



## **Fixed Versus Flexible Analysis of 2018-19 Budget**

**To:** Special Finance, Budget and Enrolment Committee

**Date:** 30 January, 2019

**Report No.:** 01-19-3577

### **Strategic Directions**

- Allocate Human and Financial Resources Strategically to Support Student Needs

### **Recommendation**

It is recommended that the Fixed Versus Flexible Analysis of 2018-19 Budget report be received.

### **Context**

This report is the continuation of the budget information sessions for the Board. The intent of this report is to provide background information to the trustees of the components of the Board's 2018-19 budget. As part of this report, we will look at the process of developing the budget and factors to be considered as the Board looks to the 2019-20 budget. This report will cover the following items:

- Overview of the budget process and timeline;
- Board's Strategic Plan and the five pillars of that plan;
- Strategic Drivers that the Board establishes to guide the operational budget direction;
- Discussion of Flexible budget allocations versus Fixed budget allocations;
- Analysis of Fixed versus Flexible budget allocations; and
- Next Steps in the budget process.

### **Overview of the Budget Process and Timeline**

The Board is required to submit a balanced budget to the Ministry of Education on an annual basis by 30 June. The Board's budget is made up of two components – the operating budget and the capital budget. This report will focus on the operating budget.

Typically in the winter and spring of each year, school boards work on building their operating budgets for the next school year. This process usually begins with boards looking at their mission and vision statements and the Multi-Year Strategic Plan (MYSP) to guide the development of strategic drivers. Also in the early spring, the Ministry of Education releases the details of the Grants for Student Needs (GSNs) for the next school year. These announcements, along with the Board's strategic drivers, provide staff with guidance in developing the annual operating budget. This budget plan is presented to the Board in late April or early May for discussion and approval, depending on the timing of the release of the grants announcement.

### Board's Strategic Plan

The MYSP outlines five pillars to support student achievement and well-being. These pillars are:

- Transform Student Learning - We will have high expectations for all students and provide positive, supportive learning environments. On a foundation of literacy and math, students will deal with issues such as environmental sustainability, poverty and social justice to develop compassion, empathy and problem solving. Students will develop an understanding of technology and the ability to build healthy relationships.
- Create a Culture for Student and Staff Well-Being - We will build positive school and workplace cultures that support mental health and well-being - free of bias and full of potential. Educators will be equipped with the tools necessary to teach, assess, support and relate to students. We will create the conditions for every student in every school to experience the support of a caring adult. All staff will have access to professional learning opportunities that build healthy relationships and develop leadership capacity.
- Provide Equity of Access to Learning Opportunities for All Students - We will ensure that all schools offer a wide range of programming that reflects the voices, choices, abilities, identities and experiences of students. We will continually review policies, procedures and practices to ensure that they promote equity, inclusion and human rights practices and enhance learning opportunities for all students.
- Allocate Human and Financial Resources Strategically to Support Student Needs - We will allocate resources, renew schools, improve services and remove barriers and biases to support student achievement and accommodate the different needs of students, staff and the community.
- Build Strong Relationships and Partnerships Within School Communities to Support Student Learning and Well-Being - We will strengthen relationships and continue to build partnerships among students, staff, families and communities that support student needs and improve learning and well-being. We will continue to create an environment where every voice is welcomed and has influence.

These pillars of the MYSP are the starting point for the trustees' development of the strategic drivers for staff to use in the development of the operating budget.

### Strategic Drivers

The strategic drivers agreed upon by the trustees will guide staff in the development of the annual operating budget. These strategic drivers are the Board's method of fulfilling their governance responsibility for the allocation and stewardship of resources.

The strategic drivers are meant to reflect the commitments of the Board's MYSP. They are broad in scope, focusing on supports allocated to advance student achievement and well-being in the coming school year.

### **Current Allocations – Fixed Versus Flexible**

The summary report of the Board's 2018-19 Budget has been provided in the appendices (A and B). The various categories of school-based staff have been outlined in this report as either fixed or flexible depending on their purpose. The purpose of this report is to provide trustees with a high level overview of the current resource allocation of the Board. The budget allocation has been categorized into either fixed or flexible costs.

