



EXECUTIVE REPORT TO FINANCE AND FACILITIES COMMITTEE

TO: Finance and Facilities Committee

FROM: Manny Figueiredo, Director of Education

DATE: June 3, 2021

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

RE: **2021-2022 Budget Estimates**

Action

Monitoring

Recommended Actions:

1. That the Board approve the 2021-2022 Operating Budget expenditures in the amount of \$597,820,623 and that the Associate Director Support Services and Treasurer be authorized to proceed with the expenditure of funds as outlined in Appendix C dated June 3, 2021.
2. That the Board approve the 2021-2022 Capital Budget expenditures in the amount of \$84,343,997 and that the Associate Director Support Services and Treasurer be authorized to proceed with the expenditure of funds as outlined in Appendix D dated June 3, 2021. The Associate Director, Support Services 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 2021-2022 Budget:

Appendix A	2021-22 Enrolment Projections
Appendix B	2021-22 Summary of Revenues and Expenditures
Appendix C	2021-22 Summary of Expenditures by Economic Classification
Appendix D	2021-22 Capital Budget
Appendix E	2021-22 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 2021-2022 school year reflects this approach.

Our Board Strategic Directions include:

- Positive Culture and Well-Being
- Student Learning and Achievement
- Effective Communication
- School Renewal
- Partnerships

By aligning our resources through this budget in support of our priorities, we do believe that we can empower all students to learn and grow to their full potential in a diverse world.

Major Changes:

The following are the major highlights of the 2021-22 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 2021-22 Preliminary Operating Budget is balanced.)
- The Board incorporated staff changes related to change in enrolment, school closures/openings and other budget reductions/additions
- To support our work on Safe Schools, the Board will be adding 5.00 FTE Child and Youth Care Practitioners
- To support our Equity Work, the Board has added 2.0 FTE Equity Consultants
- Support is provided to secondary students in Special Education classes through 2 additional classes
- An additional 42 positions were added to the budget until January 31, 2022 using the COVID funding to support school opening in September 2021. These positions include support for enhanced cleaning, re-engaging students, Mental Health and Special Education support, administrative support for schools, communications, IIT, Employee Support & Wellness, monitoring COVID response and staff to monitor, package and distribute personal protective equipment (PPE) to our staff and students
- Additional staffing will be added to the elementary schools to promote distancing and learning recovery using the additional staffing component of COVID funding and up to \$6 million of operating revenue through the use of reserves
- Plan for school revitalization and maintenance is incorporated into the 2021-22 Capital Budget

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 2021-22 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 regular basis since April to review all aspects of the 2021-22 Budget Estimates. At the same time, the following reports were brought forward to the Board for approval:

- January 25, 2021 - Approval of Key Parameters/Assumptions to Guide 2021-22 Budget Development
- March 29, 2021 – Approval of Board Budget Priorities
- April 26, 2021 – Approval of 2021-22 School Based Staffing

In addition, the preliminary Special Education budget for 2021-22 was shared with the Special Education Advisory Committee on May 26, 2021.

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 35,780 elementary students has been used to develop the 2021-22 Budget Estimates which is a decrease of 1,229 ADE or 3.3% from the 2020-21 Budget Estimates. This decrease reflects a reduction in elementary students as a result of the COVID 19 pandemic as many of our Full Day Kindergarten students have not enrolled as they are not of mandatory school age and other students and families that have made the decision to home school. In addition, the reduction in students that move into the HWDSB area through immigration and movement into our community from other areas in Ontario or Provinces in Canada decreased significantly due to the pandemic and travel restrictions. An ADE of 13,740 has been estimated for secondary students, an increase of 123.00 ADE or .009% from the 2020-21 Budget Estimates. The Board is projecting an increase in secondary enrolment for this year based a larger grade 8 cohort moving to secondary for the next school year. The overall projected ADE is 49,520 which represents a decrease of approximately 1,100 ADE or a 2.18% decrease from the 2020-21 Budget Estimates.

