for the 2023-24 fiscal year are \$228.2M compared to \$220.5M for 2022-23. A summary of staffing is presented below:

	2021-22 Financial Statements (FTE)	2022-23 Budget Estimates (FTE)	2023-24 Budget Estimates (FTE)	Change (2022-23 Budget to 2023-24 Budget)	
				#	%
Classroom					
Teachers	1,231	1,240	1,281	41	3.3%
Non-Teachers	672	683	722	39	5.7%
Total Classroom	1,903	1,923	2,003	80	4.1%
Non-Classroom					
Admin, Governance & Transportation*	52	53	57	4	7.5%
School Operations	220	181	173	(8)	(4.5%)
Total Non-Classroom	272	234	230	(4)	(1.8%)
TOTAL BOARD	2,175	2,157	2,232	75	3.5%

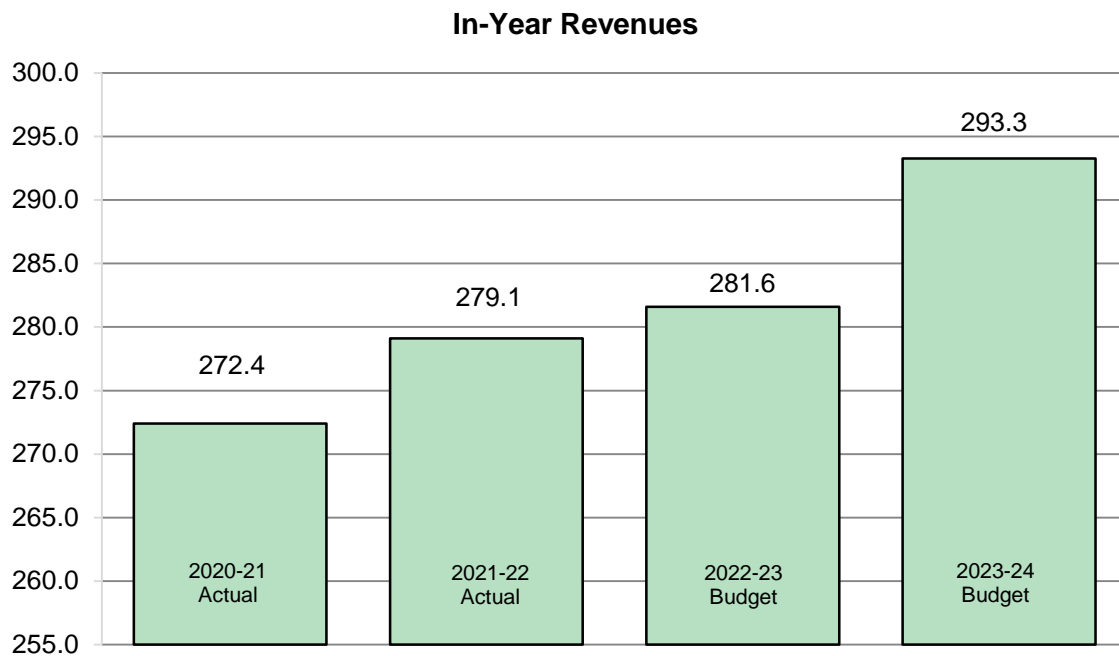
* Includes 9 Trustees + 2 Student Trustees



The Classroom Teacher category increased 41.0 FTE from 2022-23 Estimates mainly due to increased enrolment, as well as additional staffing to support English as a Second Language and secondary de-streaming. The Non-Teachers category reflects an increase of 39.0 FTE mainly relating to Educational Assistants, Early Childhood Educators, Child and Youth Workers, school administration support, and Vice-Principal positions added to support Board priorities and ministry initiatives. The Administration category increased 4.0 FTE due to an increase in HR and Finance staffing, while the School Operations category decreased 8.0 FTE due to the reduction of temporary cleaner positions reflected in last year’s budget.

Revenue Highlights

The Board's total estimated revenue for the 2023-24 fiscal year is \$293.3M as compared to \$281.6M for 2022-23, an increase of \$11.7M.