The Fixed Costs (Appendix A) are those that have limited ability to be adjusted in the short term as they have restrictions placed on their use based on one of the following categorizations:

- Regulation – Primarily Ministry of Education regulations such as class size or other Ministry or federal regulations, i.e., health and safety regulations;
- Collective Agreements – The contractual obligations with all staffing groups;
- Board Policy – Policies that direct the allocation of resources, i.e., transportation walk distances. The Board would have to amend their policies to impact a change;
- Board Motion – Specific Board decisions direct staff on the use of resources. However, the Board can change these decisions; and
- Contractual – These commitments are outlined in a contract with an agency or vendor, i.e. future employee benefits and licenses.

The Flexible Costs (Appendix B) are those that the Board has some discretion on how these costs are used. Changes to the budgets in these areas would have an impact on the level of service/support provided. Despite the Board's ability to direct how these funds are used, it doesn't necessarily mean that all Flexible Costs could be or would be reduced. Changes to allocation levels would result in corresponding changes in services, the level of service or implementation of service. For example, changes in

professional development would have a direct impact on limiting the ability to introduce new learning initiatives. Moreover, some services provided by flexible funds are also essential services to the Board's operations such as payroll and other financial services.

Some parents and stakeholders will see some programs funded with flexible funding as a fixed standard or expected service that has been provided by the Board. Many have been in place for a significant period of time. For example, our 10 Outdoor Education centres are used every year to provide over 65,000 students with unique educational opportunities. A change to that level of service could have impact on the experiences provided to students especially in the context of delivering education in a high-density urban setting. Another example of where parents may see the board current funding of a program as fixed is the International Baccalaureate (IB) program. This program has been long running in several TDSB schools at no cost to the students, while other boards charge fees to students. Parents of students involved in the IB program see this as one of the many program options available to their children, not necessarily as an optional program offered by the board.

Also, flexible funds are the means to which we address the pillars of our strategic plan to support all students. Our Model Schools Program is an example of use of flexible funds to provide additional support to ensure equitable access to a high quality education for some of our most underserved students. In short, the Board's commitment to equity of access to educational opportunities is delivered in part through the use of flexible funds to supplement core teaching, learning and educational programs that are funded via the fixed costs category.

All of this is to point out that while flexible costs are in part discretionary, some are attached to the delivery of either essential operational services or have been used to respond to gaps or enhancements to educational programs and services. For these reasons, the elimination or reduction in flexible funds can present significant challenges and difficult choices.

As the Board considers the development of their strategic drivers that support the MYSP, difficult choices will need to be made. Should there be provincial funding changes, they will have an impact on which strategic drivers can be implemented for the next school year. However, even if provincial funding does not change, the Board will still need to review current allocation patterns to implement the MYSP.

### **Analysis of Fixed Versus Flexible Budget Allocations (Appendices A and B)**

The appendices provide a high level overview of the Board's current budget allocations based on these parameters of Fixed versus Flexible.

Department budgets include the revenues generated by the department, to show their net impact on the Board's budget.

In Appendix B, several of the teacher classifications are noted in the description to be “supplementary” teachers. This means these teachers are above the required number of classroom teachers to run the program. This is because in our smaller elementary schools, the average class sizes are smaller, resulting in us having to allocate supplementary or additional teachers to deliver the multiple programs in the school.

### **Next Steps in the Budget Process**

At the next Finance, Budget and Enrolment Committee (FBEC) meeting, staff will present the draft strategic drivers for the 2019-20 operating budget for the committee to consider. Through discussion and consultation with the public, these will be finalized in early April to direct the work of staff in developing the operating budget for presentation and approval by the Board in May and June.

### **Action Plan and Associated Timeline**

Not applicable.

### **Resource Implications**

This is a summary of the budget.

### **Communications Considerations**

This report will be added to the 2019-20 Budget information webpage.

### **Board Policy and Procedure Reference(s)**

Not applicable.

### **Appendices**

- Appendix A: Analysis of Fixed Vs Flexible: Fixed Costs
- Appendix B: Analysis of Fixed Vs Flexible: Flexible Costs

### **From**

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## Analysis of Fixed Vs Flexible Fixed Costs