Operating Revenue Projections (Appendix B)

The Ministry of Education has released its funding announcement, technical paper and Electronic Financial Information System (EFIS) forms to calculate the Grants for Student Needs (GSN) on May 4, 2021. In addition, allocations for Priorities and Partnership Funding (PPF) and COVID funding to support the opening of schools in September 2021 was released on May 4, 2021. Staff have used this information to calculate revenue included in the preliminary 2021-22 Budget. Approximately 97.5% of the total operating revenue comes from the Province through the GSN. The 2021-22 GSN is estimated to be \$583.0 million which is an increase of approximately \$1.1 million or 0.2% from the 2020-21 Budget Estimates.

The increase in GSN funding for school board is due to salary and benefit increases for unionized workers through the negotiated central labour agreements, additional COVID GSN funding for technology (\$350,000) and Mental Health (\$167,000), declining enrolment grant (\$850,000), PPF grants moving into GSN (\$846,000) and stabilization funding for English as a Second Language/English Literacy Development (ESL/ELD) of \$4.7 million to offset the reduction in this grant due to reduced immigration as a result of the pandemic. These grant increases are offset by reductions in grant revenue as a result of the projected decline in enrolment of approximately 1,100 students.

The remaining \$14.8 million in operating revenue comes from other Ministry grants and miscellaneous revenue. This amount is approximately \$6.9 million more than the 2020-21 Budget Estimates due to the release of Partnership and Priorities funding (PPF) including the Math Strategy, Ontario Youth Apprenticeship Program, Graduation Coach and Human and Equity Officer PPF plus \$4.8 million in COVID funding to assist with opening schools safely in September.

Operating Expenditure Projections (Appendix B and C)

The operating expenditures are projected to be \$597.8 million, an increase of approximately \$7.96 million or 1.35% from the 2020-21 Budget Estimates. Operating expenditures include a salary component (approximately 88.2%) and a non-salary component (approximately 11.8%).

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

- Changes in staffing due to the following reasons:
 - Change in Enrolment
 - School Closures/Opening
 - Other Budget Reductions/Additions
 - Additional staffing from COVID funding to support the opening of schools in September.
- Increases to salaries in accordance with the 2019-2022 Central Labour Extensions Agreements that are funded by the GSN are included in the 2021-22 Budget.

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 2021-22, the Board is projected to spend approximately \$35.5 million on capital related projects.

In addition, the Board will pay interest on debentures for previous capital projects in the amount of \$5.3 million. This amount is fully supported by the Ministry through the GSN.

Conclusion

The Budget Estimates reflect the projected funding and proposed expenditures for 2021-22.

As information on actual enrolments becomes available or any other Provincial operating or PPF grants are announced by the Ministry, it is likely that additional budget revisions will be required. In addition, once the final impact of providing additional staffing to elementary schools to promote distancing and learning recovery is determined, this impact will be reflected in the revised budget. The Ministry requires the submission of Revised Estimates, in December 2021, based on actual October enrolment and other adjustments impacting the 2021-22 Budget. Once submitted, funding from the Province will be adjusted to reflect any changes.

Hamilton-Wentworth District School Board

2021/2022 Budget Estimates

Enrolment Projections

	2020/2021 Budget Estimate	2021/2022 Approved Budget	Increase (Decrease) ADE	Increase (Decrease) %
Elementary				
Full Day Kindergarten	7,321.00	6,350.00	(971.00)	
Primary	11,044.00	10,867.00	(177.00)	
Grades 4 -8	18,259.00	18,263.00	4.00	
Special Education (note1)	385.00	300.00	(85.00)	
Total Elementary Enrolment	37,009.00	35,780.00	(1,229.00)	(3.32%)
Total Secondary Enrolment	13,617.00	13,740.00	123.00	0.90%
Total Enrolment	50,626.00	49,520.00	(1,106.00)	(2.18%)