A reconciliation of revenue between the 2022-23 Budget Estimates and the 2023-24 Budget is summarized below:

	Amount (\$M)
2022-23 Budget Estimates	281.58
Increase in grant revenue due to increase in enrolment	7.32
Increase in funding benchmarks, mainly relating to forecasted salary increases	4.96
New funding investments (Destreaming Support, Reading Intervention, Safe and Clean School Supplement, etc.)	3.74
Increase in Deferred Capital Contribution (DCC) revenue (offset by increase in amortization expense)	3.42
Increase in VISA tuition and dormitory revenue	0.80
Expiration of prior year time-limited funding (COVID-19 Additional Staffing Supports, Tutoring, Broadband Network, etc.)	(5.41)
Other net decreases in funding (Temporary Accommodation, School Operations, etc.)	(1.45)
Decrease in Personal Protective Equipment (PPE) in-kind revenue	(0.80)
Decrease in capital debt funding (offset by decrease in debenture interest expense)	(0.47)
Other net revenue changes (i.e. Minor Tangible Capital Asset (mTCA) allocation etc.)	(0.42)
2023-24 Budget Estimates	293.26

While total revenues increased from the prior year, \$3.1M of COVID-19 Additional Staffing Support funding expires at the end of 2022-23, which created challenges in the development of the 2023-24 budget. This allocation funds important investments, some of which Administration felt were necessary to continue into the next fiscal year. While the 2023-24 GSN offered new funding in its place, the new grants were not of the same magnitude, targeted to different areas, and more restrictive.

A detailed comparison of revenues for the 2021-22, 2022-23 and 2023-24 fiscal years is below.

REVENUES	2021-22	2022-23	2023-24	Increase/(Decrease)	
	Financial	Budget	Budget	(2022-23 Budget	
	Statements	Estimates	Estimates	to 2023-24 Budget)	
	(\$000)	(\$000)	(\$000)	\$	%
Operating Grants					
Pupil Foundation	115,924	116,776	122,923	6,147	5.3%
School Foundation	15,641	15,697	16,418	722	4.6%
Special Education	29,100	29,364	31,180	1,816	6.2%
French as a Second Language	3,083	3,273	3,378	105	3.2%
English as a Second Language	4,431	4,471	4,540	69	1.5%
Remote and Rural Allocation	33	34	33	(1)	(1.9%)
Rural and Northern Education	-	98	103	5	5.0%
Learning Opportunities	4,407	4,508	5,068	560	12.4%
Continuing Ed., Summer School, International Languages, High Credit	830	815	858	43	5.3%
Adult Education	1,222	904	1,593	690	76.3%
Teacher Qualification & Experience	24,070	24,706	23,587	(1,119)	(4.5%)
ECE Qualification & Experience	1,020	1,094	1,186	91	8.4%
Transportation	10,143	9,505	10,446	940	9.9%
Admin and Governance	6,412	6,460	6,865	404	6.3%
School Operations	21,610	22,068	23,969	1,901	8.6%
Trustees' Association Fee	55	56	57	1	1.0%
Indigenous Education	275	823	1,129	305	37.1%
Mental Health & Well Being	1,153	1,587	1,682	94	6.0%
Community Use of Schools	282	287	298	10	3.6%
New Teacher Induction Program	157	157	185	28	18.0%
Declining Enrolment	153	-	-	-	0.0%
Temporary Accommodation	151	515	-	(515)	(100.0%)
School Renewal - Operating Portion	1,138	1,775	747	(1,028)	(57.9%)
Supports for Students Fund	2,094	2,094	2,160	65	3.1%
Program Leadership	999	1,000	1,008	8	0.8%
Restraint Savings	(89)	(89)	(89)	-	0.0%
Adjustment for mTCA	(1,491)	(90)	(667)	(577)	641.4%
COVID-19 Learning Recovery Fund	-	3,191	-	(3,191)	(100.0%)
Total Operating Grants	242,804	251,081	258,656	7,576	3.0%
Debt Servicing Grants					
Permanent Financing of NPF	1,613	1,613	1,613	-	0.0%
Amortization of DCC	16,634	17,584	21,003	3,419	19.4%
Capital Debt Support Payment - Interest	4,944	4,501	4,034	(467)	(10.4%)
Short Term Interest	128	-	84	84	0.0%
Total Debt Servicing Grants	23,319	23,698	26,734	3,036	12.8%
Total Legislative Grants	266,123	274,779	285,390	10,612	3.9%
Other (PPFs & Non-Grant Revenue)	12,991	6,799	7,871	1,072	15.8%
TOTAL REVENUES	279,114	281,578	293,261	11,683	4.1%

Funding for Ministry Initiatives

As noted earlier in the report, the ministry targets additional funding to school boards for specific provincial initiatives, referred to as PPFs. In the 2023-24 school year, PPF investments focus on learning and well-being to support students for success now and in the future.

