



**SUDBURY CATHOLIC
DISTRICT SCHOOL BOARD**

Proposed Revised Budget
2019-2020

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Budget Framework

Our Mission

To realize each students' potential within our inclusive Catholic learning community by nurturing and developing their mind, body and spirit.

Our Vision

Leaders in Learning and Faith.

Values

Modeling Jesus in the world through faith, respect, community, innovation and learning.

The following guiding principles, current issues and trends provide guidance and direction for the development of the budget, serve as the basis for expenditure decisions, and align with the following Strategic Pathways:



Strengthen our faith-based, inclusive and equitable community.



Promote innovation.



Advance leadership and learning for all.

The guiding principles used by the board in the development of the 2019-20 revised budget continue to be as follows:

- To remain student focused guided by our strategic pathways;
- To preserve programs and enhance deliverables to students;
- To increase efficiencies of operations;
- To ensure value for money;
- To take a conservative approach; and
- To ensure legislative compliance.

Some of the current issues and or trends that the board took into consideration while developing the budget this year are as follows:

- Ability to attract and retain talent
- Succession planning and leadership development
- Need to reduce absenteeism
- Changes in population affecting enrolment
- Community Pressures
- Changing needs of our staff and students (ex. Mental health)
- Addressing students with exceptionalities (ex. Autism)
- Retention of French as a Second Language students over time

2019-20 Grants for Students Needs

On March 15, 2019 the Ministry of Education issued memorandum 2019: B08 – New Vision for Education, in which the government communicated its plans to modernize the classroom. On April 26, 2019 the Ministry of Education issued memorandum 2019: B14 – Grants for Students Needs (GSN) Funding for 2019-20 and on May 10, 2019 the Ministry issued memorandum 2019:SB06 – 2019-20 Estimates (District School Boards). In these memos the government set out funding parameters for 2019-20 school year. These parameters were discussed in detail as part of the estimates process in the June. There have been no significant changes since then.

Local Priorities Funding

This funding was established during the last round of collective bargaining and came into affect for the 2017-18 school year. This funding ended with the expiry of the Collective Agreements August 31, 2019 and staffing was adjusted accordingly.

The renewal of the central terms for CUPE included a new round of Local Priority Funding, which has been included in our revised estimates, however the funding will not be provided by the MOE until after the submission of revised estimates.

Balanced Budget

The board is expected to balance its 2019-20 budget; however, boards are permitted an in-year deficit of no more than 1% of operating revenue of the preceding year as per the Education Act. The additional requirement, should Bill 100 – Protecting What Matters Most Act receive Royal Assent, a plan/resolution will also be required showing the elimination of the in-year deficit within two years.

Enrolment

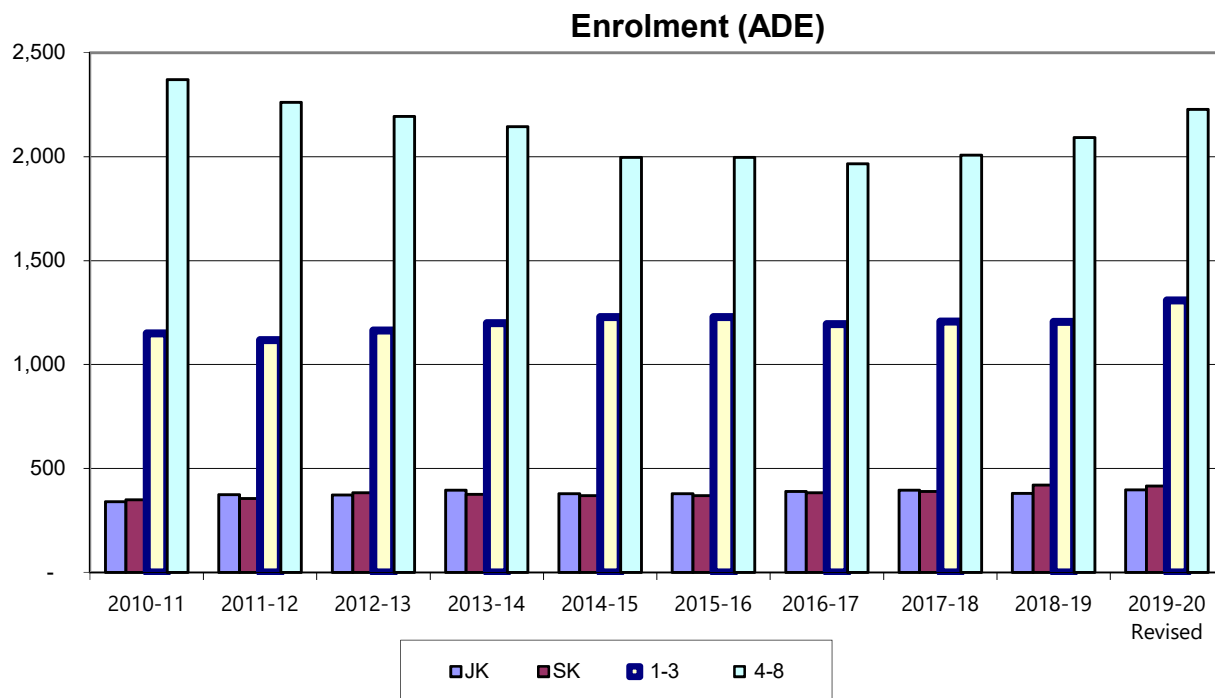
A significant increase in enrolment has been experienced from the levels that were projected in the spring. The board has experienced growth at both the elementary and secondary panels, largely due to an influx of families to the area over the past 6 months from outside of Canada. There is some risk with projections for the spring count date in that we do not know whether all of these families will remain in Sudbury, but based on information we have been provided to date this risk is lower for the current school year than it may be for subsequent years. However, to be conservative the following assumptions have been made in calculating the projected FTE for the year:

The elementary panel would see a decrease of 50 out of country students over the balance of the year, impacting the ADE (Average Daily Enrolment) by 25 FTE;

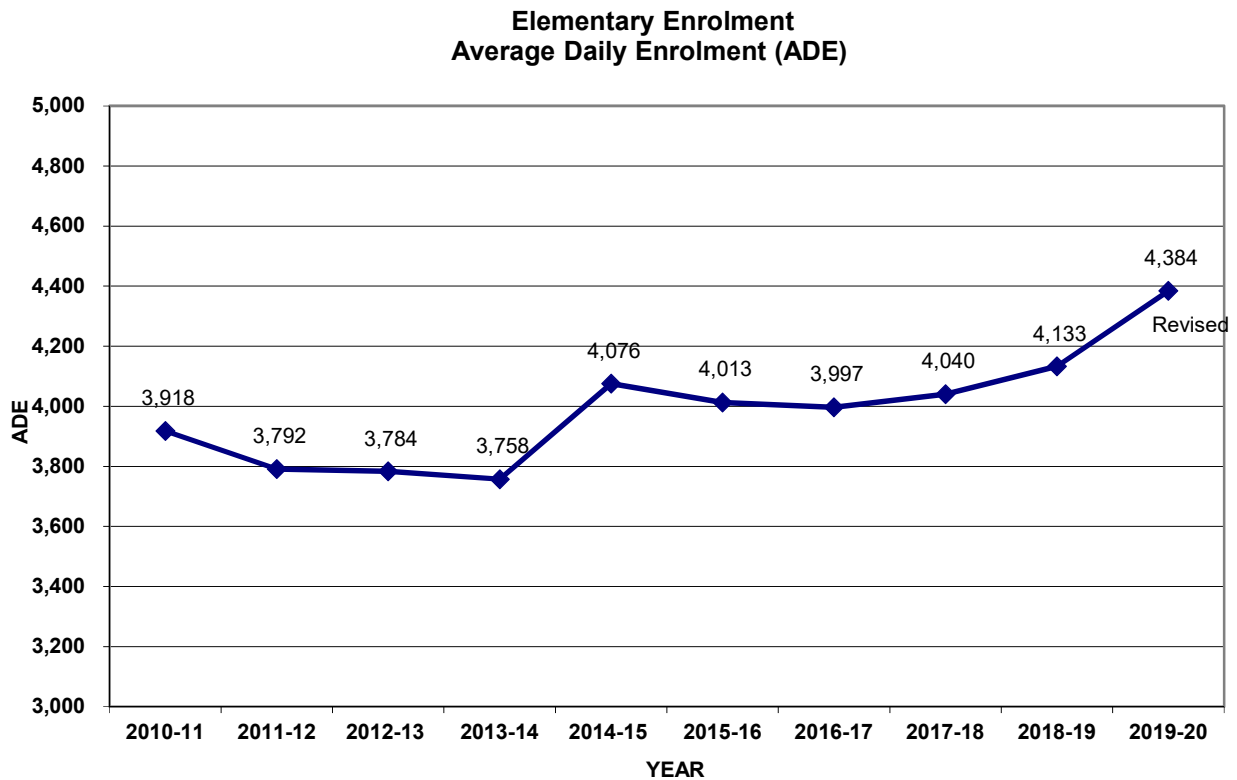
The secondary panel would see a decrease of 14 out of country students over the balance of the year, impacting the ADE by 7 FTE;

Based on historical trends the secondary panel would also experience a decrease of 2% or 35 students in the second semester, impacting the ADE by 17.5 FTE.

