

Remarks to the March 27, 2007 Meeting of the Dufferin-Peel Catholic District School Board

In my remarks to the February meeting of the Board, I indicated that open and honest communication regarding the co-management process is critical to the long term stability of the Board. To that end, I indicated a public report on all financial issues will be presented in the *Other Business* section of the monthly Board meeting. The full text of the report will also be posted on the Board web site. This will ensure that that trustees, staff and constituents are fully apprised of the decisions taken and work being undertaken that will affect the future directions of Dufferin Peel Catholic District School Board.

With the exception of the January 30th report to the Board, it has been my practice to table my report the evening of the Board meeting. Trustees and the Chair have indicated that it would be helpful to have a written version of the report 48 hours in advance of the meeting. This would facilitate understanding the activities undertaken and offer a better opportunity to formulate issues that require further clarification.

Beginning with this month's report, trustees will receive an email version of the remarks on the week-end prior to the Board meeting. Where it is not possible to distribute the report in advance questions and discussion of the implications of the report will, where trustees so desire, be deferred to the following meeting of the Administration and Finance Committee. The remarks will also be posted on the web site on the Monday prior to the meeting so that the general public will have access to them prior to the Board meeting.

Grant for Student Needs

The major activities over the past month related to the resources available for conducting Board business. The most important of these events was the March 19 release of the 2007-2008 Grant for Student Needs.

For the 2007-2008 school year education spending in the province is projected at \$18.26B. This is \$718M more than in 2006-2007 and \$3.5B more than in 2002-2003.

For 2007-2008 three new allocations are incorporated into the Grant for Student Needs:

1. Program Enhancement Grant of \$35M which is designed to support activities in the arts, music, physical education and outdoor education programs. This grant is provided to boards based on the number of schools in its jurisdictions and may be used to offset the costs of existing programs and/or launch new initiatives.
2. First Nations, Metis and Inuit Education Supplement of \$10M to support the goals of improved achievement among Ontario's Native, Metis and Inuit populations.
3. Supported Schools Allocation to provide ongoing stable funding for low enrolment schools that are a significant distance from other schools in the board's jurisdiction.

In addition to these new allocations, the following major improvements were made to existing grants:

1. \$25M in additional special education funding to provide stable funding levels for school boards and support growth in claims for high needs students.
2. \$18M to support a 2% increase in base funding for student transportation and provide transitional support to declining enrolment boards.
3. \$100M to fund additional teachers required for the primary class size reduction initiative.
4. \$484M to support the labour framework agreement.

Funding has been provided for a 1% increase in the utilities and energy component of the School Operations Grant and to support a portion of the honorarium and expenses related to student

trustees.

Capital grants have also been increased. In 2007-2008 stage three of the Good Places to Learn initiative will receive \$500M in new funding to support renewal projects. As well funding of more than \$700M has been allocated to school boards for new classrooms needed for the Primary Class Size initiative.

For Dufferin Peel Catholic District School Board, these initiatives result in an increase of \$36,557,568 in grant revenue for 2007-2008. This represents an over-all increase in total funding of 5.08%

This increase is composed of a \$30,371,590 (4.65%) in the operating grant and \$6,185,977 (9.3%) in the capital portion of the grant.

I am also pleased to report that the \$2.1M in-year increase in transportation funding that was anticipated in the deficit reduction plan for 2006-07 has been provided to the board. These funds will be a continuing part of the Board's base-funding.

A comparison between the revenues anticipated in the various grant categories in 2006-07 and 2007-08 is provided in Appendix A and Appendix B. Staff would be pleased to provide an overview for trustees after I have concluded my remarks.

As trustees are aware we had anticipated beginning the 2007-2008 with an excess of expenditures over revenue of approximately \$12.8M. This was composed of a structural deficit of approximately \$9M and a 2006-2007 year-end operating deficit of \$3.8M. An assessment of the impact of the current deficit reduction strategy and these new revenues on the future financial position of the Board is currently underway. We hope to be able to present the results of this analysis at the April meeting of the Administration and Finance Committee.