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

2021/2022 Budget Estimates

Summary of Operating Revenues and Expenditures

	2021/2022 Budget Estimates	2020/2021 Approved Budget	Increase (Decrease) Over 2020/2021 Approved Budget	
	\$	\$	\$	%
Revenues:				
Grants for Student Needs	583,016,888	581,936,169	1,080,719	
Other Ministry Grants	10,367,049	3,269,130	7,097,919	
Miscellaneous	4,436,686	4,654,186	(217,500)	
Total Revenues:	<u>597,820,623</u>	<u>589,859,485</u>	<u>7,961,138</u>	<u>1.35%</u>
Expenditures:				
Program Instruction:				
Classroom Teachers	352,110,897	345,831,783	6,279,114	
System Principals, Consultants & Support	6,455,866	5,841,145	614,721	
Supply Staff	12,522,107	12,259,837	262,270	
Educational Assistants	36,791,791	36,907,992	(116,201)	
Early Childhood Educators	14,122,962	15,121,741	(998,779)	
Professional & Para-Professionals	19,477,981	18,549,486	928,495	
Class Texts, Instructional Supplies	16,383,659	16,075,939	307,720	
Instructional Computers	5,363,292	4,870,364	492,928	
Instructional Staff Development	2,948,944	2,844,350	104,594	
School Administration	35,833,458	36,368,140	(534,682)	
Continuing Education	6,927,119	6,887,768	39,351	
	<u>508,938,076</u>	<u>501,558,545</u>	<u>7,379,531</u>	<u>1.47%</u>
Program Support:				
Board Administration & Governance	14,541,124	14,283,528	257,596	
School Operations	53,751,452	53,902,205	(150,753)	
Transportation	19,589,971	18,155,207	1,434,764	
	<u>87,882,547</u>	<u>86,340,940</u>	<u>1,541,607</u>	<u>1.79%</u>
Contingency:	1,000,000	1,960,000	(960,000)	
Total Expenditures:	<u>597,820,623</u>	<u>589,859,485</u>	<u>7,961,138</u>	<u>1.35%</u>

Hamilton-Wentworth District School Board

2021/2022 Budget Estimates

Summary of Expenditures by Economic Classification

	2021/2022 Budget Estimates	2020/2021 Approved Budget	Increase (Decrease) Over 2020/2021 Approved Budget	
	\$	\$	\$	%
Remuneration				
Salaries & Wages	432,356,817	425,205,165	7,151,652	
Employee Benefits	78,481,009	78,471,904	9,105	
Supply Staff	16,816,968	16,582,686	234,282	
	<u>527,654,794</u>	<u>520,259,755</u>	<u>7,395,039</u>	<u>1.42%</u>
Consumables				
Professional Development	3,100,989	3,009,350	91,639	
Textbooks & Supplies	22,298,401	21,531,009	767,392	
Energy	10,552,789	10,552,789	-	
Repairs & Minor Renovations	3,402,583	3,487,500	(84,917)	
Computing Equipment	173,492	601,955	(428,463)	
Rentals	1,798,673	2,793,206	(994,533)	
Fees & Contractual Services	8,748,680	7,840,194	908,486	
Other Expense	567,348	737,006	(169,658)	
	<u>50,642,955</u>	<u>50,553,009</u>	<u>89,946</u>	<u>0.18%</u>
Transportation	18,522,874	17,086,721	1,436,153	8.41%
Contingency	1,000,000	1,960,000	(960,000)	
Total Expenditures	<u>597,820,623</u>	<u>589,859,485</u>	<u>7,961,138</u>	<u>1.35%</u>

Hamilton-Wentworth District School Board
2021-22 Capital Budget
Summary of Funding Sources and Expenditures

	2021/2022 Budget Estimates	2020/2021 Budget Estimates	Increase (Decrease) Over 2020/2021 Budget Estimates	
	\$	\$	\$	%
Funding Sources:				
Ministry Capital Allocation	34,745,000	54,811,000	(20,066,000)	(36.61%)
Estimated Proceeds of Disposition	785,480	7,550,000	(6,764,520)	(89.60%)
Ministry Capital Debt (Interest) Support Payment	5,265,281 *	5,599,616 *	(334,335)	(5.97%)
Temporary Accommodation	1,117,766	713,561	404,205	56.6%
Amortization	42,430,470	37,190,097	5,240,373	14.1%
Total Funding Sources	\$ 84,343,997	\$ 105,864,274	\$ (21,520,277)	(20.33%)
Expenditures:				
Construction in Progress	35,530,480 +	62,361,000	(26,830,520)	(43.02%)
Capital Debt Interest	5,265,281 *	5,599,616 *	(334,335)	(5.97%)
Temporary Accommodations	1,117,766	713,561	404,205	56.6%
Amortization	42,430,470	37,190,097	5,240,373	14.1%
Total Expenditures	\$ 84,343,997 ^	\$ 105,864,274 ^	\$ (21,520,277)	(20.33%)

NOTES

- + Appendix D-1 shows a breakdown of the 2021-22 Construction in Progress projects.
- * The Ministry fully funds the payment of debentures related to previously approved capital projects. These are corresponding revenues and expenses related to the interest payments for these amounts.
- ^ Each year, the Board prepares its capital budget based on the expected projects to be completed during the year. Sometimes, due to unforeseen circumstances, not all of the work gets completed.