These PPF grants are provided outside of the regular operating grants and are often tied to separate agreements that require specific reporting on expenditures within set timelines. School boards are required to spend these grants for their intended purposes and the ministry takes back unspent funds. The PPF grants included in the 2023-24 budget are identified in the table below.

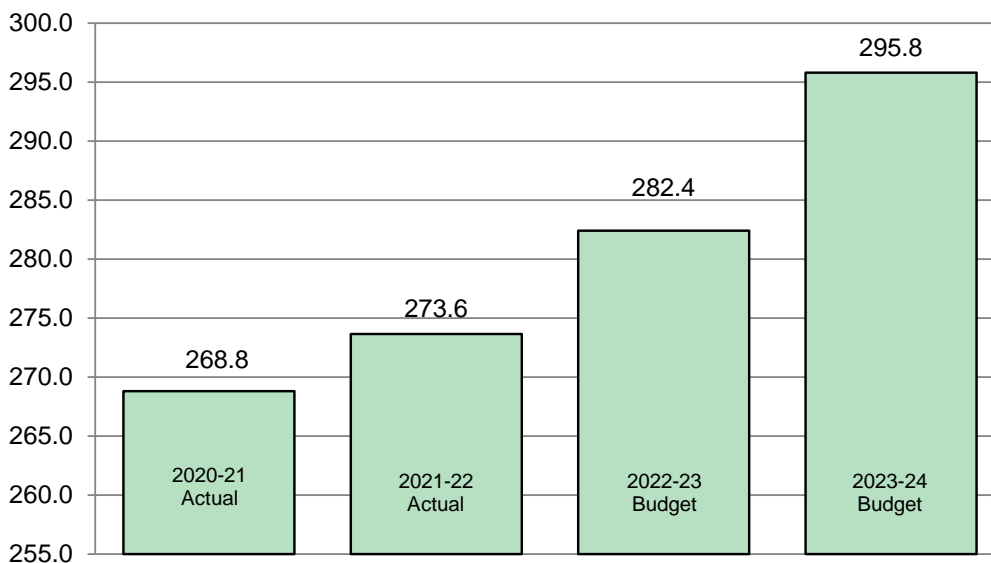
PRIORITIES AND PARTNERSHIPS (PPF) FUNDING

2023-24 Programs	Budget \$
De-streaming Implementation Supports	44,000
Early Reading Enhancements: Early Reading Screening Tools	118,300
Education Staff to Support Reading Interventions	653,000
Entrepreneurship Education Pilot Projects	20,000
Experiential Professional Learning in the Skilled Trades for Guidance Teacher-Counsellors	26,900
Health Resources, Training and Supports	14,500
Licenses for Reading Intervention Supports	153,700
Math Recovery Plan: Board Math Lead	166,600
Math Recovery Plan: Digital Math Tools	150,400
Math Recovery Plan: School Math Facilitator	147,000
Professional Assessments	143,400
Skilled Trades Bursary Program	13,000
Special Education Additional Qualification (AQ) Subsidy for Educators	11,800
Staffing to Support De-Streaming and Transition to High School	1,093,000
Summer Learning for Students with Special Education Needs	122,000
Summer Mental Health Supports	143,900
Graduation Coach Program for Black Students	114,713
In-Kind PPE / CSE (critical supplies & equipment) / HEPA Funding	134,464
Placeholder for PPFs forecast but not yet announced (has matching expenses with no impact to budget)	400,000
Total PPF Grants	3,670,677

Expense Highlights

The Board's total estimated expenses for the 2023-24 fiscal year are \$295.8M as compared to \$282.4M for 2022-23, an increase of 5%. In order to allow for implementation of board priorities, expenditures increased by \$13.4M from the prior year despite the fact that revenue increases were only \$11.7M.