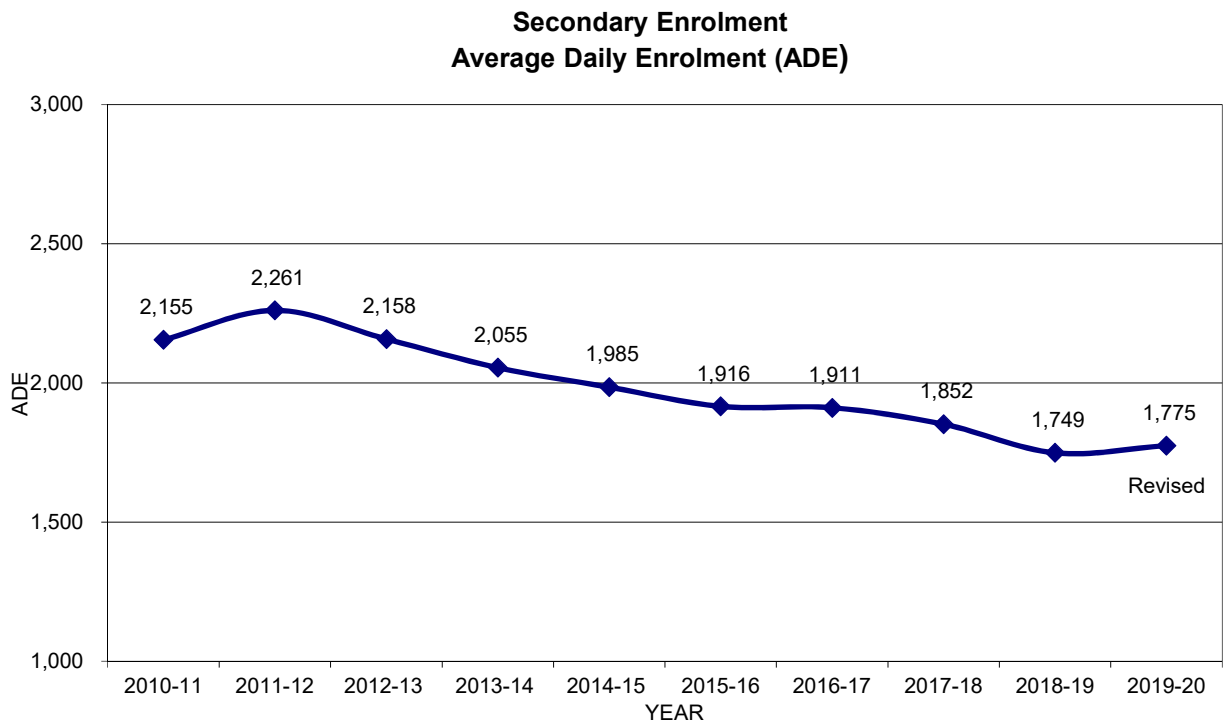
Elementary Enrolment Trending by Grade



Elementary Global Enrolment Trending (ADE)



Secondary Global Enrolment Trending (ADE)



Elementary Enrolment Projections by School

	Projected 2019-2020	Oct 31, 2019	Projected Mar 31, 2020	Projected ADE
Holy Cross	408	438	429	434
Holy Trinity	541	608	602	605
Immaculate	208	207	207	207
MMA	98	127	126	127
Pius	204	225	225	225
St. Anne	360	360	360	360
St. Benedict	170	208	203	206
SCC Elementary	292	318	311	315
St. Charles	402	441	441	441
St. David	241	326	304	315
St. Francis	304	323	323	323
St. James	300	305	305	305
St. John	322	297	297	297
St. Joseph	6	6	6	6
St. Mark	7	9	9	9
St. Paul	207	211	211	211
	4,070	4,409	4,359	4,384

Secondary Enrolment Projections by School

	Projected 2019-2020	Oct 31, 2019	Projected Mar 31, 2020	Projected ADE
Bishop Alexander	294	304	298	301
MMA	173	189	184	187
St. Benedict	417	425	411	418
St. Albert Learning Center	40	45	45	45
St. Charles College	779	837	813	825
	1,703	1,800	1,751	1,775