**Hamilton-Wentworth District School Board
2021-22 Budget Estimates
Capital Budget**

Construction in Progress

Expenditures	Funding Source							
	Total Estimated Capital Budget	Capital Priorities	Full Day Kindergarten	Childcare Capital	SRA and SCI	EDC	Proceeds of Disposition	Total Funding
Collegiate Elementary School Addition	\$ 880,000	\$ 500,000		\$ 80,000	\$ 300,000			\$ 880,000
Viola Desmond (Glendale Campus Site) Elementary School	\$ 1,180,480	\$ 800,000		\$ 95,000			\$ 285,480	\$ 1,180,480
Mount Albion Elementary School Addition	\$ 620,000	\$ 100,000		\$ 20,000			\$ 500,000	\$ 620,000
Bellmoore Elementary School Childcare Retrofit	\$ 50,000			\$ 50,000				\$ 50,000
New Binbrook II Elementary School	\$ 300,000	\$ 300,000						\$ 300,000
Secondary Facility Benchmark Strategy	\$ 2,500,000				\$ 2,500,000			\$ 2,500,000
Elementary Facility Benchmark Strategy ¹	\$ 2,000,000				\$ 2,000,000			\$ 2,000,000
School Renewal Projects	\$ 8,000,000				\$ 8,000,000			\$ 8,000,000
Additional School Renewal/ SCI Projects	\$ 20,000,000				\$ 20,000,000			\$ 20,000,000
Total	\$ 35,530,480	\$ 1,700,000	\$ -	\$ 245,000	\$ 32,800,000	\$ -	\$ 785,480	\$ 35,530,480

Notes:

¹ Elementary Facility Benchmark Strategy estimated budget may be impacted by the outcome of the Capital Priorities submission.

Hamilton-Wentworth District School Board

2021/2022 Budget Estimates

Summary of Staffing

	2021/2022 Budget Estimates	2020/2021 Approved Budget	Inc (Dec) Over 20/21 Budget	Notes
Program Instruction				
Classroom Teachers				
Elementary	2,208.90	2,270.60	(61.70)	2,4,5
Secondary	956.80	940.80	16.00	2,4,5
Total Classroom Teachers	3,165.70	3,211.40	(45.70)	
Educational Assistants/CYCP	659.00	654.00	5.00	5
Early Childhood Educators	245.00	270.00	(25.00)	2
Professionals & Para-Professionals	189.90	176.90	13.00	4,5
School Administration				
Principals	92.00	95.00	(3.00)	3
Vice Principals	63.00	65.00	(2.00)	3,5
School Office Administration	200.50	199.50	1.00	3,4
Total School Administration	355.50	359.50	(4.00)	
System Principals, Consultants & Support				
System Principals, Consultants	47.50	42.00	5.50	4,5
Administrative Support Staff	4.00	4.00	0.00	
Total System Principals, Consultants & Support	51.50	46.00	5.50	
Continuing Education	16.00	16.00	0.00	
Total Program Instruction	4,682.60	4,733.80	(51.20)	
Program Support				
Board Administration & Governance	135.50	122.50	13.00	4,5
School Operations	446.25	431.25	15.00	3,4,5
Transportation	6.00	6.00	0.00	
Total Program Support	587.75	559.75	28.00	
Capital				
School Renewal	7.00	7.00	0.00	
Total Staff	5,277.35	5,300.55	(23.20)	

- 1 2021/22 Budget staffing represents impact of enrolment projections, legislative and collective agreements, class size compliance
- 2 Reflects impact of change in enrolment
- 3 Staffing changes due to school closure/opening
- 4 PPF positions included
- 5 Budget additions(reductions) to meet system/student needs