

Remarks to the June 12, 2007 Meeting of the Dufferin-Peel Catholic District School Board

Mr. Chairman:

The Co-Management process was designed to restore long-term financial stability to the Dufferin-Peel Catholic District School Board. Working together with trustees, staff, and community, it seeks to achieve the financial flexibility required to deliver quality programs and services to students across the Board.

Co-management is a multi-stage process. It includes:

- temporary expenditure constraints designed to reduce the operating deficit to manageable levels;
- aligning on-going expenditures more closely to revenues to eliminate the structural deficit;
- establishing processes and structures to ensure future financial stability; and
- re-investing in programs and services that enhance the educational experiences and achievements of our students

With the co-operation and assistance of all parties, significant progress has been made. Operating deficits have been substantially reduced, by-laws that regulate the financial decision making process have been put in place, and a new budget development process has been implemented.

Tonight represents another important milestone in the co-management process.

On June 4, 2007, staff presented the Administration and Finance Committee with a draft budget that sets expenditures for 2007-2008 at \$691.3 M against revenues of \$689.6M for an in-year operating deficit of \$1.7M and a balanced capital budget of \$72.5M. Full details are contained in Appendix A.

After listening to the debate at the Administration and Finance Committee meeting and reviewing the concerns raised through the Budget Consultation Process, I wish to advise the Board that I am approving the 2007-2008 budget proposal. The plan developed by your staff:

- meets the in-year deficit reduction targets set out in “Moving Forward Together. The \$16.6 M operating deficit forecast for 2006-2007 has virtually been eliminated in 2007-2008. It now stands at \$1.7M.
- eliminates the Board structural deficit a full year ahead of schedule. and
- reduces the 2006-2007 carry-over deficit by almost one-half, and
- achieves these objectives by using measures that have been proven successful.

In doing so, the proposal lays the foundation for future stability and success.

More importantly, however, the proposal also begins the process of re-investing in the future. Throughout the budget consultation process we heard that such re-investments were important to ensure success for all students. Elementary schools noted that

school budgets were stretched at the levels set for 2006-2007. Secondary schools indicated that the ability to adequately supervise students was being compromised and the special education community argued that more needs to be done to address programs and services. This proposal begins the process of responding to these concerns:

- for the elementary panel, schools budgets will be increased by 5% over the 2006-2007 level. This will add over \$400,000 to support activities, resources and services for students;
- in the secondary panel, the equivalent of a 5% re-investment in school budgets will be used to address supervision concerns. The lunchroom supervisor proposal developed by the secondary school principals work-group will form the basis of the program;
- for the special education community, the freeze on vacancies, will be lifted as of May 31, 2007. This will allow psychologists, speech pathologists and social workers to be replaced as vacancies occur.

I wish to thank everyone involved in the development of this budget proposal. It represents a significant move forward by creating the future flexibility in the delivery of quality programs and services at the Dufferin-Peel Catholic District School Board.

Decisions

I also wish to advise the Board the following recommendations have been approved:

1. the permanent long-term financing of \$118,107,000 of debenture debt through the Ontario School Board Financing

Corporation. This new issue sets out total debenture debt financed through new pupil place grants at \$491,364,722.

2. the award of the contract for renovations to Robert F. Hall Secondary School to Steelcase construction in the amount of \$1.4M funded from the facility renewal grant.
3. funding of the addition to St. Rita Elementary School through primary class size reduction capital grant.
4. funding of the Northwest Sandalwood Elementary School through the pupil accommodation grant.

As always, Mr. Chairman, I stand ready to address any questions the trustees may have.

Proposed 2007/2008 Budget

OPERATING

		<u>In \$Millions</u>
Revenue	GSN and Miscellaneous	\$ 689.6
Expenditure	<i>Prior to Public Consultation Meetings</i>	694.4
Carry Forward Deficit	<i>(projected 2006/2007 year-end)</i>	3.0
		\$ 697.4
Net Position	Before Planned Reductions	\$ (7.8)
Deficit Management 'Plan B'	<i>Previously Approved Reduction Items</i>	3.7
	<ul style="list-style-type: none"> ✓ Align Secondary Staffing to Grant Structure ✓ Needs Based Literacy Support Program ✓ Eliminate Transportation to HNOM 	
Estimated Surplus/(Deficit) for 2007/2008		\$ (4.1)
Deficit Management 'Plan B' Reduction Items		
	<i>Approved following Public Budget Consultation Meetings and SEAC Meeting</i>	\$ 2.4
	<ul style="list-style-type: none"> ✓ Transportation Efficiencies (start times) ✓ Technological Improvements ✓ 5% Reduction to School Per-Pupil Allocations ✓ 10% Reduction to Department Discretionary Budgets ✓ Implement IB Program Fee 	
Surplus/(Deficit) for 2007/2008		\$ (1.7)

CAPITAL

		<u>In \$Millions</u>
Revenue	Pupil Accommodation Grant	\$ 72.5
Expenditure	NPP, School Renewal, PCSR, Prior Capital Commitment	\$ 72.5
Surplus/(Deficit) for 2007/2008		\$ -