



Report to the Special Meeting of the Board of Trustees

June 17, 2008

RE: Proposed 2008-2009 Budget

Background:

The development of the 2008-2009 budget has been guided by a budget process that is inclusive and transparent. Over the last number of months staff have met with stakeholders and discussed priorities and input for next year's budget. We held a workshop for trustees, a special session for the Special Education Advisory Committee (SEAC), and hosted a public budget consultation session on May 6 and heard from the Board Associations and Union Groups. The sessions provided us the opportunity to obtain feedback from the system and ensure the 2008-2009 budget reflected both system priorities and fiscal prudence.

Funding for school boards is primarily generated through the provincial Grants for Students Needs (GSN) as defined by the Ministry of Education. Boards have limited flexibility in how the GSN's are used to meet the needs of students. To date, total funding allocated to education in the province totals \$18.8 billion. Dufferin-Peel's allocation for operating and capital is estimated at \$770.6 million in 2008-2009. As shown below, this represents an increase of \$16.2 million or 2.15 percent over 2007-2008 Revised Estimates.

Table with 5 columns: Millions \$, 2007-08 Revised Estimates, 2008-09 Estimates, Increase/ (Decrease) \$, Increase/ (Decrease) %. Rows include Operating, Capital, Total, and Projected Enrolment.

Appendix B of this report provides further details of the GSN comparison between the Proposed 2008-2009 Estimates and the 2007-2008 Revised Estimates.

As the Board celebrates its 40th anniversary as an amalgamated school board on January 1, 2009, we are pleased to present a balanced budget for 2008-2009. This budget reflects the commitment of the Board and staff to balance student needs with prudent fiscal management. This budget strategically positions our board to meet the needs of the system while complying with the Education Act to submit a balanced budget.

This proposed 2008-2009 budget does not include additional funding or associated expenditures relating to the new provincial framework. These, along with any other funding announcements, will be included in the 2008-2009 Revised Estimates later this year.

## **Discussion:**

Appendix A of this report, the Proposed Revenue and Expenditure Budget Summary by Category is reflective of the budget pressures faced by the board, specifically the funding gap in classroom teachers, supply teachers and in-school administration. In order to have a balanced budget, the board has to reduce expenditures in other categories, such as textbooks and school operations.

Miscellaneous revenues are estimated at \$7.3 million and include tuition fees for visa students, course fees for Continuing Education programs and Ministry revenue for Adult ESL and Citizenship.

Total operating expenditures are estimated at \$708.4 million next year, including the provision for a minor transfer to the Reserve for Working Funds of \$0.6 million. This contingency will enable the Board to prepare for any potential enrolment variances that may occur in September.

This budget also addresses the Safe Schools initiative in order to comply with Bill 212 and secure our vision of having safe, caring, inclusive, healthy school communities in 2008. The Ministry has recognized the need to provide sustainable funding for this initiative in the GSNs.

In Special Education we were able to maintain the same levels of support staff as this year in the areas of Educational Resource Workers (ERWs), and APSSP staff. The special education grants will be used to provide program enhancements, support professional development needs, provide assistive technology, develop communication strategies and provide ongoing resources and support for staff and parents/guardians. For 2008-2009, the estimated deficit in the Special Education envelope is \$1.1 million. The main catalyst for the increased deficit in Special Education is a lower SEPPA (Special Education Per Pupil Amount) grant reflective of the shift in enrolment between the elementary and secondary panels.

As mentioned above, most GSNs are earmarked for Ministry initiatives and contractual obligations. Despite these limitations, the board was able to obtain feedback on budget priorities from stakeholder groups and incorporate some of the needs into the proposed 2008-2009 budget. For example, the board has approved a French Immersion program to begin in 2008-2009 as well as adding two additional Extended French classes. Also, Secondary students will have an option to pursue a co-op credit program offered through our Continuing Education program in September 2008. Program Department continues to work with schools to develop Pathways programs and Specialist High Skills Majors (SHSM).

Appendix C provides an analysis of salary and benefits. Of the total salary and benefit expenditures of \$624.6 million, \$507.9 million or 81.3% reflects instructional and \$116.7 million or 18.7% reflects non-instructional.

Appendix D is an analysis of operating expenditures. Salaries and benefits comprise 88.2 percent of the Board's total operating expenditures.