Classification	Rationale	Description	FTE	Amount
Classroom Teachers	Collective Agreement/Regulation	Elementary teachers required to meet class size regulations and collective agreements	8,325.3	\$855,254,469
Classroom Teachers	Collective Agreement/Regulation	Secondary teachers required to meet class size regulations and collective agreements	3,722.5	\$395,751,387
Classroom Teachers	Board Motion	Elementary teachers to support Library services to students in elementary schools	232.0	\$23,834,522
Classroom Teachers	Special Education	Elementary and Secondary teachers to support Inclusion & Special Education	2,066.7	\$193,815,371
Principals	Regulation	Principals to support schools of the Board	535.0	\$75,495,796
Designated Early Childhood Educators	Regulation	Designated Early Childhood Educators	1,238.0	\$73,933,190
Support Staff	Regulation	Special Education School Support Staff	2,771.5	\$144,649,054
Lunchroom Supervisors	Board Motion	Regular lunchroom supervisors allocated per board motion allocation table	1,266.0	\$8,402,967
Trustees	Regulation	Honoraria and expenses for Trustee and Student Trustees. Staffing costs for Trustee Services including Student Senate	30.0	\$2,145,282
Section 23 Programs	Regulation	Supports students in Care, Treatment, Custody, and Corrections programs to facilitate effective transitions back into mainstream schools	139.0	\$14,645,325
Leadership and Learning	Regulation	Programs in the Student Success to support experiential learning and post-secondary pathways including Co-op, SHSM, OYAP, Student Engagement, SWAC, Dual Credits, etc.	48.0	\$13,497,539
Continuing Education	Regulation	School boards are required to run an International languages program, Literacy and Numeracy outside the school day for students and OFIP Tutoring.	67.0	\$3,970,976
Extended Day Program	Regulation	Support before and after school programs in 9 schools	29.0	\$477,160
Transportation	Board Policy	Home to School bussing of students that qualify based on distance or special needs. Includes transportation of Gifted and French programs	39.0	\$53,626,425

## Analysis of Fixed Vs Flexible Fixed Costs

Classification	Rationale	Description	FTE	Amount
Occupational Health and Safety	Regulation/Collective Agreement	Ensure compliance with the Occupational Health & Safety Act, as well as relevant legislation; through the development of policies, procedures and programs. (i.e.. Workplace Violence, AODA, Workplace Inspections, Water Testing, First Aid, Ergonomics)	32.0	\$3,928,832
Supply Teacher Costs	Collective Agreement	This includes both short and term absences		\$85,769,273
Principal and Vice Principal Replacements	Collective Agreement	Short and long term replacements for absence staff		\$4,085,000
School Fundraising	Regulation	This represents the amount of funds schools raise across the district annually		\$40,000,000
Other Miscellaneous Costs	Regulation/Contractual	Centrally managed costs such as debt interest, depreciation, future employee benefits, other assorted small expenditures, TLC operating costs and secondment costs	145.0	\$214,704,230
<b>Total</b>			<b>20,686.0</b>	<b>\$2,207,986,798</b>

## Analysis of Fixed Vs Flexible Flexible Costs

Classification	Description	FTE	Amount
Classroom Teachers	Teachers supporting students in such programs as Native languages, Co-ops, Dual credits and Arts programs	19.0	\$2,076,983
Classroom Teachers	Supplementary French Immersion and extended French teachers	118.0	\$12,154,000
Classroom Teachers (see note)	Elementary and Secondary teachers to support ESL Program	466.0	\$48,427,598
Classroom Teachers	Supplementary Gifted Program teachers	33.0	\$3,399,000
Classroom Teachers	Supplementary teachers supporting Outdoor Education program	20.0	\$2,060,000
Classroom Teachers	Supplementary Elementary and Secondary teachers to support the International Baccalaureate. Amount includes school budget supplement	7.5	\$1,459,500
Classroom Teachers	Supplementary Alternative School Teachers to support delivers of programs in Alternative Secondary schools	11.5	\$1,184,500
Classroom Teachers	Supplementary teachers supporting Elite Athletics program in elementary and secondary schools	4.0	\$412,000
Classroom Teachers	Supplementary teachers to support E-Learning program	8.0	\$824,000
Library Teachers (see note)	Secondary Library teachers	88.5	\$9,420,558
Guidance Teachers (see note)	Elementary and secondary guidance teachers	277.5	\$29,223,520
Reading Recovery	Specially trained teachers in early literacy intervention	42.0	\$4,314,870
Vice-Principals (see note)	Support School operations in both elementary and secondary	367.0	\$45,696,374
Office Administrators (see note)	Support School operations in both elementary and secondary	1,052.0	\$70,723,513
Safety Monitors	Provide supervision of students	163.5	\$9,067,580
Lunchroom Supervisors	Provide supervision of students over the lunch hour	1,583.0	\$10,733,766
Aquatic Instructors	Provide supervision and water safety for students at schools with pools	91.5	\$5,247,534
Program Staff	Various categories of staff in schools such as theatre technicians, food assistants, educational assistants in alternative programs, bus attendants, safety/travel assistants	81.0	\$3,712,226

