



EXECUTIVE REPORT TO FINANCE AND FACILITIES COMMITTEE

TO: Finance and Facilities Committee

FROM: Manny Figueiredo, Director of Education

DATE: May 28, 2018

PREPARED BY: Stacey Zucker, Associate Director Support Services and Treasurer
Denise Dawson, Senior Manager, Business Services

RE: **2018-2019 Budget Estimates**

Action ✓

Monitoring ☐

Recommended Actions:

1. That the Board approve the 2018-2019 Operating Budget expenditures in the amount of \$577,322,146 and that the Associate Director Support Services and Treasurer be authorized to proceed with the expenditure of funds as outlined in Appendix C dated May 28, 2018
2. That the Board approve the 2018-2019 Capital Budget expenditures in the amount of \$184,756,339 and that the Associate Director Support Services and Treasurer be authorized to proceed with the expenditure of funds as outlined in Appendix D dated May 28, 2018. The Executive Superintendent of Board Operations and Treasurer is further authorized to secure short-term financing for project expenditures until such time as permanent funding is secured, if required.

The following appendices provide information regarding the 2018-2019 Budget:

Appendix A	2018-19 Enrolment Projections
Appendix B	2018-19 Summary of Revenues and Expenditures
Appendix C	2018-19 Summary of Expenditures by Economic Classification
Appendix D	2018-19 Capital Budget
Appendix E	2018-19 Summary of Staffing

Rationale

The Hamilton-Wentworth District School Board (HWDSB) is financially responsible with a clear focus on providing the system with the resources and supports necessary to support our Board Priorities. The budget presented for the 2018-2019 school year reflects this approach.

Our Board Priorities focus on Student Learning and Achievement through effective instructional strategies, building student and staff well-being through positive climate strategies, improving our communication through comprehensive strategies, investment in school renewal to improve school facilities and strengthening our collaboration with new and existing community partners to enhance opportunities for students. Our budget aligns our resources to fulfill this commitment. By aligning our resources through this budget in support of our priorities, we do believe that all students will achieve their full potential.

Highlights:

The following are the key highlights of the 2018-19 Budget:

- Alignment of resources with the Board's approved Priorities has been achieved.
- Compliance with all Ministry class size and other regulatory requirements have been achieved (i.e. the 2018-19 Preliminary Operating Budget is balanced.)
- To support students, the Board will be increasing Educational Assistant support in the classroom by 12.5 FTE.
- The Board incorporated staffing increases to Elementary Teachers (42.6 FTE) and Early Childhood Educators (5.0 FTE) as a result of increased enrolment, decreased grade 4-8 class size and new caps placed on full day kindergarten classes.
- Support will be provided for high priority schools with additional Elementary Vice-Principals and Office Administrators and teachers to support the transition of grade 7 and 8 students to high school.
- Mental Health Workers with specialized training in mental health will be hired to support students in secondary schools.
- The Board will provide funding to hire a Human Rights/Equity Officer to promote and ensure compliance with principals of human rights and equity and build a culture at the Board to respect those principals.
- Additional 9.0 FTE including 5.0 Board Certified Behaviour Analysts and a Special Education Consultant will be hired to support special education students with extraordinarily high needs.
- The budget provides funding to support moving and transitions required with the closure and opening of new schools next year. This includes \$700,000 for packing and moving services; \$100,000 for meeting and school costs related to transitions and \$100,000 for staff support to assist with transitions.
- The budget fully supports the continued roll out of devices to support Transforming Learning Everywhere.
- 3rd Year of implementation of the Capital Plan is incorporated into the 2018-19 Capital Budget.
- The Board incorporated budget reductions related to school closure.

Background:***Overall***

The fiscal year for all School Boards in Ontario runs from September 1 to August 31. The basic legislated financial requirements of a School Board are to develop and maintain a balanced budget and be in compliance with the Ministry of Education basic enveloping requirements. The 2018-19 Budget Estimates meets these requirements.