Total Enrolment Projections

	Projected 2019-2020	Oct 31, 2019	Projected Mar 31, 2020	Projected ADE
Total Projected Enrolment	5,773	6,209	6,110	6,159

Projected 2019-2020 – enrolment projected in June 2019

Oct 31, 2019 – actual enrolment submitted through ONSIS

Projected Mar 31, 2020 – projection of enrolment based on assumption noted above

Projected ADE – average of the Oct 31, 2019 enrolment and Mar 31, 2020 projected enrolment

Summary Budget Analysis

Summary Budget Comparison Analysis

	2019-2020 Estimates	2019-2020 Revised
Revenues		
Provincial Grants	80,772,536	84,558,448
Partnership and Priority Funding		1,469,167
Grants from Other Ministries - Deferred	555,000	590,383
School Generated Funds	2,689,745	2,848,784
Federal Grants	535,667	578,660
Investment Income	110,000	80,108
Revenues from Other Sources	1,015,700	1,373,199
Amortization of Deferred Capital Contributions	5,913,733	5,617,925
	91,592,381	97,116,674
Expenditures		
Admin and Governance	4,430,693	4,851,887
Transportation	6,167,537	6,286,107
Instructional	64,109,202	68,300,338
Pupil Accommodation	13,632,478	13,716,182
Other	2,575,532	3,219,992
	90,915,442	96,374,506
Surplus from Operations for Year	676,939	742,168
Less: Unavailable for Compliance	665,412	672,191
Surplus for Compliance	11,527	69,977
Opening Accumulated Surplus for Compliance	3,799,605	2,167,448
Surplus for Compliance	11,527	69,977
Accumulated Available for Compliance	3,811,132	2,237,425
	4.16%	2.30%

Revenues

School boards in Ontario have one main funding source, the Province, though part of this is satisfied by a residential/commercial tax that is determined by the Province and comes from local taxpayers. School boards calculate grant allocations in accordance with Provincial regulations in four broad categories – Foundation Grants, School Foundation Grants, Special Purpose Grants and Pupil Accommodation Grants. Tax revenue is calculated according to provincially-determined formulae and this amount is deducted from total grant allocations, as calculated, to form the net contribution by the Province. Each municipality is informed by the Ministry of Finance as to the portion of local taxes that it must forward to school boards in their jurisdiction.

Grants for Student Needs

These grant allocations are calculated based on four broad categories. Overall the board experienced an increase in this area due to higher than projected enrolment.

Pupil Foundation Grant

The Foundation grant is a per pupil allocation that supports the elements of a classroom education that are required by, and generally common to, all students (ie. Teachers, ECE's, Library and Guidance, EA's, etc. as well as textbooks and learning materials). This allocation increased from the estimates budget due mainly to higher enrolment than projected.

School Foundation Grant

This grant supports the costs of in-school administration and leadership (salaries and benefits for principals, vice-principals, and office support staff) as well as supplies for school administration purposes. The funding for these expenses increased slightly from the estimates projection. The board does take the position that it funds these positions within this allocation.

Special Purpose Grants

Special Purpose allocations have increased overall from the 2019-20 projected estimated funding. Significant changes in allocations are as follows:

The *Special Education Allocation* consists of several components, one of those is the Special Incident Portion, which is funding through an application process and is based on the specific needs of our system and students. We project this amount conservatively in the budget and considering historical trending and forecasted demands.

The *Language Allocation* increased due to increased enrolment in secondary French pupil credits.

The *Experience and Qualification Allocation* increased slightly over the estimates budget due to the increase in teachers hired in the fall to meet the needs of our higher enrolment.

The *Declining Enrolment Adjustment* recognizes that it takes time for boards to react and adjust their cost structures accordingly because board costs do not all decline in a way that is strictly proportional to the declining enrolment that they are experiencing. There is an increase in enrolment there is a decrease in this allocation of approximately \$150K.

The *Indigenous Education Allocation* increased slightly over the estimates budget due to slightly higher enrolment in elementary language classes and an increase in secondary pupil credits.

Pupil Accommodations Grant

The School Operations Allocation addresses the costs of operating school facilities (heating, lighting, maintaining, cleaning) and is calculated as a combination of a per pupil amount, community use of schools and a few other components. The board is experiencing a slight increase in this area of funding compared to the estimates budget (generally due to higher enrolment levels). The level of funding in this area is always a challenge, trying to maintain aging schools and deal with the increasing costs of utilities and increasing amounts of snow fall as we experienced last year. This grant has also been negatively impacted by the secondary adjustment to class size as the Square Area Factor has decreased proportionately and this partially drives funding in this grant.

