



## EXECUTIVE REPORT TO FINANCE AND FACILITIES COMMITTEE

**TO:** Finance and Facilities Committee

**FROM:** John Bryant, Interim Director of Education

**DATE:** May 5, 2022

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

**RE:** **2022-2023 Budget Estimates**

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Action

Monitoring

### Recommended Actions:

1. That the Board approve the 2022-2023 Operating Budget expenditures in the amount of \$625,286,350 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 5, 2022.
2. That the Board approve the 2022-2023 Capital Budget expenditures in the amount of \$99,299,304 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 5, 2022. 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 2022-2023 Budget:

Appendix A	2022-23 Enrolment Projections
Appendix B	2022-23 Summary of Revenues and Expenditures
Appendix C	2022-23 Summary of Expenditures by Economic Classification
Appendix D	2022-23 Capital Budget
Appendix E	2022-23 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 2022-2023 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.

**Highlights:**

- Alignment of resources with the Board's approved Priorities has been achieved
- Compliance with all Ministry class size and other regulatory requirements has been achieved (i.e. the 2022-2023 Preliminary Operating Budget is balanced.)
- The Board has incorporated staff changes related to projected increase in enrolment
- To support Specialized Services, the Board will be adding 7.00 FTE Child and Youth Care Practitioners and 2.0 specific supports for students.
- Support is provided to secondary students in Special Education classes through 2 additional classes
- An additional 4.0 Social Workers were added using GSN funding to support Mental Health and Well-Being
- To support the Safe Schools Action Plan, a Child and Youth Care Practitioner has been added to the elementary Gateway program and a Safe Intervention and Violence Prevention position has been created.
- To support the Board's Equity Action Plan, the Board has added 1.0 Graduation Coach and 1.0 Temporary Employment Equity Officer. In addition, the Board has added a Human Rights Program Co-ordinator.
- The Board is using the COVID Learning Recovery Funds support schools and students. These positions include support for enhanced cleaning, mental health and remote learning. In addition, elementary teachers have been added to reduce in person class sizes.
- Approximately \$3 million of COVID Learning Recovery funding remains to be allocated by the end of June to support students in 2022-23.
- Plan for school revitalization and maintenance is incorporated into the 2022-23 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 2022-23 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 mid March to review all aspects of the 2022-23 Budget Estimates. At the same time, the following reports were brought forward to the Board for approval:

- January 23, 2022 - Approval of Key Parameters/Assumptions to Guide 2022-23 Budget Development
- March 28, 2022 – Approval of Board Budget Priorities
- April 11, 2022 – Approval of 2022-23 School Based Staffing

In addition, the preliminary Special Education budget for 2022-23 was shared with the Special Education Advisory Committee on May 2, 2022

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 31<sup>st</sup> and March 31<sup>st</sup>. 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 36,389 elementary students has been used to develop the 2022-23 Budget Estimates which is an increase of 289 ADE or 0.8% from the 2021-22 Revised Budget Estimates. This growth is projected due to an increase in new students in our schools as families move into the community and students return to school that were once home due to COVID. An ADE of 13,942 has been estimated for secondary students, an increase of 194.00 ADE or 1.4% from the 2021-22 Revised 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 50,331 which represents an increase of approximately 483.00 ADE or 1% increase from the 2021-22 Revised Budget Estimates.

**Operating Revenue Projections (Appendix B)**

The Ministry of Education has released its funding announcement on February 17, 2022 and later released the necessary technical paper and Electronic Financial Information System (EFIS) forms to calculate the Grants for Student Needs (GSN) on March 25, 2022. In addition, allocations for Priorities and Partnership Funding (PPF) has also been released. Staff have used this information to calculate revenue included in the preliminary 2022-23 Budget. Approximately 97.0% of the total operating revenue comes from the Province through the GSN. The 2022-23 GSN is estimated to be \$605.4 million which is an increase of approximately \$22.0 million or 3.8% from the 2022-23 Revised Budget Estimates.

The increase in GSN funding for school board is due to:

- an increase in enrolment,
- an increase in salary and benefit benchmarks for unionized workers to be set aside in a contingency for future negotiated central labour agreements (\$4.7 m),
- a one time Learning Recovery fund for additional staffing (\$7.1 m),
- funding for Broadband expenses (\$970,000) and Mental Health and Well-Being (\$708,000), additional Special Education Amount (SEA) funding (\$178,000) and a new Local Special Education Priorities Amount (\$316,000),
- PPF Grants moving into GSN
- and the continuation of 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.

The remaining \$19.9 million in operating revenue comes from other Ministry grants and miscellaneous revenue. This amount is approximately \$8.3 million less than the 2021-22 Revised Budget Estimates due to the additional COVID Partnership and Priorities funding (PPF) in the 2021-22 school year. In the 2022-23 Budget PPF including the Tutoring Support Program, School Mental Health Ontario, Math Strategy, Ontario Youth Apprenticeship Program, Graduation Coach and Human and Equity Officer PPF.

