



Report to Administration and Finance Committee

May 5, 2008

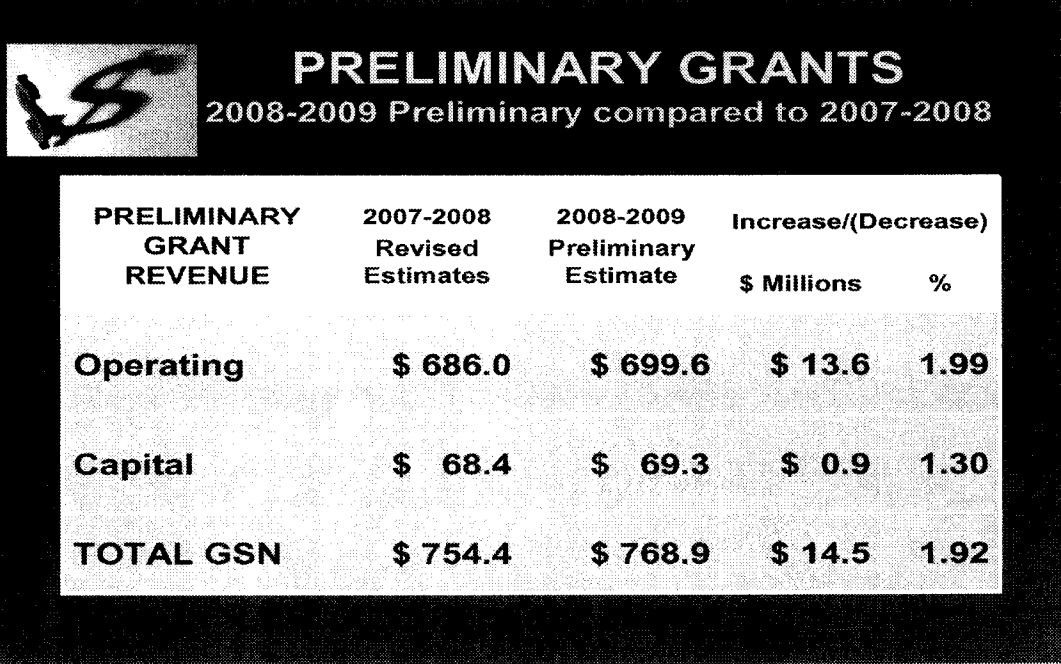
RE: 2008-2009 Preliminary Budget Update

Background:

The information provided in this report presents a preliminary estimate of revenues and expenditures for 2008-2009 school year. These figures may change as more information becomes available.

On March 26, 2008, the Ministry of Education announced the Grants for Students Needs (GSN) funding allocations for the 2008-2009 School Year. The announcement did not include the Provincial Labor Framework details. On a provincial basis, the increase in GSN Funding over 2007-2008 levels was approximately \$315 Million or 1.7%. The year over year increase for Dufferin-Peel is approximately \$14.5 Million (\$13.6 Million in Operating and \$0.9 Million in Capital) or 1.92%.

The following chart outlines the Board's preliminary funding allocation for 2008-2009 as compared to 2007-2008.



PRELIMINARY GRANT REVENUE	2007-2008 Revised Estimates	2008-2009 Preliminary Estimate	Increase/(Decrease)	
			\$ Millions	%
Operating	\$ 686.0	\$ 699.6	\$ 13.6	1.99
Capital	\$ 68.4	\$ 69.3	\$ 0.9	1.30
TOTAL GSN	\$ 754.4	\$ 768.9	\$ 14.5	1.92

Most of the GSNs are earmarked for specific purposes and as a result, boards have limited flexibility as to where the funding can be directed within the board.

Discussion:

Appendix A of this report “Preliminary Revenue & Expenditure – 2008-2009” reflects a balanced operating budget for next year.

The Expenditure Budget builds on the responsible fiscal base of 2007-2008, adjusted for known increases in salary and benefits, planning time, staffing requirements and Ministry initiatives (i.e. Safe Schools). Salaries and benefits account for 88% of the estimated operating budget. This increases to 96% when you include student transportation, utilities and other service contract obligations. As a result, a mere 4 percent of operating expenditures are utilized for department supplies, professional development, printing, etc.

Preliminary estimates of the GSN are based on projected average daily enrolment (ADE) of 82,441 students in 2008-2009. The following table outlines the historical trends in enrolment:

ENROLMENT	2004-2005 Actual	2005-2006 Actual	2006-2007 Actual	2007-2008 Projection	2008-2009 Projection
TOTAL	82,237	83,595	83,495	82,950	82,441

The year over year change in enrolment projections between 2007-2008 and 2008-2009, show a decline of less than one percent. Most boards across the province are experiencing enrolment decline.

On May 15, 2008, the Ministry is expected to announce further funding allocations to school boards, which will hopefully address some of our budget pressures. In addition, funding allocations will be released by the province once the provincial labour framework has been established.

As we prepare for the 2008-2009 Budget and beyond, this board faces a number of budget pressures and challenges including:

- Impact of enrolment decline
- Ministry funding benchmarks are not in line with actual benefit costs
- Special education needs
- On-going reductions to department budgets and school budgets
- Occasional teaching expenditures
- Transportation Consortia (increased expenditures)
- Inflation
- Sustainability of Ministry initiatives (i.e. MISA/OnSIS, Safe Schools Legislation)
- Technology infrastructure needs
- Curriculum resource renewal
- Capital funding
- School consolidations

On May 6, 2008, the board will be hosting a Public Budget Consultation Meeting which will allow stakeholders to present their priorities and recommendations for the 2008-2009 budget. Then on June 4, 2008, staff will meet once again with the Special Education Advisory Committee (SEAC) to present preliminary budget information. On June 17, 2008 the Board will be presented with the final budget recommendations for approval. The budget is due to the Ministry of Education on or before June 30, 2008.

Conclusion:

This report presents the 2008-2009 preliminary budget including estimated GSNs based on the announced funding by the province on March 26, 2008, and estimated operating expenditures.

Recommendation:

1. THAT THE REPORT ENTITLED 2008-2009 BUDGET UPDATE BE RECEIVED.

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REVENUE and EXPENDITURE Preliminary 2008-2009

Preliminary Detail	2007-2008 Revised Estimates	2008-2009 Preliminary Estimate	Increase/(Decrease)	
			\$ Millions	%
Operating GSN	\$ 686.0	\$ 699.6	\$ 13.6	1.99
Misc Revenue	\$ 7.4	\$ 7.4	\$ 0.0	
TOTAL Operating Revenue	\$ 693.4	\$ 707.0	\$ 13.6	1.96
Operating Expenditures	\$ 693.4	\$ 707.0	\$ 13.6	1.96
Available Funds	\$ 0	\$ 0		