Partnership and Priority Funding (PPF)

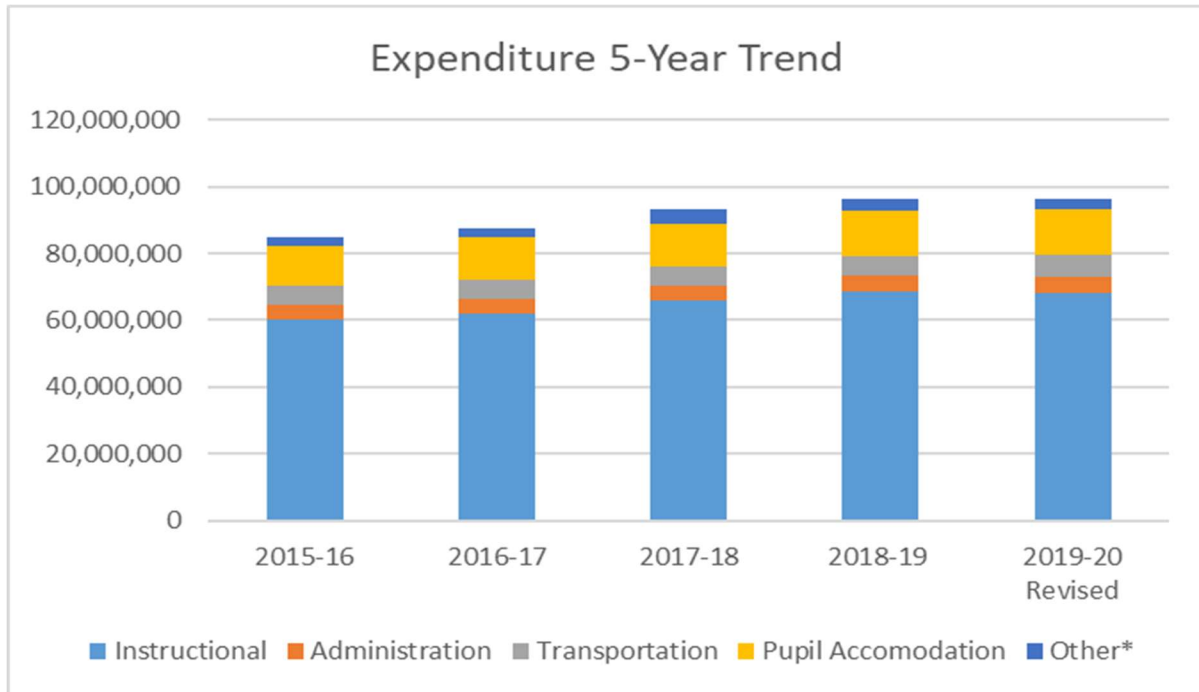
Program Name	2019-2020 TPA Received
Parents Reaching Out - System	5,671
OLE - French as a Second Language	81,295
Aboriginal Youth Entrepreneurship Program - 2 teachers 2 periods/day 1 semester	25,660
Well Being: Safe, Accepting, Healthy Schools, Mental Health	13,746
Mental Health Workers	213,067
Enhancements to Support Experiential Learning K-12	101,704
Focus on Fundamentals of Math	168,500
Indigenous Revised Curriculum	18,400
LD Empower Project	259,000
Experiential Learning K-12	101,704
After School Skills Development Program	56,990
Keeping Students In School	82,630
Specialist High Skills Major	118,951
Curriculum - Career Studies and Physical Education	15,210
Legalization of Recreational Cannabis	6,289

PPF are distributed to boards through the use of transfer payment agreements. These agreements stipulate specifically the amount of the PPF and how the funds are to be used. These agreements have to be signed by a representative for the MOE and the Director of Education for the board.

Interest Income

Decrease in interest income is directly related to MOE cash management strategy so we have less in our bank at any one time and more in the MOE bank account and therefore we are earning less interest.

Expenditures Trending



The trending clearly show that the board is continuously investing in the area of instructional resources to meet the needs of its students while maintaining relatively little change in the other areas of spending. In 2019-20 the reduction in spending on instructional resources is due in part to the elimination of the Local Priorities Funding, and an increase in class sizes (even with the protection funding due to retirements).