Appendix E provides a continuity schedule of the Board's Reserve Funds. The balance in the Reserve for Working Funds is well within the limitations established by the Board's approved by-law.

**Conclusion:**

In spite of facing significant budget challenges in recent years, this report provides the Board with a proposed balanced 2008-2009 Budget for approval. This budget incorporates some of the priorities identified during meetings with the Board's stakeholders as identified in this report. These initiatives are financed in a way that demonstrates overall prudent fiscal management while balancing the needs of our students.

Information related to the Provincial Labor Framework has not been included in the GSN announcement and therefore, is not part of the 2008-2009 Proposed Budget. Additional funding and expenditures related to the framework and the conclusion of local collective bargaining is expected to be included in the Revised Estimates.

**Recommendation:**

1. **THAT THIS REPORT ENTITLED "PROPOSED 2008-2009 BUDGET" TO THE SPECIAL MEETING OF THE BOARD OF TRUSTEES BE RECEIVED.**

2. **THAT THE BOARD ADOPT THE PROPOSED INSTRUCTIONAL SALARIES AND BENEFITS INCLUDED IN THE 2008-2009 BUDGET TALLING \$507,860,609.**

3. **THAT THE BOARD ADOPT THE PROPOSED NON-INSTRUCTIONAL SALARIES AND BENEFITS INCLUDED IN THE 2008-2009 BUDGET TALLING \$116,721,486.**

4. **THAT THE BOARD ADOPT THE PROPOSED OTHER OPERATING EXPENDITURES INCLUDED IN THE 2008-2009 BUDGET TALLING \$83,787,114.**

5. **THAT THE BOARD ADOPT THE PROPOSED 2008-2009 CAPITAL BUDGET OF \$69,599,958.**

6. **THAT THE BOARD ADOPT THE PROPOSED 2008-2009 TOTAL OPERATING AND CAPITAL BUDGET OF \$777,969,167.**

7. **THAT THE BOARD APPROVE THE TRANSFER OF \$600,000 TO THE RESERVE FOR WORKING FUNDS.**

**Prepared by:** G.P. Robinson, Superintendent, Financial Services & Treasurer  
J. Cherepacha, General Manager, Financial Services