In-Year Expenses



A reconciliation of expenses between the 2022-23 Budget Estimates and the 2023-24 Budget is summarized below:

	Amount (\$M)
2022-23 Budget Estimates	282.4
Increased staffing, mainly due to increased enrolment	6.09
Net forecasted/negotiated increase in salaries (offset by increased benchmark funding)	2.73
Increase in amortization expense (offset by increase in DCC revenue)	3.15
Net expenditure additions	2.85
Increase in PPF and protected program expenses	0.93
Decrease in debenture interest expense (offset by decrease in capital debt funding)	(0.47)
Decrease in PPE in-kind expenses (offset by decrease in PPE in-kind revenue)	(0.80)
Decrease in PSAB benefit expense	(0.69)
Decrease in Contingency provision from 0.5% to 0.25% of operating allocation	(0.60)
Other net expenses	0.20
2023-24 Budget Estimates	295.8

As shown in the table above, the main factors contributing to the \$13.4M increase in expenditures are staffing expenses which have increased as a result of additional enrolment. Additionally, forecasted and negotiated salary increases, as well as increased amortization expense are contributing to the increased expenditure budget. Other expenditures have changed through the normal course of budget development (debenture interest, PSAB benefit expenses etc.).

The table above also shows “net expenditure additions”. While reductions were necessary to balance, Administration found it necessary to add \$2.85M of incremental expenses in order to allow for the implementation of Board priorities such as additional mental health staff, vice-principal and school office support staff. In addition, certain information technology and facility services expenses were increased (such as utilities and grounds keeping) due to inflationary pressures. These increases exceeded funding, contributing to the in-year deficit.

A detailed comparison of expenses for the 2021-22, 2022-23 and 2023-24 fiscal years is provided below.

EXPENSES	2021-22	2022-23	2023-24	Increase/(Decrease)	
	Financial	Budget	Budget	(2022-23 Budget	
	Statements	Estimates	Estimates	to 2023-24 Budget)	
	(\$000)	(\$000)	(\$000)	\$	%
Instruction					
Teachers	134,971	137,636	140,003	2,367	1.7%
Supply Staff	7,495	6,467	6,467	(0)	(0.0%)
Educational Assistants	18,163	19,263	21,075	1,813	9.4%
Early Childhood Educators	4,408	4,363	4,948	585	13.4%
Classroom Computers	1,109	1,438	1,093	(345)	(24.0%)
Textbooks and Supplies	5,097	5,854	6,854	1,000	17.1%
Professionals and Paraprofessionals	7,991	8,977	8,945	(32)	(0.4%)
Library and Guidance	2,508	2,440	2,748	309	12.6%
Staff Development	489	1,114	1,221	107	9.6%
Department Heads	693	698	698	-	0.0%
Principal and Vice-Principals	9,857	9,942	10,724	782	7.9%
School Office	6,407	6,569	7,056	487	7.4%
Co-ordinators and Consultants	4,208	4,368	5,266	898	20.6%
Continuing Education	455	432	458	26	5.9%
Amortization and Write-downs	967	751	2,047	1,296	172.5%
Total Instruction	204,818	210,313	219,605	9,292	4.4%
Administration					
Trustees	121	132	133	1	0.6%
Director/Supervisory Officers	725	789	785	(4)	(0.5%)
Board Administration	5,592	6,055	6,549	494	8.2%
Amortization and Write-downs	63	46	175	129	283.3%
Total Administration	6,502	7,022	7,642	620	8.8%
Transportation	10,732	10,393	11,248	855	8.2%
Pupil Accommodation					
School Operations & Maintenance	25,775	24,972	25,569	597	2.4%
School Renewal - Operating Portion	623	1,260	500	(760)	(60.3%)
Other Pupil Accommodation	4,949	4,506	4,043	(463)	(10.3%)
Amortization and Write-downs	16,276	17,334	19,059	1,726	10.0%
Total Pupil Accommodation	47,623	48,072	49,171	1,099	2.3%
Other Non-Operating	3,971	3,372	2,558	(815)	(24.2%)
Provision for Contingencies	-	3,250	5,595	2,345	72.2%
TOTAL EXPENSES	273,645	282,422	295,819	13,397	4.7%

The chart below illustrates the 2023-24 expenses by category and object.