Detailed Estimated Expenditures

Description	2019-20 Estimates Budget	2019-20 Revised Budget	
INSTRUCTION			
Classroom Teachers	40,218,759	42,229,451	Note 1
Supply Staff	2,228,275	2,085,975	
Teacher Assistants	4,843,840	5,176,696	Note 2
Early Childhood Educator	1,837,500	1,895,309	Note 3
Textbooks and Supplies	1,738,958	2,428,949	Note 4
Computers	738,895	1,017,926	Note 5
Professionals Paraprofessionals and Technicians	3,115,335	3,187,951	Note 6
Library and Guidance	901,927	925,755	
Staff Develop.	307,099	666,533	Note 7
Department Heads	80,000	80,000	
Principals and VPs	3,229,570	3,526,334	Note 8
School Office	1,770,874	1,924,061	Note 9
Coordinators and Consultants	1,869,132	1,952,655	Note 10
Continuing Education	849,038	852,850	
Instruction - Amortization and Write Downs	380,000	349,893	
Total Instruction Expenses	64,109,202	68,300,338	
ADMINISTRATION			
Trustees	94,471	99,821	Note 11
Directors and Supervisory Officers	576,136	570,415	
Board Administration	3,708,086	4,101,847	Note 12
Admin - Amortization and Write Downs	52,000	79,804	
Total Administration Expenses	4,430,693	4,851,887	
TRANSPORTATION			
Pupil Transportation	6,167,537	6,286,107	Note 13
Total Transportation Expenses	6,167,537	6,286,107	
PUPIL ACCOMMODATION			
School Operations and Maintenance	6,840,562	7,219,152	Note 14
School Renewal Expense	49,099	55,100	
Other Pupil Accommodation	1,253,702	1,253,702	
Pupil Accommodation - Amortization and Write Downs	5,489,115	5,188,228	
Total Pupil Accommodation Expenses	13,632,478	13,716,182	
OTHER			
School Generated Funds Expenses	2,575,532	2,727,792	
Other Non-Operating Expenses	-	492,200	Note 15
Other Expenses Category Total	2,575,532	3,219,992	
Total Expenses Category	90,915,442	96,374,506	

Explanations of Variances

Note 1: Classroom Teachers

Due to the increase in enrolment the board experienced when it performed its September counts there was a need to add additional teachers to meet primary class size requirements and collective agreement staffing levels. As such there were 10 additional elementary teachers hired and 8 additional secondary teachers (this includes meeting preparation time requirements). There was also staffing in response to transfer payment agreements that outlined the hire of targeted staff received after the estimates budget. Salaries and benefits were adjusted to reflect actual rather than averages, which are typically used during the estimates process.

Note 2: Teacher Assistants

Salary costs increased slightly even though the FTE decreased as a higher salary average was used when calculating estimates. Also, benefits are now calculated based on actual costs per FTE as described below and this resulted in a correction of the benefit costs of this category of employee increasing the budget line.

Note 3: Early Childhood Educator

Increased enrolment resulted in the requirement to hire additional 5 ECE's, 2 of which are included here however, the budget did not significantly increase because in estimates a higher rate of pay was used to estimate salaries. The other 3 ECE's are considered temporary and are budgeted in with the supply costs.

Note 4: Textbook and Supplies

There were no PPF grants included in estimates because there were no signed transfer payments in hand. The increase in this area is mainly the result of the receipt of signed transfer payments since estimates that affect this category by \$450K, there was an increase in SHSM programming of \$80K and expense related to international school visits. A summary list of PPF grants received is provided on page 10 of this report.

Note 5: Computers

There has been no change in planned expenditures for the board since the estimates budget was approved however there were some items that did not meet the definition of capital and therefore were moved from capital and added back into this line resulting in the increase shown.

Notes 6: Professionals Paraprofessionals and Technicians

Benefits are now calculated based on actual costs per FTE as described below and this resulted in a correction of the benefit costs of this category of employee increasing the budget.

Note 7: Staff Development

The increase in the budget relating to staff development is directly a response to the signed transfer payments that the board has received since the estimated budget was developed.

Note 8: Principals and Vice-principals

The elementary VP's in our board are not allocated in full to administration, a percentage of their salary is charged to resource and this amount varies based on the school and its needs. The revised budget has increased partially due to the split of the allocation between VP time and resource time. Also, because benefits are now calculated based on actual costs per FTE as described below and this resulted in a correction of the benefit costs of this category of employee increasing the budget.