Process

HWDSB's Finance and Facilities Committee has been working towards bringing forward a balanced budget which meets the requirements of the Ministry as well as aligns with the strategic directions of the Board. The Finance and Facilities Committee usually meets on a monthly basis but began meeting on a weekly basis on March 31, 2017 to review all aspects of the 2017-18 Budget Estimates. At the same time, the following reports were brought forward to the Board for approval:

- January 29, 2018- Approval of Key Parameters/Assumptions to Guide 2018-19 Budget Development
- January 29, 2018- Approval of Budget Priorities for Public Consultation
- March 26, 2018 – Approval of Budget Priorities to Guide the Development of the 2018-19 Budget
- April 30, 2018 - Approval of 2018-19 School Based Staffing

In addition, the preliminary special education budget for 2018-19 was shared with the Special Education Advisory Committee on April 25, 2018.

The key objective of the Budget Development Process is to align the allocation of resources with the Board Priorities, identify school based staffing requirements; identify budget challenges and opportunities, and the development of key messages to be included in the communication plan.

Enrolment (Appendix A)

The Ministry of Education allocates funding to School Boards using a model that is based on enrolment and the needs of students in each board. Enrolment is based on Full-Time Equivalent (FTE) enrolment for October 31st and March 31st. These two fixed-in-time FTE enrolment values are combined to produce the annualized Average Daily Enrolment (ADE). HWDSB enrolment projections are based on historical enrolment trends and student retention rates on a school by school basis. These enrolments are reviewed by the school administration and adjustments are made if required.

An estimated ADE of 35,657.00 elementary students has been used to develop the 2018-19 Budget Estimates which is an increase of 372.00 ADE or 1.05% from the 2017-18 Budget Estimates. This increase reflects continued growth that is consistent with the increase in enrolment experienced by the Board in 2017-18 as new families continue to move into the Hamilton-Wentworth community. An ADE of 14,033.50 has been estimated for secondary students, an increase of 100.75 ADE or 0.72% from the 2017-18 Budget Estimates. This is the first year, where secondary enrolment is not projected to decline in enrolment, as have been the Board experience in past years. The overall projected ADE is 49,690.50 which represent a 0.96% increase from the 2017-18 Estimates.

Operating Revenue Projections (Appendix B)

The Ministry of Education's Electronic Financial Information System (EFIS) forms have been used to calculate the Grant for Student Needs (GSN). Approximately 98% of total operating revenue comes from the Province through the GSN. The 2018-19 GSN is estimated to be \$562.8 million which is an increase of approximately \$14.1 million or 2.6% over the 2017-18 Budget Estimates. The increase in GSN funding for HWDSB is due to increased enrolment, increases to salary and benefit benchmarks, funding to provide for reduced grade 4-8 class size and FDK class caps, plus additional funding to support staffing to enhance special education and transition grade 7 and 8 students to high school, announced by the Ministry on March 26, 2018.

The remaining \$14.5 million in operating revenue comes from other Ministry grants and miscellaneous revenue. This amount is greater than the 2017-18 Revised Budget Estimates due to two new Education Program Grants announced in by the Ministry, plus additional international student and community use of school revenue included in the budget.

Operating Expenditure Projections (Appendix B and C)

The operating expenditures are projected to be \$577.3 million, an increase of approximately \$15.7 million or 2.8% from the 2017-18 Revised Budget Estimates.

Operating expenditures include a salary component (approximately 88 %) and a non-salary component (approximately 12%).

The operating expenditures budget has been increased for a number of reasons including:

- Required increases for utilities, fuel costs, insurance, leases and other known fixed increases.
- Increases to salaries and negotiated benefits in accordance with the Central Labour Extensions Agreements (funded by the Ministry).

- Increases to budget for staff supply costs to reflect actual costs based on 2017-18 usage.
- Additional staffing for special education and transitioning students to high school (funded by the Ministry).
- Additional staffing to meet class size compliance and student need

Capital Budget (Appendix D)

Each year, the Board prepares a capital budget based on the capital projects expected to be completed during the year. These projects are either funded by the Ministry of Education through various capital grants or by the Board through proceeds of disposition of surplus properties. In 2018-19, the Board is projected to spend approximately \$144.9 million on capital related projects.

In addition, the Board will pay interest on debentures for previous capital projects in the amount of \$7.5 million. This amount is fully supported by the Ministry through the GSN.

Conclusion

The Budget Estimates reflect the projected funding and proposed expenditure needs for 2018-19.