**Submitted by:** J. Hrajnik, Associate Director, Corporate Services & Chief Financial Officer

**Date:** June 10, 2008

**Appendix A**

**PROPOSED 2008/2009 ESTIMATES**

**- Revenue and Expenditure Summary by Category -**

<u>Category Number</u>	<u>Description</u>	<u>Grants</u>	<u>Other Revenue</u>	<u>Total Revenue</u>	<u>Total Expenditure Budget</u>	<u>Budget Surplus (Deficit)</u>
<b>Classroom Instruction</b>						
1	Classroom Teachers	\$ 410,813,189	\$ 563,541	\$ 411,376,730	\$ 421,015,598	\$ (9,638,868)
2	Occasional/Supply Teachers	9,534,679	13,447	9,548,126	10,045,981	(497,855)
3	Educational Resource Workers	30,021,134	39,283	30,060,417	29,348,242	712,175
4	Textbooks & Classroom Supplies	22,008,926	169,212	22,178,138	15,552,502	6,625,636
5	Classroom Computers	5,027,592	5,616	5,033,208	4,641,915	391,293
6	Professionals/para-professionals/Technicians	25,193,001	32,906	25,225,907	24,583,905	642,002
7	Library & Guidance	15,897,675	18,830	15,916,505	13,976,509	1,939,996
8	Staff Development	2,558,618	9,395	2,568,013	2,220,339	347,674
12	Department Heads	1,606,935	1,935	1,608,870	1,445,923	162,947
9	<b>Total Classroom</b>	<b>\$ 522,661,749</b>	<b>\$ 854,165</b>	<b>\$ 523,515,914</b>	<b>\$ 522,830,914</b>	<b>\$ 685,000</b>
<b>Non-Classroom</b>						
11	Principals & Vice-Principals	30,296,314		30,296,314	32,224,506	(1,928,192)
13	School Office - Secretarial & Supplies	17,325,641		17,325,641	19,733,604	(2,407,963)
14	Co-ordinators & Consultants	7,452,985	150,573	7,603,558	6,529,086	1,074,472
<b>School Board Administration &amp; Governance</b>						
	Board Administration & Governance	20,519,988	1,193,008	21,712,996	21,481,818	231,178
18	School Operations	75,684,472	925,000	76,609,472	73,857,758	2,751,714
19	Continuing Education	6,516,917	4,205,643	10,722,560	10,495,395	227,165
20	Transportation	20,582,754		20,582,754	20,616,128	(33,374)
21	<b>Total Non-Classroom</b>	<b>\$ 178,379,071</b>	<b>\$ 6,474,224</b>	<b>\$ 184,853,295</b>	<b>\$ 184,938,295</b>	<b>\$ (85,000)</b>
22	<b>Total Classroom &amp; Non-Classroom</b>	<b>\$ 701,040,820</b>	<b>\$ 7,328,389</b>	<b>\$ 708,369,209</b>	<b>\$ 707,769,209</b>	<b>\$ 600,000</b>
23	<b>Operating Surplus/(Deficit) Before Transfers</b>					<b>\$ 600,000</b>
24	<b>Transfer to Working Funds Reserve - Enrolment</b>				<b>\$ 600,000</b>	<b>\$ (600,000)</b>
25	<b>Operating Surplus/(Deficit)</b>	<b>\$ 701,040,820</b>	<b>\$ 7,328,389</b>	<b>\$ 708,369,209</b>	<b>\$ 708,369,209</b>	<b>\$ -</b>
<b>Capital</b>						
26	School Renewal	\$ 9,839,924		\$ 9,839,924	\$ 9,839,924	\$ -
27	Good Places To Learn	1,401,881		1,401,881	1,401,881	-
28	Other - NPF 55 School Board Trust Fund	3,369,342		3,369,342	3,369,342	-
29	New Pupil Places - PCSR	222,578		222,578	222,578	-
30	New Pupil Places	54,766,233		54,766,233	54,766,233	-
31	<b>Capital Surplus/(Deficit)</b>	<b>\$ 69,599,958</b>	<b>\$ -</b>	<b>\$ 69,599,958</b>	<b>\$ 69,599,958</b>	<b>\$ -</b>
<b>TOTAL REVENUE &amp; EXPENDITURES</b>		<b>\$ 770,640,778</b>	<b>\$ 7,328,389</b>	<b>\$ 777,969,167</b>	<b>\$ 777,969,167</b>	<b>\$ -</b>

**Appendix B**

***GSN COMPARATIVE ANALYSIS  
2008-2009 Estimates and 2007-2008 Revised Estimates***

<u>Grant Description</u>	<u>2008-09 Estimates</u>	<u>2007-08 Revised Estimates</u>	<u>Increase/ (Decrease) in Grant Revenue</u>	<u>% increase/ (decrease)</u>
<b><i>Operating</i></b>				
Pupil Foundation Grant	\$366,113,070	\$360,816,843	\$5,296,227	1.47%
School Foundation Grant	\$46,580,861	\$45,334,754	\$1,246,107	2.75%
Primary Class Size	\$15,420,089	\$15,481,844	(\$61,755)	-0.40%
Special Education	\$73,648,970	\$73,356,310	\$292,660	0.40%
Language Allocation	\$20,706,392	\$21,276,178	(\$569,786)	-2.75%
Safe Schools Supplement	\$1,277,460	\$0	\$1,277,460	100.00%
First Nations, Metis and Inuit	\$71,855	\$71,545	\$310	0.43%
Program Enhancement	\$1,399,250	\$1,080,000	\$319,250	29.56%
Cont Ed, Adult Ed, Summer School	\$6,019,887	\$6,041,631	(\$21,744)	-0.36%
Qualifications & Experience	\$38,821,844	\$33,613,829	\$5,208,015	15.49%
Transportation	\$20,491,277	\$19,231,626	\$1,259,651	6.55%
Administration & Governance	\$20,412,385	\$20,157,203	\$255,182	1.27%
School Operations	\$74,187,393	\$72,866,422	\$1,320,971	1.81%
Community Use of Schools Grant	\$1,282,633	\$826,405	\$456,228	55.21%
Declining Enrolment	\$0	\$1,188,823	(\$1,188,823)	-100.00%
Learning Opportunities	\$14,607,453	\$14,617,157	(\$9,704)	-0.07%
<b>Total Operating Grants</b>	<b>\$701,040,819</b>	<b>\$685,960,570</b>	<b>\$15,080,250</b>	<b>2.20%</b>
<b><i>Capital</i></b>				
School Renewal	\$11,241,805	\$10,955,349	\$286,456	2.61%
New Pupil Places (NPP)	\$54,464,851	\$53,664,555	\$800,296	1.49%
Primary Class Size Reduction (NPP)	\$222,578	\$142,807	\$79,771	100.00%
Prior Capital Commitments	\$3,670,724	\$3,670,724	\$0	0.00%
<b>Total Grants</b>	<b>\$770,640,777</b>	<b>\$754,394,005</b>	<b>\$16,246,772</b>	<b>2.15%</b>
<b><i>Enrolment Projections:</i></b>				
	<u>2008-09 Estimates</u>	<u>2007-08 Revised Estimates</u>	<u>Increase/ (Decrease) in Enrolment</u>	<u>% increase/ (decrease)</u>
Elementary	49,732.75	50,583.25	(850.50)	-1.69%
Secondary	33,001.77	32,366.97	634.80	1.96%
<b>Total</b>	<b>82,734.52</b>	<b>82,950.22</b>	(215.70)	-0.26%