Note 9: School Office

Staffing for school office staff is finalized after the estimates budget is developed and as a result changes in actual staffing is captured in the revised process. There is an increase in salaries and correction to benefits budgeted as well as a floater secretary (one day a week) added to assist with temporary additional workloads at various schools.

Note 10: Coordinators and Consultants

Staffing for these positions are not always complete by the time the estimates budget is developed. Depending on who the successful candidates are the salaries and benefits are adjusted as part of revised to reflect the actual data for each individual in those positions. There is also additional expense related to transfer payments signed back after estimates budget.

Note 11: Trustees

Slight increase in budget for conferences and professional development to cover the actual cost of the professional learning opportunities.

Note 12: Board Administration

The board generally budgets \$200K for costs related to labour relations. Due to this being a year of contract negotiations and based on historical costing this amount has been increased to \$400K for the current year. Also, the budget relating to WSIB has been reallocated to this expense category in revised estimates. These costs include a fee we pay to SBCI (School Board Cooperative Insurance) for program assistance fees as well as payment for an insurance policy. There was also a budget set up for WSIB claims that are unknown at this point. The budget amount is based on historical pay outs, although there is no way to precisely forecast this amount.

Note 13: Transportation

Increases to transportation costs relate to the increased enrolment and related bussing that is required, transportation out of boundary and costs related to increasing required accommodation transportation.

Note 14: School Operations and Maintenance

With the ratification of the central collective agreement with CUPE included in the budget are expenses relating to the Local Priorities Funding (approx. \$78K) and a 1% increase for all CUPE staff. The balance of the increases in this area equate to small increases across many categories to account for general increasing costs.

Note 15: Other Non-operating Expenses

This amount budgeted is an estimate of costs relating to retiree benefits and gratuities. In the financial statements every year, based on an actuarial valuation (performed every third year by SBCI) amounts are set up as future liabilities to accrue for these expenses, however, it has been our experience that this future liability is not necessarily sufficient and additional expenses are required to meet our obligations. This can happen when an unexpected event occurs, higher than expected usage or a change in discount rates. Therefore, to be conservative we have included in the budget an amount that we estimated based on an average cost over the past 3 years.

Benefits

Current Employees

The calculation of benefits has been revised to reflect actual benefits that are expected to be paid rather than calculated as a percentage of salaries. Benefits include employers' portion of CPP, EI, Employer Health Tax, OMERS (where applicable) and ELHT (Employee Life Health Trust). The transition to ELHT has resulted to our moving from a plan that only pays from health and dental costs incurred to paying a flat fee for every FTE dependent upon the employee group that they belong to (ie. CUPE, OECTA, P/VP and Non-union) as per centralized trusts. As such, the MOE has provided each board a worksheet to assist with the calculation of benefit obligations for the purpose of budgeting.

It should be noted that boards are billed monthly from the trusts and this billed amount is based on staffing levels shown in Appendix H every time that we submit to the MOE. Billings are periodically reconciled to these submissions and the board either received a credit should our staffing decrease or is charged an additional amount should our staffing increase. Although we are currently billed for staffing levels that are provided in estimates we have budgeted for our forecasted staffing levels for the fiscal year.

Special Education

	2019-20 Estimates Budget	2019-20 Revised Budget
Revenue		
SEPPA (Special Education per pupil amount)	4,476,159	4,787,710
Special Equipment Amount	306,371	319,765
Differentiated Special Education amount	5,165,667	5,165,667
Special Incidence Portion Amount	900,000	1,150,000
Section 23 Facilities Amount	162,352	162,352
Behaviour Expertise Amount	228,333	231,590
Total Special Education Allocation	11,238,882	11,817,084
Expenses		
All Special Education Teachers	5,695,588	5,761,257
Supply Teachers	146,964	146,964
Educational Assistants	4,843,840	5,176,696
Supplies	40,927	40,927
SEA equipment	50,000	50,000
Computers	220,541	220,541
Professionals/Technical Staff	1,388,920	1,181,742
Staff Development	38,648	38,648
Coordinator / Behavioural Expert	376,154	367,363
Total Special Education Expenses	12,801,582	12,984,138
Less: Self-Contained Classes Allocation (covered by board GSN grants)	827,882	883,988
Total Special Education Expenses	11,973,700	12,100,150
Total Surplus or (Deficit)	(734,818)	(283,066)
Use of Deferred Revenues		
Opening Operating Deferred Revenue	750,000	245,388
Revenue for operating	11,018,955	11,587,319
Expense for operating	(11,753,159)	(11,799,609)
Closing Operating Deferred Revenue - Aug 2020	15,796	33,098
Opening SEA Deferred Revenue	583,311	583,384
Revenue for SEA	219,927	229,765
Expense for SEA	(220,541)	(300,541)
Closing SEA Deferred Revenue - Aug 2020	582,697	512,608

Funding for special education portfolio increased from estimated to revised due in part to an increase in enrolment as well as an increase in eligible applications for special incident funding. The senior team, as part of the revised budget process, once again reviewed the resources that are part of the special education portfolio and assessed their impact as to whether we need to shift and/or add resources to better address the needs of our students in the current year.