Once information on actual enrolments becomes available, it is likely that budget revisions will be required. The Ministry requires the submission of Revised Estimates, in December 2018, based on actual October enrolment and funding from the Province will be adjusted to reflect any changes. In addition, the Ministry continues to announce other Provincial operating grants and these will be included along with the corresponding expenditures. Any revenue and expenditure effects will be included in the Revised Estimates in December 2018.

Attach.

Hamilton-Wentworth District School Board

2018/2019 Budget Estimates

Enrolment Projections

	2017/2018 Approved Budget	2018/2019 Budget Estimate	Increase (Decrease) ADE	Increase (Decrease) %
Elementary				
Full Day Kindergarten	6,888.00	6,900.00	12.00	0.17%
Primary	10,504.00	10,625.00	121.00	1.15%
Grades 4 -8	17,365.00	17,628.00	263.00	1.51%
Special Education (note1)	528.00	504.00	(24.00)	(4.55%)
Total Elementary Enrolment	35,285.00	35,657.00	372.00	1.05%
Total Secondary Enrolment	13,932.75	14,033.50	100.75	0.72%
Total Enrolment	49,217.75	49,690.50	472.75	0.96%

Average Daily Enrolment (ADE)

Average Daily Enrolment is calculated based on the existing two count dates (October 31 and March 31) within the board's fiscal year. The full-time equivalent of pupils enrolled will be weighted at 0.5 for each of the count dates.

Note 1 - This enrolment is special education students that are placed in self-contained classes

Hamilton-Wentworth District School Board

2018/2019 Budget Estimates

Summary of Operating Revenues and Expenditures

	2018/2019	2017/2018	Increase (Decrease)	
	Budget Estimates	Revised Budget Estimates *	Over 2017/2018 Revised Budget	
	\$	\$	\$	%
Revenues:				
Grants for Student Needs	562,854,560	548,692,998	14,161,562	
Other Ministry Grants	8,514,882	7,699,747	815,135	
Miscellaneous	5,952,704	5,198,720	753,984	
Total Revenues:	577,322,146	561,591,465	15,730,681	2.80%
Expenditures:				
Program Instruction:				
Classroom Teachers	338,797,728	331,140,066	7,657,662	
System Principals, Consultants & Support	6,391,566	6,156,308	235,258	
Occasional Teachers	11,009,502	9,509,500	1,500,002	
Educational Assistants	34,425,518	33,759,813	665,705	
Early Childhood Educators	14,960,138	14,502,164	457,974	
Professional & Para-Professionals	18,116,770	16,948,833	1,167,937	
Class Texts, Instructional Supplies	16,837,416	16,034,818	802,598	
Instructional Computers	4,974,565	4,640,160	334,405	
Instructional Staff Development	3,422,742	3,451,195	(28,453)	
School Administration	35,895,191	34,879,707	1,015,484	
Continuing Education	6,445,856	6,500,169	(54,313)	
	491,276,992	477,522,733	13,754,259	2.88%
Program Support:				
Board Administration & Governance	14,767,537	13,847,982	919,555	
School Operations	52,843,458	52,366,933	476,525	
Transportation	16,534,159	15,853,817	680,342	
	84,145,154	82,068,732	2,076,422	2.53%
Non-Operating:	-	-	-	
Contingency:	1,000,000	2,000,000	(1,000,000)	
Moving/Transitions	900,000	-	900,000	
Total Expenditures:	577,322,146	561,591,465	15,730,681	2.80%

* The 2017/18 Budget has been revised to reflect additional Education Program Other Grants that are included in the 2018/19 Estimates for comparison purposes