Expense Categories	Salaries & Wages	Employee Benefits	Staff Development	Supplies & Services	Interest Charges on Capital	Rent, Fees & Contractual Services	Amortization & Other	Total Expenses \$
INSTRUCTION								
Classroom Teachers	122,881,887	17,076,111	-	45,276	-	-	-	140,003,274
Supply Staff	5,881,824	585,400						6,467,224
Teacher Assistants	15,876,139	5,199,186						21,075,325
Early Childhood Educators	3,721,171	1,226,700						4,947,871
Computers				1,093,287				1,093,287
Textbooks/Supplies				6,608,027		233,462	13,000	6,854,489
(Para)Prof./Technicians	6,792,086	1,862,081		234,797		55,623		8,944,587
Library/Guidance	2,308,786	439,571						2,748,357
Staff Development	734,242	24,363	446,715				16,000	1,221,320
Department Heads	698,322							698,322
Principals/Vice-Principals	9,369,156	1,145,057	205,556	4,450				10,724,219
School Office	4,822,814	1,858,314		240,187		134,633		7,055,948
Coord. and Consultants	4,169,026	687,291		376,380		32,980		5,265,677
Continuing Education	411,327	15,592		30,878				457,797
Amortization/Write-downs							2,047,392	2,047,392
Instruction Subtotal	177,666,780	30,119,666	652,271	8,633,282	-	456,698	2,076,392	219,605,089
ADMINISTRATION								
Trustees	102,890	5,504	13,500	11,000	-	-	-	132,894
Director/Supervisory Officers	650,651	93,388	36,200	4,600				784,839
Board Administration	3,244,222	1,102,191	12,760	332,046		1,604,327	253,597	6,549,143
Amortization/Write-downs							175,012	175,012
Administration Subtotal	3,997,763	1,201,083	62,460	347,646	-	1,604,327	428,609	7,641,888
TRANSPORTATION								
Pupil Transportation	105,285	21,910	-	1,300	-	11,103,920	15,540	11,247,955
Transportation Subtotal	105,285	21,910	-	1,300	-	11,103,920	15,540	11,247,955
PUPIL ACCOMMODATION								
School Oper./Maintenance	11,029,731	4,048,994	4,495	8,953,340	-	1,528,839	3,500	25,568,899
School Renewal-Operating						500,000		500,000
Other Pupil Accommodation					4,038,300	5,000		4,043,300
Amortization/Write-downs							19,059,182	19,059,182
Pupil Accommod. Subtotal	11,029,731	4,048,994	4,495	8,953,340	4,038,300	2,033,839	19,062,682	49,171,381
OTHER								
Other Non-Operating							2,557,607	2,557,607
Provision for Contingencies							5,594,757	5,594,757
Other Subtotal	-	-	-	-	-	-	8,152,364	8,152,364
TOTAL EXPENSES	192,799,559	35,391,653	719,226	17,935,568	4,038,300	15,198,784	29,735,587	295,818,677

Faith Centered Learning

Faith development is 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 faith development in the 2023-24 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. Expenses are estimated at \$1.1M for 2023-24 as shown in the table on the following page. 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 below.

	Amount (\$)
Campus Ministers, Faith Consultant and Board Chaplain	864,922
Faith related staff development	35,800
Faith related supplies, services and memberships	30,900
Provision for faith in school budgets	78,000
Retreats	46,000
Total	1,055,622

Special Education

In addition to the Pupil Foundation Grant and other grants within the GSN, the ministry allocates supplemental funding for students with special education needs through the Special Education Grant. This grant provides additional funding for students who need special education programs, services and/or equipment.

WECDSD'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.

	2021-22 Actual (\$000)	2022-23 Budget (\$000)	2023-24 Budget (\$000)	Change (2022-23 Budget to 2023-24 Budget)	
				\$	%
GRANT					
SEPPA	15,952	16,034	17,141	1,107	6.9%
SEA	873	938	969	31	3.3%
DSENA	11,736	11,834	12,489	655	5.5%
SIP	98	115	115	-	0.0%
BEA	441	443	466	23	5.2%
Other Revenue	891	1,377	1,224	(153)	(11.1%)
Total Funding	29,990	30,741	32,404	1,663	5.4%
EXPENSES					
Salaries and Wages	26,339	27,255	29,185	1,930	7.1%
Employee Benefits	6,349	6,672	7,422	750	11.2%
Staff Development	19	8	8	-	0.0%
Supplies and Services	602	623	719	96	15.4%
Fees and Contract Services	24	8	8	-	0.0%
Total Expenses	33,333	34,565	37,342	2,777	8.0%
Less: Self-Contained Class Allocation	(346)	(163)	(298)	(135)	82.4%
Net Expenses	32,987	34,402	37,044	2,642	7.7%
In-Year Surplus/(Deficit)	(2,996)	(3,661)	(4,640)	(979)	26.7%

International Education

Over the years, the Board has expanded the international education program by exploring new countries and continuing to offer innovative programming to attract international students. To create an educational experience for students from abroad, WECDSB established a dormitory for international students. The Dormitory opened in 2022-23 and welcomes students attending individually, as well as students attending as part of a group.