## Flexible Costs

Classification	Description	FTE	Amount
Learning Centres	This allocation includes Superintendents, Central Coordinating Principals, Early Reading coaches, K-12 Coaches,	177.0	\$23,318,239
Special Education	Estimated Special education cost in excess of funding		\$38,886,201
Transportation	Estimated Transportation cost in excess of funding		\$10,759,738
Communications	The department provides strategic communications, editorial services, issues management, crisis communications, media relations and social media services for schools, central departments, senior executives, Trustees, the Director and the Chair of the Board. Department divisions provide corporate web services, audio-visual and, marketing and design services. They also support schools in these areas.	30.0	\$3,653,534
Director's Office	Director of Education and supporting staff	4.0	\$1,181,303
Associate Directors	Associate Directors and supporting staff	11.0	\$2,754,688
Human Rights Office/ODOA	These areas covered by these funds are Human Rights department, Employment Equity and Ontarian with Disabilities.	11.0	\$1,970,781
Caring and Safe Schools	To provide system-wide leadership and oversight for program and operational processes to support caring, safe and inclusive schools, including supervision of all Alternative Programs.	115.0	\$11,662,622
Indigenous Education	Provides support to initiatives which closes the achievement gap for marginalized and vulnerable students including Aboriginal students. Provides effective curricular, teaching and learning strategies to increase the understanding for all students about First Nation, Métis and Inuit peoples	27.0	\$5,191,574
Governance and Board Services	Manages the Board's governance functions including the Board's Corporate Secretariat, Policy Development and Review, the Student Discipline Committee, Trustee Shared Services and liaison with the Board's Integrity Commissioner and Ontario Ombudsman	11.0	\$1,606,654

## Flexible Costs

Classification	Description	FTE	Amount
Research Department	Supports board and school improvement planning through the use of evidence-based data, supports the effective delivery of the TDSB's learning programs, initiatives, processes, policies, through evaluation and assessment, partners with educators to build capacity for participatory research and inquiry, disseminates information and knowledge about student learning conditions and outcomes at system, provincial, national, and international levels, oversees the review of all external proposals and requests to conduct and/or recruit for research studies and projects that require the participation of staff, students, or parents within the TDSB	21.0	\$2,696,775
Leadership and Learning	Provides leadership and support for schools in K- 12 Programs such as E-Learning, ESL, FSL, Guidance, New Teacher Induction Program (NTIP), Special Education, Health & Physical Education, Mathematics, STEM, Literacy, Global Competencies, Digital Lead Learners, Digital Lead Administrators, The Arts, Special Education and Professional Learning, Leadership Development,	475.0	\$64,034,114
Library Learning Resources and Global Education	Supports schools by building capacity and instructional leadership in Library Program and Services in all school K - 12 with a focus on inquiry; reading engagement; global and digital learning. System-wide support is delivered via the TDSB Virtual Library, available to all students, staff and parents, including remote access, 24/7. This portfolio supports system-wide reading engagement initiatives aimed at fostering a love of reading within students, K to 12. Supports secondary schools in the development and delivery of a wide range of Interdisciplinary Studies courses. Provides professional learning for teachers in curriculum implementation, instruction, assessment, and evaluation.	59.0	\$5,414,530
Early Years and Childcare Services	Provides system leadership of programs serving children birth to age 8 with a specific focus on professional learning and parental engagement in schools and learning networks related to early literacy, numeracy and transition to school. Engages with child care, city and community partners in all aspects related to early learning. Offers direct service delivery of 77 EarlyON Child and Family Programs.	14.0	\$2,163,040