Hamilton-Wentworth District School Board

2018/2019 Budget Estimates

Summary of Expenditures by Economic Classification

	2018/2019 Budget Estimates	2017/2018 Revised Budget Estimates *	Increase (Decrease) Over 2017/2018 Revised Budget	
	\$	\$	\$	%
Remuneration				
Salaries & Wages	416,023,058	404,597,193	11,425,865	
Employee Benefits	74,514,513	74,020,812	493,701	
Temporary Assistance	16,798,723	15,295,715	1,503,008	
	<u>507,336,294</u>	<u>493,913,720</u>	<u>13,422,574</u>	<u>2.72%</u>
Consumables				
Professional Development	3,592,292	3,589,245	3,047	
Textbooks & Supplies	22,473,086	21,550,423	922,663	
Energy	10,496,500	10,295,000	201,500	
Repairs & Minor Renovations	3,782,500	3,767,100	15,400	
Computing Equipment	597,062	668,687	(71,625)	
Rentals	2,774,080	2,678,172	95,908	
Fees & Contractual Services	7,872,923	7,260,658	612,265	
Other Expense	1,013,743	950,021	63,722	
	<u>52,602,186</u>	<u>50,759,306</u>	<u>1,842,880</u>	<u>3.63%</u>
Transportation	15,483,666	14,918,439	565,227	3.79%
Contingency	1,000,000	2,000,000	(1,000,000)	(50.00%)
Moving/Transitions	900,000	-	900,000	100.00%
Total Expenditures	<u>577,322,146</u>	<u>561,591,465</u>	<u>15,730,681</u>	<u>2.80%</u>

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Hamilton-Wentworth District School Board
2018-19 Budget Estimates
Capital Budget

Expenditures	Funding Sources								
	Total Estimated Capital Budget	Capital Priorities	School Consolidation Capital	Full Day Kindergarten	Childcare Capital	SRG and SCI	EDC	Proceeds of Disposition	Total Funding
Construction in Progress									
North Site Secondary School	11,000,000	11,000,000							11,000,000
New Nora F. Henderson Secondary School	15,000,000	15,000,000							15,000,000
Greensville Site Elementary School	10,194,285	4,700,000		494,285				5,000,000	10,194,285
Beverly Site Elementary School	13,494,285		13,000,000	494,285					13,494,285
Beverly Central Community Centre PS Addition	3,300,000	3,300,000							3,300,000
Summit Park Site Elementary School	11,027,794	8,000,000		1,285,034	1,542,760		200,000		11,027,794
Eastdale Site Elementary School	8,100,000	7,500,000		600,000					8,100,000
Sir Wilfrid Laurier Elementary School Addition	350,000	300,000		50,000					350,000
Collegiate Avenue Elementary School Addition	1,375,000	1,000,000		75,000	300,000				1,375,000
Glendale Campus Site Elementary School	9,900,000	8,000,000		800,000	1,100,000				9,900,000
Memorial Stoney Creek Site Elementary School	7,800,000	6,000,000		700,000	1,100,000				7,800,000
New CH Bray Elementary School	1,000,000	1,000,000							1,000,000
Mount Albion Elementary School Addition	3,500,000	2,800,000		700,000					3,500,000
Ancaster Senior Elementary School Addition	3,790,000	3,500,000				290,000			3,790,000
Bellmore Elementary School ChildCare Retrofit	462,829				462,829				462,829
Bennetto Elementary School ChildCare Retrofit	925,657				925,657				925,657
Dr. J Edgar Davey Elementary School ChildCare Retrofit	462,829				462,829				462,829
Helen Detwiler Elementary School ChildCare Retrofit	514,254				514,254				514,254
Huntington Park Elementary School ChildCare Retrofit	771,381				771,381				771,381
Secondary Facility Benchmark Projects	11,000,000					7,000,000		4,000,000	11,000,000
Elementary Facility Benchmark Projects	10,000,000					5,000,000		5,000,000	10,000,000
Secondary Program Strategy Projects	2,000,000							2,000,000	2,000,000
Elementary Program Strategy Projects	1,000,000							1,000,000	1,000,000
School Renewal Projects	8,000,000					8,000,000			8,000,000
Additional School Renewal/SCI Projects	10,000,000					10,000,000			10,000,000
Total	\$ 144,968,313	\$ 72,100,000	\$ 13,000,000	\$ 5,198,604	\$ 7,179,709	\$ 30,290,000	\$ 200,000	\$ 17,000,000	\$ 144,968,313