There has been a need identified to increase the number of resource teachers by 2, but the impact will be a half year for each. The number of education assistant has decreased by 4 however in analyzing the budget we actually see an increase in costs because of adjustment to the salaries and benefits budgeted. It is important to note that we will be using our operating reserve this year, therefore when it comes time to budget for 2020-2021 it will be imperative that we once again review the needs of our students and address those needs with staffing and resources that will have the greatest impact taking into consideration that an operating reserve will no longer be available to us.

Facilities Capital Funding

Funding Allocation	2019-20 Estimates	2019-20 Revised
School Renewal Allocation		
Capital	1,248,896	1,306,911
Maintenance	56,481	50,709
School Condition Improvement		
70% Restricted to Major Building Components	3,377,423	3,377,423
30% Unrestricted to Locally Identified Renewal Need:	1,447,467	1,447,467
	<u>6,130,267</u>	<u>6,182,510</u>

School Condition Improvement (SCI)

This funding source is to be used to keep schools in a state of good repair, starting in 2015-16, school boards are required to direct 70 percent of their SCI funds to address major building components (for example, foundations, roofs, windows) and systems (for example, HVAC and plumbing). The remaining 30 percent of SCI funding can continue to address specifically identified building components or, alternatively, building interiors and surrounding site components (for example, utilities, parking and pavements).

Unspent funds in any given school year will be carried forward to the next school year and continue to follow the “70/30” rule.

School Renewal Allocation (SRA)

This funding is provided for the purpose of addressing costs related to the repairs and renovations of our schools. There has also been some additional funding provided for this purpose whose use has been split with 40 percent of the funds allocated towards operating/ maintenance type expenditures (e.g. painting) and the remaining 60 percent of the funds allocated towards expenditures that are capital in nature (e.g. roof repair, accessibility enhancements, portable repair). While the operating / maintenance funds can be put towards capital investments, the additional capital funds cannot be put towards operating / maintenance items. Unspent SRA funds in any given school year will be carried forward to the next school year. Any unspent operating / maintenance funds will be carried forward to address operating / maintenance expenditures in the next school year.

Capital Project Selection

The following is a high-level overview of capital projects under consideration for completion for the 2019-20 school year. Final project selection will be determined once an evaluation using identified selection criteria is completed. Project selection may change due to sudden or urgent needs that can arise through the school year.

Project selection criteria:

1. VFA Assessments – These are facility condition assessments for each site identifying the life cycle of building components and assets and prioritizing each event by recommended date of completion. This database is operated by the Ministry of Education and each assessment is updated at identified intervals.
2. Budget – The Capital Budget consists of School Renewal funding and School Condition Improvement funding which may change year over year. Projects are selected in adherence to confirmed financial resources. Occasionally the Ministry of Education may provide additional one time or targeted funding such as the Greenhouse Gas Reduction Fund that supports energy saving projects.
3. Operational Impact – Project evaluation includes potential impact to operational costs and utility budgets. Projects with a better pay back period may be given preference.
4. School Needs – Discussions with school administration on identifying facility and/or program needs are ongoing throughout the year and this information is included as part of final project evaluation.

Capital Projects Forecasted for 2019-20

(Budgets are high-level estimates and will be updated once scope of work is finalized)

Site	Project Description	Budget
Holy Trinity/SCC	Parking lot upgrades based on CIMA recommendations	750,000
St Charles College	Phase 2 - Corridor retrofit/HVAC/electrical distribution upgrade	1,031,000
St Benedict	Phase 2 - Lighting Retrofit	195,000
St Francis	Phase 2 - Lighting Retrofit	250,000
St. Charles Elem.	Exterior wall investigation/remediation and interior upgrades	550,000
MMA	Phase 4 - exterior wall remediation, partial roof replacement, HVAC	1,250,000
St Albert	Interior renovations	450,000
Bishop Alexander	Siporex roof replacement	1,600,000
Various	Gym floor Refinishing	100,000
Total		6,176,000