For the 2023-24 budget, there are projected to be 135.0 FTE International Education students of which 26.6 FTE are forecasted to utilize the dormitory. When the two programs (traditional International Education and the Dormitory) are combined, the forecasted net contribution to the Board results in \$812K of funds to be used to support the International Education/Dormitory programs, and/or other programs of the Board.

INTERNATIONAL EDUCATION / DORMITORY FINANCIAL SUMMARY		2023-24 Estimates
ENROLMENT (FTE)		
Elementary		10.0
Secondary		125.0
Total Enrolment (FTE)		135.0
REVENUE		
Elementary Tuition	\$	120,000
Secondary Tuition		1,612,500
International Student Recovery fees and application fees		193,050
Dormitory fees for students attending individually		450,000
Dormitory fees for students attending as part of a group		28,800
Total Program Revenue	\$	2,404,350
EXPENSES		
<u>Fixed Costs:</u>		
Salaries and benefits		
Teachers	\$	211,220
Program coordinators and staff		262,369
Dormitory coordinators		321,843
Subcontract services		70,000
Internet		2,000
ESL Programming Costs		2,716
		870,148
<u>Variable Costs:</u>		
Food Costs	\$	265,170
Commission on tuition revenue		155,925
International Student Recovery Amount		175,500
Recreational Programming Costs		29,100
Travel/Recruitment of International Students		75,000
Other (Application Software, Supplies, etc.)		20,948
		721,643
Total Expenses	\$	1,591,791
Net Contribution of combined International Education / Dormitory Program	\$	812,559

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).

The Board ended the 2021-22 fiscal year with an in-year surplus of \$5.47M, and is currently forecasting an in-year surplus in 2022-23 of \$0.84M. The 2023-24 budget reflects an in-year deficit of (\$2.56M), therefore resulting in a drawdown of accumulated surplus. At the end of 2023-24, the board projects the accumulated surplus for compliance to be \$29.1M, as shown in the table below.

The actual components of the accumulated surplus available for compliance for 2021-22, along with projections for 2022-23 and 2023-24 are detailed below. As can be seen on the “Committed Capital Projects” line in the table, the internal appropriation of accumulated surplus for this line item is projected to increase in 2022-23 resulting from plans to dedicate approximately \$3M additional funds towards the capital deficit. This is further explained in the Capital Deficit section below. The Board projects \$12.4M of the accumulated surplus to be unappropriated at the end of 2023-24.

	2021-22 Actual (\$000)	2022-23 Forecast (\$000)	2023-24 Budget (\$000)	
Operating surplus	17,071	14,467	12,416	unrestricted
Amortization of Employee Future Benefit Expenses	5,000	5,000	5,000	restricted
School Renewal	172	172	172	restricted
Benefit Plan	1,072	1,072	1,072	restricted
Sinking fund interest	838	775	711	restricted
Committed Capital Projects	2,204	5,029	4,587	restricted
Unfunded Post Age 65 Retirement Benefit Liability Phase-In (2012-13 to 2015-16)	5,145	5,145	5,145	restricted
TOTAL	31,503	31,661	29,104	

Capital Budget

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 schools and departments are prioritized and capital budgets are developed taking into account available funding, departmental priorities, asset management principles, previous funding allocations, and Board priorities.

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

Capital Funding Sources

The 2023-24 budget contains \$22.3M of capital asset additions which are balanced against available ministry funding, as follows:

Category	2022-23	2023-24	Change
	Budget	Budget	
	\$	\$	\$
Early Years Capital	2,553,587	184,025	(2,369,562)
Capital Priorities Grant- Major Capital	3,242,733	334,178	(2,908,555)
School Condition Improvement Allocation	14,773,000	16,319,200	1,546,200
School Renewal Allocation	5,595,060	3,312,867	(2,282,193)
COVID-19 Resilience Infrastructure	203,625	-	(203,625)
Proceeds of Disposition	-	1,259,413	1,259,413
Temporary Accommodation	-	214,745	214,745
Minor Tangible Capital Assets	90,000	667,235	577,235
TOTAL EXPENDITURES	26,458,005	22,291,663	(4,166,342)

While the Board plans to spend \$22.3M on capital asset additions as detailed above, these costs do not get recorded in the Board's expenditure budget. It is the annual amortization expense on the capital assets, combined with interest payments on capital debt obligations that forms part of the Board's projected \$295.8M expenditure budget.