Hamilton-Wentworth District School Board
2018-19 Budget Estimates
Capital Budget

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New Nora F. Henderson Secondary School	15,000,000	15,000,000							15,000,000
Greensville Site Elementary School	10,194,285	4,700,000		494,285				5,000,000	10,194,285
Beverly Site Elementary School	13,494,285		13,000,000	494,285					13,494,285
Beverly Central Community Centre PS Addition	3,300,000	3,300,000							3,300,000
Summit Park Site Elementary School	11,027,794	8,000,000		1,285,034	1,542,760		200,000		11,027,794
Eastdale Site Elementary School	8,100,000	7,500,000		600,000					8,100,000
Sir Wilfrid Laurier Elementary School Addition	350,000	300,000		50,000					350,000
Collegiate Avenue Elementary School Addition	1,375,000	1,000,000		75,000	300,000				1,375,000
Glendale Campus Site Elementary School	9,900,000	8,000,000		800,000	1,100,000				9,900,000
Memorial Stoney Creek Site Elementary School	7,800,000	6,000,000		700,000	1,100,000				7,800,000
New CH Bray Elementary School	1,000,000	1,000,000							1,000,000
Mount Albion Elementary School Addition	3,500,000	2,800,000		700,000					3,500,000
Ancaster Senior Elementary School Addition	3,790,000	3,500,000				290,000			3,790,000
Bellmore Elementary School ChildCare Retrofit	462,829				462,829				462,829
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Dr. J Edgar Davey Elementary School ChildCare Retrofit	462,829				462,829				462,829
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Huntington Park Elementary School ChildCare Retrofit	771,381				771,381				771,381
Secondary Facility Benchmark Projects	11,000,000					7,000,000		4,000,000	11,000,000
Elementary Facility Benchmark Projects	10,000,000					5,000,000		5,000,000	10,000,000
Secondary Program Strategy Projects	2,000,000							2,000,000	2,000,000
Elementary Program Strategy Projects	1,000,000							1,000,000	1,000,000
School Renewal Projects	8,000,000					8,000,000			8,000,000
Additional School Renewal/SCI Projects	10,000,000					10,000,000			10,000,000
Total	\$ 144,968,313	\$ 72,100,000	\$ 13,000,000	\$ 5,198,604	\$ 7,179,709	\$ 30,290,000	\$ 200,000	\$ 17,000,000	\$ 144,968,313

Hamilton-Wentworth District School Board

2018/2019 Budget Estimates

Summary of Staffing

	2018/2019 Budget Estimates	2017/2018 Revised Budget Estimates *	Inc (Dec) Over 17/18 Revised Budget	Notes
Program Instruction				
Classroom Teachers				
Elementary	2,235.30	2,179.70	55.60	2,3
Secondary	<u>1,009.77</u>	<u>997.17</u>	<u>12.60</u>	2,3
Total Classroom Teachers	3,245.07	3,176.87	68.20	
Educational Assistants	632.00	619.50	12.50	5
Early Childhood Educators	260.00	255.00	5.00	2
Professionals & Para-Professionals	173.00	166.60	6.40	3
School Administration				
Principals	98.00	98.00	0.00	
Vice Principals	66.50	63.50	3.00	4,6
School Office Administration	<u>205.50</u>	<u>203.00</u>	<u>2.50</u>	4,6
Total School Administration	370.00	364.50	5.50	
System Principals, Consultants & Support				
System Principals, Consultants	48.00	47.00	1.00	3
Administrative Support Staff	<u>4.00</u>	<u>4.00</u>	<u>0.00</u>	
Total System Principals, Consultants & Support	52.00	51.00	1.00	
Continuing Education	12.50	12.50	0.00	
Total Program Instruction	<u>4,744.57</u>	<u>4,645.97</u>	<u>98.60</u>	
Program Support				
Board Administration & Governance	119.00	116.00	3.00	6
School Operations	443.25	443.25	0.00	3,4
Transportation	5.50	5.50	0.00	
Total Program Support	<u>567.75</u>	<u>564.75</u>	<u>3.00</u>	
Capital				
School Renewal	7.50	7.50	0.00	
Total Staff	<u>5,319.82</u>	<u>5,218.22</u>	<u>101.60</u>	

1 2018/19 Budget staffing represents impact of enrolment projections, legislative and collective agreements, class size compliance

2 Reflects impact of change in enrolment

3 Staffing Enhancements announced by Ministry

4 Staffing changes due to school closure

5 Staffing changes to meet student needs

6 Staffing changes to meet system needs

* The 2017/18 Budget has been revised to reflect additional Education Program Other Grants that are included in the 2018/19 Estimates for comparison purposes

FTE = Full Time Equivalent