**Appendix C**

**SALARY AND BENEFIT EXPENDITURE ANALYSIS**

**- PROPOSED 2008/2009 ESTIMATES -**

**TOTAL SALARY & BENEFIT EXPENDITURES**

**\$ 624,582,095**

*By Category:*

*(As per Ministry defined expenditure categories)*

**INSTRUCTIONAL**

<b>1</b>	<b>Classroom Teachers</b>	Elementary	\$244,665,335	}	<b>\$ 420,434,070</b>	67.3%
		Secondary	\$175,768,735			
<b>2</b>	<b>Supply Teaching</b>				<b>10,045,981</b>	1.6%
<b>3</b>	<b>Educational Resource Workers</b>				<b>29,348,243</b>	4.7%
<b>6</b>	<b>Professionals/Para-Professionals/Technicians</b>				<b>23,953,545</b>	3.8%
<b>7</b>	<b>Library &amp; Guidance</b>				<b>13,976,509</b>	2.2%
<b>8</b>	<b>Staff Development</b>				<b>699,192</b>	0.1%
<b>12</b>	<b>Department Heads</b>				<b>1,445,923</b>	0.2%
<b>19</b>	<b>Continuing Education (Instructional staff)</b>				<b>7,957,146</b>	1.3%
					<b><u>\$ 507,860,609</u></b>	<b>81.3%</b>

**NON - INSTRUCTIONAL**

<b>11</b>	<b>Principals &amp; Vice-Principal</b>				<b>31,956,285</b>	5.1%
<b>13</b>	<b>School Office - Secretarial &amp; Supplies</b>				<b>16,657,385</b>	2.7%
<b>14</b>	<b>Co-ordinators / Consultants</b>				<b>6,138,144</b>	1.0%
<b>15</b>	<b>Trustees</b>				<b>230,234</b>	0.0%
<b>16</b>	<b>Directors &amp; Supervisory Officers</b>				<b>2,849,192</b>	0.5%
<b>17</b>	<b>Board Administration</b>				<b>13,239,113</b>	2.1%
<b>18</b>	<b>School Operations</b>				<b>43,766,474</b>	7.0%
<b>19</b>	<b>Continuing Education (Non-Instructional staff)</b>				<b>1,182,609</b>	0.2%
<b>20</b>	<b>Transportation</b>				<b>702,050</b>	0.1%
					<b><u>\$ 116,721,486</u></b>	<b>18.7%</b>

**TOTAL**

**\$ 624,582,095**    **100.0%**

# OPERATING EXPENDITURE ANALYSIS

## - PROPOSED 2008/2009 ESTIMATES -

**TOTAL EXPENDITURE BUDGET - OPERATING** **\$ 708,369,209**

**Expenditure Detail:**

<b>Salaries &amp; Benefits</b>	<b>\$ 624,582,095</b>	<b>88.2%</b>
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**Other Contractual Operating:**

Transportation Contracts	19,828,107	
Utilities	16,903,283	
Computer Leases / Technology Upgrades	4,641,915	
Operations & Maintenance - Contractual	6,271,969	
Insurance	2,900,000	
	<b>50,545,274</b>	<b>7.1%</b>