## Flexible Costs

Classification	Description	FTE	Amount
Equity, Anti Oppression and Anti-Racism	Provides professional learning to ensure that staff are equipped with strategies that will improve access to opportunities and eliminate disproportionate outcomes among groups of students through effective school improvement.	3.0	\$315,954
Community Services and Translation	Facilitates various forms of parent and community engagement by offering advice, mediation, outreach and parent training programs to various groups e.g.. School councils, coordinates interpretation and translation. Provides guidance where appropriate to community advisory committees.	4.0	\$831,512
Student Support Services	Providing the following services to students: Occupational Therapy/Physical Therapy, Psychology, Social Work, Speech and Language Pathology.	393.0	\$48,756,719
Outdoor Education	10 sites - every elementary student is offered 3 OE experiences from k-8. we serve approx. 65000 students a year. Sites are used as fee for service in the summer to summer camps, con ed., and staff retreats.	61.0	\$7,031,623
Continuing Education	Programs include Adult Day School Credit, Summer Music Camps, General Interest and Seniors daytime, Credit Night and Summer School, International Languages (2 additional models), Non-Credit Adult ESL,	720.0	\$29,704,954
Canadian International School System	TDSB has a consultancy agreement to support the delivery of the Ontario curriculum to K-12 students in a Vietnam School		\$(287,940)
International Delegations	Support the visits of school officials from other jurisdictions outside of Ontario	1.0	\$157,096
International Student Services	This department acts as a recruiting office and offers assistance and access to quality programs for international students in our elementary and secondary schools	13.0	\$(28,726,606)
Partnership Development	The Partnership Development unit endorses educational partnerships that: <ul style="list-style-type: none"> <li>- support curriculum, student achievement, and student engagement;</li> <li>- promote post-secondary choices;</li> <li>- provide school-to-work opportunities; and</li> <li>- enhance the quality and relevance of learning.</li> </ul>	3.0	\$365,493

## Flexible Costs

Classification	Description	FTE	Amount
Legal Services	Provide wide range of strategic legal advice and other services to support schools and operations. Represent TDSB before courts, tribunals. Assigns and manages work performed by external law firms.	11.0	\$5,105,094
Information Services	Responsibility for strategic planning, design, development and implementation of a sustainable and secure information Technology environment within the TDSB. Provide effective leadership and management to staff in the functional area of Strategy/Enterprise Architecture, IT Portfolio Management and Communications, Resources and Operations and Software License Management.	338.0	\$59,981,200
Business Services	Responsibility for strategic planning, design, implementation and operation of all Business functions within the TDSB. This includes the areas of Compensation Services, Distribution Centre, Purchasing, Risk Management, School Support Services, Student Nutrition, Transportation, Mailroom, Couriers and Logistic Services, Duplicating Centre, Contracted Services, Finance and Budget, Revenue and Financial Planning.	300.0	\$24,284,501
Internal Audit	Independently evaluate and improve the effectiveness of risk management, internal controls, and governance processes at both the school-level and central department-level.	4.0	\$572,445
Facility Services	Responsibility for strategic planning, design, development and implementation of Facility and Property related functions within the TDSB. This includes Plant Operations (Caretaking, Fleet Maintenance, Security and Call Centre), Design, Construction and Maintenance, Permits and Community Use of Schools, functions.	3,095.0	\$323,301,626
Permits	Provision of permits for after school use of space. The Revenue generated by this department will offset the caretaking Overtime incurred for the permit usage.	16.0	\$(13,612,196)

## Flexible Costs

Classification	Description	FTE	Amount
Strategy and Planning	Provides leadership in the development of the long-term program and accommodation strategy (LTPAS) and support for the development and implementation of the 3-year capital budget plan. Conducts the accommodation studies and reviews associated with the LTPAS. Provides planning services and information to the system in the areas of actual and projected enrolments, facility utilization and capacity, attendance areas, student and program accommodation, land use planning, and mapping.	29.0	\$4,508,272
Service Excellence	Provides training and documentation for Service Excellence Initiative in Business and Operations	4.0	\$582,117
Employee Services	Supports the hiring, documentation, attendance management, disability case management, labour relations, arbitrations, grievances	164.0	\$18,284,761
Temporary Staffing	Coverage for short term vacancies		\$36,353,807
School Budgets	The budget allocated to schools for their operation		\$55,822,711
School Budget Carryover	Annually schools are allowed to carry forward their school budgets to the next year		\$15,021,157
In-Year Savings Target	Annually budgeted for unspent money in individual budgets that are unspent at Year end		\$(7,000,000)
<b>Total</b>		<b>10,547.0</b>	<b>\$1,016,785,615</b>

Note: These staff categories receive funding through the Grant for Student Needs (GSN) however the Board has flexibility on amount allocated.