Therefore, the capital expense in the 2023-24 budget is comprised of:

	Amount (\$)
Interest on long term debt	4,038,300
Amortization of capital assets	21,756,390
TOTAL CAPITAL EXPENSE	25,794,690

Capital Deficit

The capital deficit is projected to be \$6.6M at the end of 2023-24, after being reduced by another year of unsupported amortization expense in the amount of \$752,073. The unsupported amortization expense will continue to be funded through a combination of School Renewal and internally appropriated accumulated surplus for the 2023-24 fiscal year.

Historically, \$515,091 of the school renewal grant was set aside annually to fund a portion of the unsupported amortization expense. With plans to dedicate an additional \$3.0M of accumulated surplus to fund the capital deficit in 2022-23, \$267,847 of School Renewal funding will be freed up annually in 2023-24 to be used for other priorities of the board.

School Renewal Allocation

The School Renewal Allocation (SRA), which addresses the costs of repairing and renovating schools, is \$3,706,588 in 2023-24, an increase of \$160,973 from the 2022-23 funding level of \$3,545,615. With \$396,021 projected to be carried over from the 2022-23 year-end, the total available to spend in 2023-24 is projected to be \$4,102,609 as shown in the table on the following page.

2023-24 School Renewal

Project / School	Project Description	Projected Cost (\$)
SITE IMPROVEMENTS:		
All Schools	Landscaping	80,000
Various Schools	Field Maintenance	200,000
St. Joseph's HS	Track Resurfacing	525,000
St. Anne's HS	Track Resurfacing	525,000
Various Schools	Site Improvements	100,000
FLOORING:		
Various Schools	Carpet replacement, floor finishes	50,000
FENCING:		
Various Schools	Replace fencing	100,000
ACCESSIBILITY:		
Various Schools	Address accessibility issues	150,000
SECURITY:		
Elementary	Security upgrades	50,000
Secondary	Security upgrades	50,000
OTHER:		
Various Schools	Feasibility Study - Mechanical System Review	150,000
St. Thomas of Villanova	Water sewage treatment services	70,000
St. Thomas of Villanova	Municipal Sewer Installation	1,200,000
Various Schools	Washroom Renovations	150,000
Holy Names HS	Interior Renovations	412,867
Provision for Unsupported Debt		247,244
TOTAL PROJECTS		4,060,111
Amount remaining in Deferred Revenue		42,498
TOTAL		4,102,609

School Condition Improvement

The School Condition Improvement (SCI) allocation is \$9,602,061 for 2023-24, a decrease of \$772,613 from the 2022-23 funding level of \$10,374,674. With \$6,971,070 projected to be carried over from 2022-23 year-end, the total available to spend in 2023-24 is projected to be \$16,573,131 as shown in the table on the following page.

As significant annual investments by the ministry are made to renew and improve schools through the School Renewal and School Condition Improvement allocations, it is important that on the ground improvements are realized in a timely manner. Given this, the ministry announced the introduction of renewal funding time limits for 2023-24.

In prior years, school boards have been able to carry over their previous year allocations without restrictions. As of the 2023-24 school year, all new SCI and SRA allocations will expire in approximately 2.5 years with the 2023-24 school year funds expiring March 31,

2026. All existing SCI and SRA funds available from prior school years will expire March 31, 2027.

2023-24 School Condition Improvement

Project / School	Project Description	Projected Cost (\$)
PAVING:		
Assumption HS	Parking lot Repaving - Phase 2	750,000
St. Thomas of Villanova	Parking lot Repaving - Phase 2	1,000,000
SITE IMPROVEMENTS:		
Various Schools	Based on project lists and VFA assessments	1,000,000
DOORS / WINDOWS:		
Sacred Heart	Window Replacement - Phase 2	500,000
St. Anne French Immersion	Window Replacement - Phase 2	500,000
St. Angela	Window Replacement - Phase 1	500,000
St. Andre French Immersion	Window Replacement - Phase 3	500,000
Corpus Christi	Window Replacement - Phase 1	500,000
FIRE PROTECTION:		
HJ Lassaline	Fire panel replacements	40,000
FJ Brennan	Fire panel replacements	80,000
ELECTRICAL:		
St. John Vianney	Electrical Upgrade	250,000
St. William	Switchgear Replacement	60,000
Holy Names HS	Electrical Controls Replacement	200,000
Notre Dame	Switchgear Replacement	60,000
Various Schools	Electrical Panel Replacements	100,000
MECHANICAL - PLUMBING:		
St. John Vianney	Plumbing & Washroom Upgrade	1,000,000
ROOFING:		
Immaculate Conception	Roof Replacement	664,000
Cardinal Carter	Roof Restoration & Replacement	600,000
St. James	Roof Replacement - Partial	535,200
St. Peter	Roof Replacement - Partial	230,000
HVAC:		
Sacred Heart	HVAC System Upgrade - Phase 2	750,000
St. Anne French Immersion	HVAC System Upgrade - Phase 2	750,000
St. Angela	HVAC System Upgrade - Phase 1	500,000
St. Andre French Immersion	HVAC System Upgrade - Phase 3	1,000,000
St. John Vianney	HVAC System Upgrade - Phase 1	1,000,000
Holy Name Essex	HVAC with Chillers Upgrade	750,000
Corpus Christi	HVAC upgrades - Phase 1	1,000,000
St. John de Brebeuf	Chiller Replacement	750,000
Various Schools	HVAC System Upgrade - Phase 1	750,000
TOTAL PROJECTS		16,319,200
Amount remaining in Deferred Revenue		253,931
TOTAL		16,573,131