Budget Process

The Ministry of Education requires that Board estimates for 2007-2008 be submitted no later than June 29,2007. The new budget process that has been developed by Board staff will allow for this time line to be met.

The annual budget is a blueprint for the Board to provide quality instruction and educational programs for all students, in order to achieve academic excellence and equity of educational opportunity. The budget process will be used to create a budget that is fiscally responsible and

supports the needs of all students

As trustees are aware from the report provided to the March 5, 2007 and March 26, 2007 meetings of the Administration and Finance Committee, the budget process will be driven by a set of guiding principles, managed by a staff Budget Review Committee and be composed of five stages.

1. **Data Gathering Phase** - beginning in October of each year, this phase will establish the Budget Review Committee, set the critical path for the budget development process and consult with trustees regarding strategic directions for the coming year.
2. **Projection Phase**- In this phase staff will review year-end results, identify budget pressures and determine possible budget strategies and alternatives.
3. **Analysis Phase**-At this stage staff will incorporate feedback from stakeholders into a preliminary budget, analyze the impact of GSN announcements on revenues, prepare preliminary estimates and develop budget options.
4. **Consultation Phase**-Public consultation is the hallmark of any successful budget process. Three public meetings will be held at which students, parents, ratepayers and employee groups will be provided the opportunity to comment on proposed directions. In addition, interested parties will be able to make their views known through a budget consultation website.
5. **Decision Phase**- taking into account the results of the previous four stages, staff will present a balanced budget at the June meeting of the Board.

Full details of the Budget Development Process, including the dates for public consultation, will be posted to the Board website later this week. Copies will also be provided to all schools, school councils and employee groups and associations. Finally notice of the dates of the public consultation sessions will appear in the local media.

The bylaws necessary to enshrine this process as part of the part of the Board's normal operating procedures were presented to the March 26, 2007 meeting of the Bylaws Committee. These bylaws are effective as of March 27, 2007. Copies will be posted to the Board website along with the overview of the Board Budget Process.

Other Issues

The summer hour's program, which allows secretarial staff at the Board's school to work outside of the regular school year to complete essential work assignments has been approved. The allocation of 1 week per elementary secretary and 2 weeks per secondary secretary is identical to last year's allotment.

In addition the staffing required for summer school operations has been approved.

The consultants engaged by the Ministry of Education to conduct the Transportation Effectiveness and Efficiency Review have completed their analysis of our integrated transportation system. As previously noted this review has resulted in increased base funding of slightly over \$2M for our Board. The public report on their findings is expected to be finalized within the next two weeks. Arrangements have been made for the consultants to present their findings and recommendations at the April 24, 2007 Board meeting.

As always Mister Chair, I am prepared to entertain any questions you have on matters I have reported on this evening.

Appendix A

Comparison of Grant for Student Needs

<u>Grant Description</u>	2006-2007 Revised Estimates	2007-2008 Preliminary Estimates	Revenue Increase	% increase
<u>Operating</u>				
Pupil Foundation Grant	\$350,102,396	\$363,397,621	\$13,295,225	3.80%
School Foundation Grant	\$41,548,942	\$42,731,110	\$1,182,168	2.85%
Primary Class Size	\$10,923,068	\$14,929,986	\$4,006,918	36.68%
Special Education	\$70,411,990	\$72,516,413	\$2,104,423	2.99%
Language Allocation	\$21,687,942	\$22,803,333	\$1,115,391	5.14%
First Nations, Metis & Inuit	\$0	\$72,491	\$72,491	100.00%
Program Enhancement	\$0	\$1,057,500	\$1,057,500	100.00%
Cont Ed, Adult Ed, Summer School	\$6,147,893	\$6,458,566	\$310,673	5.05%
Qualifications & Experience	\$27,390,497	\$31,637,183	\$4,246,686	15.50%
Transportation	\$18,917,084	\$19,292,442	\$375,358	1.98%
Administration & Governance	\$19,971,087	\$20,459,209	\$488,122	2.44%
School Operations	\$71,298,759	\$72,983,910	\$1,685,151	2.36%
Learning Opportunities	\$14,085,975	\$14,517,457	\$431,482	3.06%
Total Operating Grants	\$652,485,632	\$682,857,222	\$30,371,590	4.65%

