



Date of Meeting: 2020 Aug 25

Item #: 6.0

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:	2020-21 Budget Authorization
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):	That an amount up to an additional 1% of the 2020-21 TVDSB projected operating revenues, totaling \$9,395,781, may be used from the unappropriated accumulated surplus balance to fund COVID-19 related expenses in 2020-21.
Purpose:	To approve the use of an additional amount, up to \$9.4 million, of the unallocated accumulated surplus for COVID-19 related expenses in 2020-21.
Content:	<p>At its meeting of July 21, 2020, Thames Valley Trustees passed the following motions:</p> <ol style="list-style-type: none"> 1. That our Chair write a letter on behalf of TVDSB to the Minister of Education expressing concerns related to unfunded expenses attributed to COVID-19 and the utmost importance of keeping our students and staff safe & healthy during the pandemic. 2. That our Chair write a letter on behalf of TVDSB to the Minister of Education regarding increased flexibility in balancing the budget for the fiscal year 2020-2021 through Regulation 280 to change the requirement for a compliant in-year deficit by one percent to a two percent total. The additional one percent year-in deficit (2020-2021 fiscal year), is a one-time stop gap measure to only fund COVID-related expenses from accumulated surplus, providing the in-year deficit is less than 50 percent of the Board's accumulated surplus. This will ensure deficit recovery as a one-time expense in the 2020-2021 fiscal year and financial stewardship. <p>The letter was sent July 29, 2020 (attached).</p>

	<p>On Friday, August 14, 2020, the Ministry released a memo noting the following:</p> <p>Accessing District School Boards' and Isolate Board School Authorities Accumulated Surplus Balances</p> <p>The ministry will be proposing changes to allow district school boards and isolate board school authorities to access their accumulated surpluses in excess of previously allowed limits.</p> <p>District school boards and isolate board school authorities would be allowed to incur an in-year deficit up to 2 per cent of their operating allocation, for this year only. This will allow for up to \$496 million to be used to support the safe reopening of schools across the province.</p> <p>School boards are being given this additional flexibility for the purpose of augmenting the health and safety of their school reopening plans where they feel it is necessary, in consultation with their local public health unit. Acceptable investments include smaller class sizes and leasing of additional space.</p> <p>Many Ontario school boards have reserves that exceed 2 per cent of their operating budgets. School boards that would like to access their reserves for additional investments in the upcoming school year, related to health and safety, may seek approval from the Minister of Education by providing a business case.</p> <p>The TVDSB approved 2020-21 budget reflects the previously allowable in-year deficit of 1% of operating revenue, funded through the use of accumulated surplus. Through years of prudent and fiscally responsible decisions, the Board has an unappropriated accumulated surplus projected to be approximately \$20 million as at August 31, 2021, after reflecting the approved 2020-21 budget. The use of an additional 1% of operating revenue totals approximately \$9.4 million and would reduce the unappropriated accumulated surplus to approximately \$10.6 million at August 31, 2021.</p> <p>Updates will be provided to the Board with respect to the expected additional expenses related to COVID-19 when expenses can be better estimated. In addition, revised estimates will reflect all anticipated costs as determined by late November. Revised estimates is typically reported to trustees in February/March.</p> <p>Additional COVID-19 related costs will include:</p> <ul style="list-style-type: none"> • Additional teaching staff • Principals for virtual schools • Technology needs
Financial Implications:	Use of an additional amount, up to \$9.4 million, of the unallocated accumulated surplus for COVID-19 related expenses in 2020-21.
Timeline:	

Communications:	
Appendices:	<ul style="list-style-type: none"> July 29, 2020 Letter to Ministry re: Funding Request

Strategic Priority Area(s):

Relationships:	<input type="checkbox"/> Students, families and staff are welcomed, respected and valued as partners. <input checked="" type="checkbox"/> Promote and build connections to foster mutually respectful communication among students, families, staff and the broader community. <input checked="" type="checkbox"/> Create opportunities for collaboration and partnerships.
Equity and Diversity:	<input type="checkbox"/> Create opportunities for equitable access to programs and services for students. <input type="checkbox"/> Students and all partners feel heard, valued and supported. <input checked="" type="checkbox"/> Programs and services embrace the culture and diversity of students and all partners.
Achievement and Well-Being:	<input type="checkbox"/> More students demonstrate growth and achieve student learning outcomes with a specific focus on numeracy and literacy. <input type="checkbox"/> Staff will demonstrate excellence in instructional practices. <input type="checkbox"/> Enhance the safety and well-being of students and staff.

Form Revised January 2020

2020 July 29

The Honourable Stephen Lecce
Minister of Education
438 University Avenue, 5th Floor
Toronto, Ontario M7A 2A5

Dear Minister Lecce,

The Thames Valley District School Board is grateful for your leadership and commitment to the safety and well-being of students across Ontario during the COVID-19 pandemic. However, the challenges posed by the pandemic have raised significant financial concerns for our school board.

At its meeting of July 21, 2020, Thames Valley Trustees passed the following important motions:

1. That our Chair write a letter on behalf of TVDSB to the Minister of Education expressing concerns related to unfunded expenses attributed to COVID-19 and the utmost importance of keeping our students and staff safe and healthy during the pandemic.
2. That our Chair write a letter on behalf of TVDSB to the Minister of Education regarding increased flexibility in balancing the budget for the fiscal year 2020-2021 through Regulation 280.

To change the requirement for a compliant in-year deficit by one percent to a two percent total. The additional one percent year-in deficit (2020-2021 fiscal year), is a one-time stop gap measure to only fund COVID-related expenses from accumulated surplus, providing the in-year deficit is less than 50 percent of the Board's accumulated surplus. This will ensure deficit recovery as a one-time expense in the 2020-2021 fiscal year and financial stewardship.

We are grateful for the Ministry's commitment to provide \$25 million in new funding to support extraordinary expenses related to mental health and technology needs, but we have significant concerns about a number of other costs, such as:

- temporary custodial staff to disinfect touch points and high traffic areas during school operations, expected to cost at least \$7 million
- replacement costs for absences of teachers, administrators and support staff
- ongoing purchase of personal protective equipment (PPE), hand sanitizer and disinfectant

While we are grateful for the assistance of the Ontario Ministry of Government and Consumer Services (MGCS) to procure PPE at significantly lower costs, ongoing costs are expected to be significant.

Based on jobs/functions, PPE can include masks, face shield, gowns and gloves. The minimum expectation is to provide disposable medical-grade masks and a reusable face shield to every school-based employee. Additional PPE will be required for some positions based on specific circumstances.

All of these costs are currently not funded and will require school boards to use accumulated surplus (if available) or re-allocate in-year savings (if any other areas can be reduced). We strongly urge the Ministry to fund these extraordinary costs required to protect the health and well-being of all students and staff

Sincerely,

A handwritten signature in dark ink, appearing to read 'A Morell', with a stylized, cursive script.

Arlene Morell, Chair
Thames Valley District School Board

AM:sh

CC Trustees
M. Fisher, Director of Education