**Operating Expenditure Projections (Appendix B and C)**

The operating expenditures are projected to be \$625.3 million, an increase of approximately \$6.6 million or 1% from the 2021-22 Revised Budget Estimates. Operating expenditures include a salary component (approximately 86.6%) and a non-salary component (approximately 13.4%).

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

- Changes in staffing due to the following reasons:
  - Change in enrolment
  - Other budget reductions/additions
  - Additional staffing related to the COVID Learning Recovery Fund
- There are no increases to salaries for unionized employees as the 2019-2022 Central Labour Agreements are being negotiated. However, the salary benchmarks included an increase in salaries to be set aside as a contingency for future labour negotiations.
- Changes in statutory and employee trust benefit costs

### ***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 2022-23, the Board is projected to spend approximately \$47.45 million on capital related projects.

In addition, the Board will pay interest on debentures for previous capital projects in the amount of \$4.9 million. This amount is fully supported by the Ministry through the GSN.

### ***Conclusion***

The Budget Estimates reflect the projected funding and proposed expenditures for 2022-2023.

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. The Ministry requires the submission of Revised Estimates, in December 2022, based on actual October enrolment and other adjustments impacting the 2022-23 Budget. Once submitted, funding from the Province will be adjusted to reflect any changes.

## Hamilton-Wentworth District School Board

## 2022/2023 Budget Estimates

## Enrolment Projections

	2021/2022 Revised Budget Estimate	2022/2023 Budget Estimates	Increase (Decrease) ADE	Increase (Decrease) %
<b>Elementary</b>				
Full Day Kindergarten	6,820.00	6,910.00	90.00	
Primary	10,815.00	11,017.00	202.00	
Grades 4 -8	18,224.00	18,221.00	(3.00)	
Special Education (note1)	241.00	241.00	-	
<b>Total Elementary Enrolment</b>	<b>36,100.00</b>	<b>36,389.00</b>	<b>289.00</b>	<b>0.80%</b>
<b>Total Secondary Enrolment</b>	13,748.00	13,942.00	194.00	1.41%
<b>Total Enrolment</b>	<b>49,848.00</b>	<b>50,331.00</b>	<b>483.00</b>	<b>0.97%</b>

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

## 2022/2023 Budget Estimates

## Summary of Operating Revenues and Expenditures

	2022/2023	2021/2022	Increase (Decrease)	
	Budget	Revised	Over 2021/2022	
	Estimates	Budget	Revised Budget	
	\$	\$	\$	%
<b>Revenues:</b>				
Grants for Student Needs	605,353,478	583,329,966	22,023,512	
Other Ministry Grants	15,036,221	23,035,460	(7,999,239)	
Miscellaneous	4,896,651	4,570,352	326,299	
Transfer from Reserve	-	7,712,135	(7,712,135)	
<b>Total Revenues:</b>	<b>625,286,350</b>	<b>618,647,913</b>	<b>6,638,437</b>	<b>1.07%</b>
<b>Expenditures:</b>				
<b>Program Instruction:</b>				
Classroom Teachers	358,694,704	356,442,952	2,251,752	
System Principals, Consultants & Support	6,737,739	6,626,289	111,450	
Supply Staff	14,561,225	12,522,107	2,039,118	
Educational Assistants	37,487,559	37,717,821	(230,262)	
Early Childhood Educators	15,892,484	16,236,654	(344,170)	
Professional & Para-Professionals	25,826,516	25,270,704	555,812	
Class Texts, Instructional Supplies	16,473,143	19,888,770	(3,415,627)	
Instructional Computers	5,607,604	5,363,292	244,312	
Instructional Staff Development	2,879,312	3,227,436	(348,124)	
School Administration	36,603,336	36,148,317	455,019	
Continuing Education	7,984,833	8,056,873	(72,040)	
	<b>528,748,455</b>	<b>527,501,215</b>	<b>1,247,240</b>	<b>0.24%</b>
<b>Program Support:</b>				
Board Administration & Governance	15,135,050	15,213,491	(78,441)	
School Operations	53,767,805	55,334,560	(1,566,755)	
Transportation	18,949,040	19,598,647	(649,607)	
	<b>87,851,895</b>	<b>90,146,698</b>	<b>(2,294,803)</b>	<b>(2.55%)</b>
<b>Non-Operating:</b>	-	-	-	
<b>Contingency:</b>				
Learning Recovery Fund	2,986,000	-	2,986,000	
Compensation Allocation	4,700,000	-	4,700,000	
Unallocated	1,000,000	1,000,000	-	
	<b>8,686,000</b>	<b>1,000,000</b>	<b>7,686,000</b>	<b>#####</b>
<b>Total Expenditures:</b>	<b>625,286,350</b>	<b>618,647,913</b>	<b>6,638,437</b>	<b>1.07%</b>

