Report No. 01-17-3000

**TORONTO DISTRICT SCHOOL BOARD**

**PRELIMINARY THREE-YEAR FINANCIAL PROJECTIONS**

**To:** Finance, Budget and Enrolment Committee – 25 January 2017

**RECOMMENDATION: IT IS RECOMMENDED that the report be received.**

**STRATEGIC DIRECTION:** Form strong and effective relationships and partnerships.

**BACKGROUND**

Appendix A contains the Projected Pupils of the Board for the years 2016-2020. The net change in enrolment for the 2017-2018 year for the Board is a small increase of approximately 16 students.

Appendix B outlines the Projected Three Year Financial Position of the Board based on the assumptions outlined in this report. The Board is currently forecasted to have a balanced position for the 2017-2018.

These projections were prepared based on the following information and assumptions:

1. Grant projections are based on the current government funding model in place for 2016-2017. This modelling does not include any changes for ratified collective agreements. Previously announced multi-year funding changes by the Ministry to individual grant allocations have been updated as follows:
	1. Special Education High Needs amount - This grant is being changed from its’ historical enrolment based method to a statistical regression model based on census data. The reductions to the High Needs amount, the projection for the final year of phase-in is $4.0M for 2017-2018

b. School Facility Operations and Renewal Grant funding – Funding from this allocation supports caretaking, maintenance, renewal and utility costs. This allocation is being adjusted over three years starting in 2015-2016. The changes in this grant are an increase to operating and renewal benchmarks, elimination of the top-up allocation of both grants and updating of Board specific adjustment factors. The estimated impact on 2017-2018 is $8.9M.

1. Administration and Governance Allocation – This allocation supports the administrative costs of a school board. The allocation is being revised over a four year period. It is projected that the impact to the final year phase in will be $0.5M.
2. School Foundation Allocation – This allocation supports the costs of school administration. Starting in 2015-2016 this allocation is being adjusted over three years. The purpose of the change is to shift funds from very small schools to larger, remote or combined schools.
3. Classroom teachers and other school based staff have been adjusted for changes in enrolment each year, while all other staff are being maintained at 2016-2017 levels.
4. Increases in utility costs will be offset by grant increases.
5. Assumes any contract settlements will either be funded within the current funding model (i.e. increase funded through other offsets within grants) or additional funding will be provided to offset increased costs.

In late November the Planning Department updated their three year projections based on the actual 31 October 2016 enrolments received from schools. Planning will continue to monitor enrolments and will updated projections as additional information becomes available.

**APPENDIX:** Appendix A: Projected Enrolments

Appendix B: Projected Three-Year Financial Position

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**Appendix A – Projected Pupils of the Board Enrolments and Net Change Year over Year Enrolment Analysis**

Two charts in Appendix A provide enrolment figures by Grade ranges for each of five years and the net change for each grade range for each year. I have combined the two charts to provide the same information below. Each Grade Range is listed as a subheading and is followed by the 2015-16 Actual Enrolments. Next, the projected enrolment is provided line by line for each of the following 4 years up to 2020. The Net Change is listed next to the enrolment projections for each year, with negative figures in brackets. Enrolment projections for Total Elementary and Total Day School (combined elementary and secondary) are also provided.

**JK-SK**

Actual for 2015-2016: 35,153.6

Projected for:

2016-2017 35,397.3 Net Change 243.8

2017-2018 35,566.7 Net Change 169.3

2018-2019 34,938.7 Net Change (628.0)

2019-2020 35,090.7 Net Change 152.0

**Grades 1 to 3**

Actual for 2015-2016: 53,396.4

Projected for:

2016-2017 53,347.7 Net Change (48.7)

2017-2018 52,751.5 Net Change (596.2)

2018-2019 52,932.0 Net Change 180.5

2019-2020 52,744.5 Net Change 187.5

**Grades 4 to 6**

Actual for 2015-2016: 81,060.6

Projected for:

2016-2017 82,386.9 Net Change 1326.3

2017-2018 83,151.6 Net Change 764.7

2018-2019 83,429.1 Net Change 277.5

2019-2020 83,624.6 Net Change 195.5

**Total Elementary**

Actual for 2015-2016: **169,610.5**

Projected for:

2016-2017 **171,131.9** Net Change **1521.4**

2017-2018 **171,469.7** Net Change **337.8**

2018-2019 **171,299.7** Net Change **(170.0)**

2019-2020 **171,459.7** Net Change **160.0**

**Secondary**

Actual for 2015-2016: 71,457.9

Projected for:

2016-2017 70,707.5 Net Change (750.3)

2017-2018 70,385.5 Net Change (322.1)

2018-2019 69,993.0 Net Change (392.5)

2019-2020 69,933.0 Net Change (60.0)

**Total Day School**

Actual for 2015-2016: **241,068.4**

Projections for:

2016-2017 **241,839.5** Net Change **771.1**

2017-2018 **241,855.2** Net Change **15.7**

2018-2019 **241,292.7** Net Change **(562.5)**

2019-2020 **241,392.7** Net Change **100.0**

**Appendix B – Projected Three Year Financial Position (Millions)**

This appendix presents a single chart in 4 columns. It lists categories below which are related cost items. Neighbouring columns provide the financial position for each of 3 years from 2017 to 2020. Below, each category is presented as a numbered subhead. Beneath each subhead, the related cost items are listed individually, along with the successive three years of projected increase or bracketed (decrease). X indicates the absence of a numerical figure is in the chart.

**1.**  **Opening Balance Working Funds**

2017-2018 **$18.7**

2018-2019 **$ 0.0**

2019-2020 **$(3.3)**

**2. Change In Grant Revenue - increase/(decrease)**

1. Item: Pupil Foundation enrolment

2017-2018 X

2018-2019 (9.2)

2019-2020 (5.0)

1. Item: Declining ESL enrolment

2017-2018 (2.0)

2018-2019 (2.4)

2019-2020 (1.8)

1. Item: Special Education High Needs Amount

2017-2018 (4.0)

2018-2019 X

2019-2020 X

1. Item: Administration and Governance Allocation

2017-2018 (0.5)

2018-2019 X

2019-2020 X

1. Item: Facilities Top-up allocation

2017-2018 (8.9)

2018-2019 X

2019-2020 X

1. Item: Declining Enrolment Grant

2017-2018 (2.4)

2018-2019 2.1

2019-2020 (1.6)

1. **Item: Total Grant Changes**

2017-2018 **$(17.8)**

2018-2019 **$(9.5)**

2019-2020 **$(8.4)**

**3.** **Change in Costs - increase/(decrease)**

1. Item: Staffing costs to support student enrolment

2017-2018 6.2

2018-2019 (10.2)

2019-2020 (6.3)

1. Item: Pension and Payroll taxes

2017-2018 1.0

2018-2019 1.0

2019-2020 1.0

1. **Item: Total Cost Changes**

2017-2018 **$7.2**

2018-2019 **$(9.2)**

2019-2020 **$(5.3)**

**4. Offsets**

1. Item: Additional in-year savings

2017-2018 6.3

2018-2019 $(3.0)

2019-2020 X

1. **Item: Total Offsets**

2017-2018 **$6.3**

2018-2019 **$(3.0)**

2019-2020 **$0.0**

**5.** **Projected Net Financial Position - Surplus/(Deficit)**

2017-2018 **$0.0**

2018-2019 **$(3.3)**

2019-2020 **$(6.4)**