



Date of Meeting: 2020 July 21

Item #: 8

REPORT TO:	<input type="checkbox"/> Administrative Council <input type="checkbox"/> Program and School Services Advisory Committee <input type="checkbox"/> Policy Working Committee <input type="checkbox"/> Planning and Priorities Advisory Committee <input checked="" type="checkbox"/> Board <input type="checkbox"/> Other: CPCC
	For Board Meetings: <input checked="" type="checkbox"/> PUBLIC <input type="checkbox"/> IN-CAMERA
TITLE OF REPORT:	TVDSB Preliminary 2020-21 Budget
PRESENTED BY:	Jeff Pratt, Associate Director Cathy Lynd, Superintendent of Business Sandra Macey, Manager of Financial Services
PRESENTED FOR:	<input checked="" type="checkbox"/> Approval <input type="checkbox"/> Input/Advice <input type="checkbox"/> Information
Recommendation(s):	See attached.
Purpose:	To review and approve the 2020-21 TVDSB Budget.
Content:	<p>The preliminary budget, as presented on July 14, 2020, includes revenues totaling \$1,022,410,397 and expenses totaling \$1,029,809,438 for an operating deficit for compliance purposes of \$7,516,423.</p> <p><i>As noted in the Ministry of Education 2020:B08 memo; "While the ministry remains hopeful that schools will be open in the fall and that they will remain open for the entire 2020-21 school year, given the continued uncertainty related to COVID-19, school boards are advised to be diligent in managing costs and carefully review all discretionary program spending as they develop their 2020–21 school year budgets."</i></p> <p>In preparing the preliminary budget for trustee review, senior administration intentionally reduced in-year expenses where possible, including wireless access point replacements (the budget reflects a 6 year replacement plan) and the arc flash hazard evaluation studies (the budget reflects a 2 year review).</p> <p>Through years of prudent and fiscally responsible decisions, the Board has an unappropriated accumulated surplus projected to be over \$21 million as at August 31, 2020. As a result of this accumulated surplus, the Board may incur an in-year deficit up to 1% of operating revenue without further Ministry approval. For TVDSB, this amount totals \$9.39 million.</p> <p><i>(An in-year deficit that exceeds 1% of operating revenue, whether it is at budget, revised estimates or year end, requires Ministry approval, a detailed deficit recovery plan and subsequent monitoring.)</i></p>

	<p>The preliminary budget presented reflects an operating deficit for compliance purposes of \$7.52 million. The preliminary deficit mainly reflects one-time items, but also includes an amount related to an over allocation of secondary teachers to support programming. As noted in the attached motion for the adjusted deficit elimination plan, the preliminary deficit amount requires the elimination of spending on the identified one-time items and requires that at least 4 FTE secondary teaching positions be eliminated in the future to provide for a balanced budget. Any ongoing costs added to the preliminary budget will require an adjustment to the deficit elimination plan, and additional secondary teaching positions will have to be eliminated in the future to achieve a balanced budget.</p> <p>As noted in the budget document, significant COVID-19 related expenses are expected to be incurred in the 2020-21 school year. These costs have not been included in the preliminary budget as senior administration continues work on school re-opening plans. While complete cost estimates are not yet available, the COVID-19 related expenses for enhanced cleaning protocols, personal protective equipment, additional supervision, and increased transportation costs are expected to be significant and in the millions of dollars.</p> <p>At this time, no additional funding has been announced related to these incremental expenses apart from funding announced June 19, 2020 for mental health support and technology-related costs. Board level allocations for that funding have not yet been announced and as such, revenue and related expenses have not been included in the preliminary budget.</p> <p>In addition, while the allowable in-year deficit for compliance purposes is \$9.39 million as noted above, in presenting the preliminary budget, it was considered prudent to allow for that difference of \$1.87 million given the risks and uncertainty inherent in the 2020-21 preliminary budget. As noted in the budget document, in addition to the significant COVID-19 incremental expenses expected to be incurred, there are considerable risks related to enrolment variability, staff absence replacements, rental revenue, and costs to implement the two recent trustee motions related to equity and indigenous supports.</p> <p>Attached are the motions for Trustee debate and approval, based on the preliminary budget presented on July 14, 2020.</p>
Financial Implications:	
Timeline:	
Communications:	
Appendices:	Board Motions

Strategic Priority Area(s):

Relationships:

- ☐ Students, families and staff are welcomed, respected and valued as partners.
- ☒ Promote and build connections to foster mutually respectful communication among students, families, staff and the broader community.
- ☒ Create opportunities for collaboration and partnerships.

Equity and Diversity:

- ☐ Create opportunities for equitable access to programs and services for students.
- ☐ Students and all partners feel heard, valued and supported.
- ☒ Programs and services embrace the culture and diversity of students and all partners.

We build each student's tomorrow, every day

Achievement and Well-Being:

- ☐ More students demonstrate growth and achieve student learning outcomes with a specific focus on numeracy and literacy.
 - ☐ Staff will demonstrate excellence in instructional practices.
 - ☐ Enhance the safety and well-being of students and staff.
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Form Revised January 2020

Board Motions

That the 2020-21 revenue budget of \$1,022,410,397 and the 2020-21 expense budget of \$1,029,809,438 be approved

That the projected 2020-21 deficit for compliance purposes of \$(7,516,423), be funded from the August 31, 2020 accumulated surplus through the following appropriations:

Unappropriated Accumulated Surplus	17,630
Other Operating Appropriations	(75,281)
IT Technology and Infrastructure	(5,381,135)
Amount for Future Internally Supported Capital Projects	(718,460)
Future Amortization of Internally Supported Capital Projects	(1,359,177)
Operating Deficit for Compliance Purposes	(7,516,423)
Items Unavailable for Compliance (Accrued Interest)	117,382
Operating Deficit	(7,399,041)

That whereas the Ministry requires the 2020-21 in-year deficit elimination plan be approved, the expenses will be addressed in 2021-22 through the following measures:

One time project expenses that do not continue in 2021-22	\$5.4 m
Additional allocation of Secondary Teachers to support programming to be addressed (approx 4 FTE)	0.4 m
	<u>\$5.8 m</u>