## Hamilton-Wentworth District School Board

## 2022/2023 Budget Estimates

## Summary of Expenditures by Economic Classification

	2022/2023	2021/2022	Increase (Decrease)	
	Budget	Revised	Over 2021/2022	
	Estimates	Budget	Revised Budget	
	\$	\$	\$	%
<b>Remuneration</b>				
Salaries & Wages	439,178,100	438,469,609	708,491	
Employee Benefits	84,927,939	81,610,314	3,317,625	
Supply Staff	17,540,547	16,881,218	659,329	
	<u>541,646,586</u>	<u>536,961,141</u>	<u>4,685,445</u>	<u>0.87%</u>
<b>Consumables</b>				
Professional Development	3,017,857	3,371,981	(354,124)	
Textbooks & Supplies	22,692,909	27,093,727	(4,400,818)	
Energy	10,525,000	10,525,000	-	
Repairs & Minor Renovations	3,377,583	3,377,583	-	
Computing Equipment	273,492	173,492	100,000	
Rentals	1,782,340	1,720,858	61,482	
Fees & Contractual Services	14,952,138	15,209,672	(257,534)	
Other Expense	481,517	471,131	10,386	
	<u>57,102,836</u>	<u>61,943,444</u>	<u>(4,840,608)</u>	<u>(7.81%)</u>
<b>Transportation</b>	17,850,928	18,322,874	(471,946)	(2.58%)
<b>Contingency:</b>				
Unallocated	1,000,000	1,000,000	-	
Learning Recovery Fund	2,986,000	-	2,986,000	
Compensation Allocation	4,700,000	-	4,700,000	
<b>Total Expenditures</b>	<u><u>625,286,350</u></u>	<u><u>618,227,459</u></u>	<u><u>7,058,891</u></u>	<u><u>1.14%</u></u>

## Hamilton-Wentworth District School Board

## 2022-23 Capital Budget

## Summary of Funding Sources and Expenditures

	2022-2023	2021/2022	Increase (Decrease)	
	Budget	Budget	Over 2021-2022	
	Estimates	Estimates	Budget Estimates	
	\$	\$	\$	%
<b>Funding Sources:</b>				
Ministry Capital Allocation	42,850,000	34,745,000	8,105,000	23.3%
Estimated Proceeds of Disposition	4,598,000	785,480	3,812,520	485.4%
Ministry Capital Debt (Interest) Support Payment	4,875,190 *	5,265,281 *	(390,091)	(7.41%)
Temporary Accommodation	900,014	1,117,766	(217,752)	(19.48%)
Amortization	46,076,100	42,430,470	3,645,630	8.6%
<b>Total Funding Sources</b>	<b>\$ 99,299,304</b>	<b>\$ 84,343,997</b>	<b>\$ 14,955,307</b>	<b>17.7%</b>
<b>Expenditures:</b>				
Construction in Progress	47,448,000 +	34,530,480	12,917,520	37.4%
Capital Debt Interest	4,875,190 *	5,265,281 *	(390,091)	(7.41%)
Temporary Accommodations	900,014	1,117,766	(217,752)	(19.48%)
Amortization	46,076,100	42,430,470	3,645,630	8.6%
<b>Total Expenditures</b>	<b>\$ 99,299,304 ^</b>	<b>\$ 83,343,997 ^</b>	<b>\$ 15,955,307</b>	<b>19.1%</b>

## NOTES

- + Appendix D-1 shows a breakdown of the 2022-23 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

## 2022-2023 Budget Estimates

## Summary of Staffing

	2022/2023 Budget Estimates	2021/2022 Revised Budget	Inc (Dec) Over 21/22 Revised Budget	Notes
<b>Program Instruction</b>				
Classroom Teachers				
Elementary	2,260.30	2,298.70	(38.40)	2,3,4
Secondary	974.67	960.68	13.99	2,3,4
Total Classroom Teachers	3,234.97	3,259.38	(24.41)	
Educational Assistants/CYCP	668.00	659.00	9.00	4
Early Childhood Educators	280.00	293.00	(13.00)	2,4
Professionals & Para-Professionals	197.90	191.40	6.50	3,4
School Administration				
Principals	92.00	92.00	0.00	
Vice Principals	64.00	63.00	1.00	3
School Office Administration	199.50	198.50	1.00	2,3,4
Total School Administration	355.50	353.50	2.00	
System Principals, Consultants & Support				
System Principals, Consultants	48.00	48.00	0.00	
Administrative Support Staff	4.00	4.00	0.00	
Total System Principals, Consultants & Support	52.00	52.00	0.00	
Continuing Education	16.75	16.75	0.00	
<b>Total Program Instruction</b>	<b>4,805.12</b>	<b>4,825.03</b>	<b>(19.91)</b>	
<b>Program Support</b>				
Board Administration & Governance	132.50	139.50	(7.00)	3,4
School Operations	429.25	445.25	(16.00)	3,4
Transportation	6.00	6.00	0.00	
<b>Total Program Support</b>	<b>567.75</b>	<b>590.75</b>	<b>(23.00)</b>	
<b>Capital</b>				
School Renewal	7.00	7.00	0.00	
<b>Total Staff</b>	<b>5,379.87</b>	<b>5,422.78</b>	<b>(42.91)</b>	

1 2022/2023 Budget staffing represents impact of enrolment projections, legislative and collective agreements, class size compliance

2 Reflects impact of change in enrolment

3 PPF position changes reflected

4 Budget additions(reductions) to meet system/student needs