FINANCIAL IMPLICATIONS:

Discussed throughout the report.

The 2023-24 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 13, 2023 2023-24 Budget tabled for a 1 week review/consultation period.
June 20, 2023 The 2023-24 Budget Estimates presented for formal approval.
June 30, 2023 The 2023-24 Budget Estimates are submitted to the Ministry of Education through EFIS (Education Finance Information System).

APPENDICES:

- Appendix A – In-Year Deficit Elimination Plan

REPORT REVIEWED BY:

<input checked="" type="checkbox"/> EXECUTIVE COUNCIL:	Review Date:	June 6, 2023
<input checked="" type="checkbox"/> EXECUTIVE SUPERINTENDENT:	Approval Date:	June 6, 2023
<input checked="" type="checkbox"/> DIRECTOR OF EDUCATION:	Approval Date:	June 6, 2023

In-Year Deficit Elimination Plan

- 1.0 Is an In-Year Deficit Elimination Plan Required? Yes / Oui
If Compliance Report, item 1.3 is less than zero, and item 1.9 is "Compliant", IYDEP is required.
- 1.1 Is the Board Submitting a New In-Year Deficit Elimination Plan? (Note 1) Updated Plan/Plan mis à jour
- 1.2 If an In-Year Deficit Elimination Plan is required, has the plan been approved by the board? Yes / Oui
- 1.3 Compliance - In-year Surplus (Deficit) -2,557,346
Compliance Report, item 1.3

Table A - Changes in 2024-2025	
Col. 1	Col. 2
Revenue Increase/(Decrease) in 2024-25 - Description	Revenue Increase/(Decrease) in 2024-25 - Amount of Change
Impact of forecasted future enrolment increases	1,398,250
	-
	-
	-
	-
	-
	-
	-
	-
	-
	-
	-
	-
	-
	-
	-
	-
	-
Expense Decrease/(Increase) in 2024-25 - Description	Expense Decrease/(Increase) in 2024-25 - Amount of Change
Reduction of Supply cost budget as less coverage is expected moving forward (post COVID)	645,745
Reduction of provision for contingencies	513,351
	-
	-
	-
	-
	-
	-
	-
	-
	-
	-
	-
	-
	-
	-
	-

- 2.0 Planned In-Year Surplus/(Deficit) in 2024-25 0
Item 1.3 + (sum of column 2, Table A)

In-Year Deficit Elimination Plan

Table B - Changes in 2025-2026 (Note 2)	
Col. 1	Col. 2
Revenue Increase/(Decrease) in 2025-26 - Description	Revenue Increase/(Decrease) in 2025-26 - Amount of Change
	-
	-
	-
	-
	-
	-
	-
	-
	-
	-
	-
	-
	-
	-
	-
	-
	-
	-
	-
	-
	-
	-
Expense Decrease/(Increase) in 2025-26 - Description	Expense Decrease/(Increase) in 2025-26 - Amount of Change
	-
	-
	-
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	-

3.0 Planned In-Year Surplus/(Deficit) in 2025-26 (Note 2) -
.....Item 2.0 + (sum of column 2, Table B)

Note 1: If the board submitted an in-year deficit for the preceding fiscal year, the plan must be updated to demonstrate that the in-year deficit will be eliminated within one year of the end of the fiscal year of this submission.

Note 2: Table B and item 3.0 are only applicable if board has selected "New Plan" in item 1.1