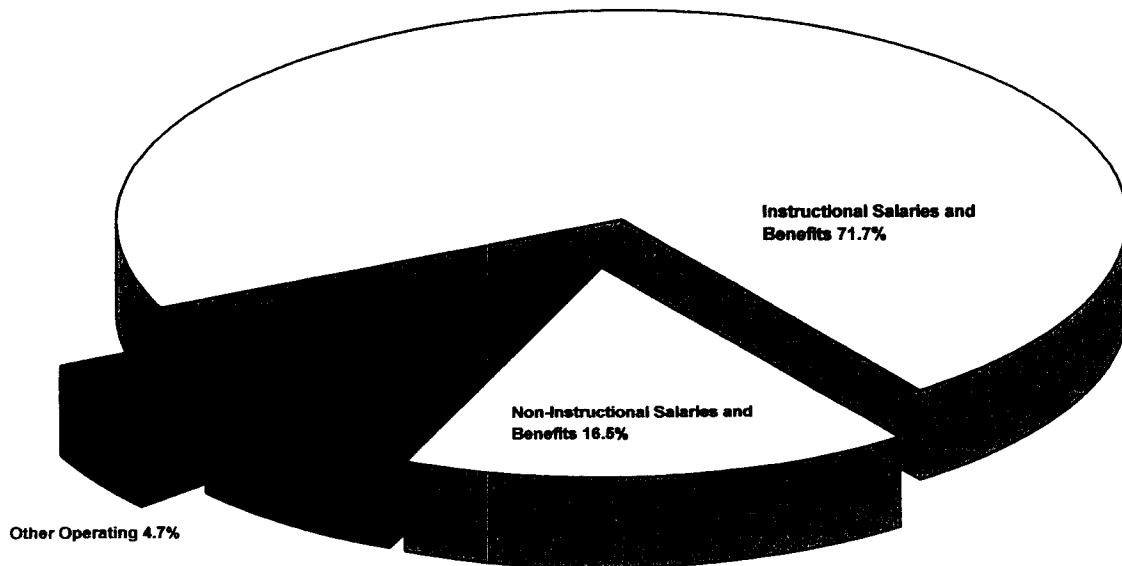
**Other Operating:**

School & Family Superintendent Budgets	12,910,632	
Department Budgets (CEC, Keaton, ContEd)	20,331,208	
	<b>33,241,840</b>	<b>4.7%</b>

<b>Total</b>	<b>\$ 708,369,209</b>	<b>100.0%</b>
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**TOTAL EXPENDITURE BUDGET - CAPITAL** **\$ 69,599,958**

**TOTAL OPERATING and CAPITAL** **\$ 777,969,167**



- |  |   |
|--|---|
| <input type="checkbox"/> 1 Instructional Salary & Benefit 71.7%        | <input type="checkbox"/> 2 Non-Instructional Salary & Benefit 16.5% |
| <input checked="" type="checkbox"/> 3 Other Contractual Operating 7.1% | <input checked="" type="checkbox"/> 4 Other Operating 4.7%          |

Dufferin-Peel Catholic District School Board

Reserve Funds

2008-2009 Estimates

Appendix E

	Estimated Balance as at Aug 31, 2008	Proposed 2008-2009 Transfers			Proposed Balance as at August 31, 2009
		New Reserves 08-09	Use of Reserves 08-09	Interest Earned	
<u>Operating Reserve Funds</u>					
Reserve for WSIB	\$2,834,457	\$0	\$0	\$0	\$2,834,457
Reserve for Retirement Gratuity	\$2,188,804	\$0	\$0	\$0	\$2,188,804
Reserve for Working Funds	\$3,380,643	\$600,000	\$0	\$0	\$3,980,643
<b>Total Operating Reserve Funds</b>	<b>\$8,403,904</b>	<b>\$600,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$9,003,904</b>
<u>Capital Reserve Funds</u>					
Reserve for EDC's	\$0	\$0	\$0	\$0	\$0
Reserve for Pupil Accommodation Grant (PAG)	\$126,305,369	\$0	\$0	\$0	\$126,305,369
<b>Total Capital Reserve Funds</b>	<b>\$126,305,369</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$126,305,369</b>
<b>Total Reserve Funds</b>	<b>\$134,709,273</b>	<b>\$600,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$135,309,273</b>