Capital

-				
School Renewal	\$10,432,058	\$10,950,661	\$518,603	4.97%
New Pupil Places (NPP)	\$52,122,815	\$55,613,272	\$3,490,457	6.70%
Primary Class Size Reduction (NPP)	\$248,024	\$2,424,941	\$2,176,917	877.70%
Outstanding Capital Commitments	\$301,382	\$301,382	\$0	0.00%
Permanent Financing of NPF	\$3,369,342	\$3,369,342	\$0	0.00%
Total Grants	\$718,959,252	\$755,516,820	\$36,557,568	5.08%

<u>Enrolment Projections:</u>	2006-07 Revised Estimates	2007-08 Preliminary Estimates	Increase/ (Decrease) in Enrolment	% increase/ (decrease)
Elementary	52,278.00	51,551.00	(727.00)	(1.39)%
Secondary	31,666.00	32,385.00	719.00	2.27%
Total	83,944.00	83,935.00	(9.00)	(0.01)%

Appendix B

Dufferin-Peel Catholic DSB 2007-08 Projected Total GSN\$

2006-07 REVISED ESTIMATES	ADE	83,944
	Total GSN \$	718,959,252
	Total GSN PP\$	8,565

2007-08 BASE FORECAST	ADE	83,935
	Total GSN \$	727,203,229
	Total GSN PP\$	8,664

SAVINGS	Operating - Q&E	(494,440)
----------------	----------------------------	-----------

LABOUR FRAMEWORK	Elementary Specialist Teachers	1,153,453
	Secondary Student Success Teachers	1,007,270
	Subtotal	2,160,722

INFLATION	Teacher Salary	13,061,948
	Non-Teacher Salary	4,373,088
	Cost Adj. for Non-Teachers	244,488
	Transportation	375,359
	School Operations	296,352
	Additional 3 Min Prep	510,026
	Subtotal	18,861,262

PRIMARY CLASS SIZE	Operating	3,871,977
	Additional 3 Min Prep	30,060
	Subtotal	3,902,037

SPECIAL EDUCATION	High Needs Hold Harmless	3,376
--------------------------	---------------------------------	-------

FIRST NATIONS, MÉTIS AND INUIT EDUCATION SUPPLEMENT	NSL	-
	Native Languages	-
	Native Studies	-
	Demographic Component	72,491
	Subtotal	72,491

CAPITAL INVESTMENTS	Primary Class Size	2,176,917
	Growth Schools	-
	Good Places to Learn	507,086
	Subtotal	2,684,003

OTHER INVESTMENTS	French Language	-
	Program Enhancement Grant	1,057,500
	International Languages	15,602
	Student Trustees	7,500
	Supported/Outlier Schools	-
	Impact of R&R on Board Admin	-
	Impact of NPP on Board Admin.	43,538
	Subtotal	1,124,140

PROJECTION SUMMARY	Total Investments \$	28,313,591
	Total Investments Per-Pupil \$	337
	Total Allocation \$	755,516,820
	Total Allocation Per-Pupil \$	9,001

ALLOCATION \$	\$ Change vs 2006-07 Rev. Est.	36,557,567
	% Change vs 2006-07 Rev. Est	5.08%

PER-PUPIL \$	\$ Change vs 2006-07 Rev. Est.	436
	% Change vs 2006-07 Rev. Est	5.10%

ADE	\$ Change vs 2006-07 Rev. Est.	(9)
	% Change vs 2006-07 Rev. Est	-0.01%