



**BUDGET COMMITTEE  
PUBLIC AGENDA  
June 8, 2015 – Following Closed Session  
Board Committee Room**

<b>Section</b>	<b>Item</b>	<b>Report No.</b>	<b>Resp.</b>
<b>A</b>	<b>Call to order</b>		
	Delegations/presentations - None		
	Approval of agenda		
	Approval of minutes – May 19, 2015		
	Business arising		
<b>B</b>	<b>Recommendations</b>		
	None		
<b>C</b>	<b>Information</b>		
	Note: Report C-1 with appendices will be a handout at the meeting.		
	2015-2016 Budget development update	C-1	M. Savery-Whiteway/L. Miller
	• Accumulated surplus	Appendix A	
	• Draft Consolidated Statement of Operations	Appendix B	
	• Draft Grants for Student Needs	Appendix C	
	• Draft Summary of Operating Expenses	Appendix D	
	• Draft Capital Expenditure Summary	Appendix E	

**Next Budget Committee Meeting: June 15, 2015**



**HASTINGS AND PRINCE EDWARD DISTRICT SCHOOL BOARD  
BUDGET COMMITTEE  
PUBLIC MEETING MINUTES  
May 19, 2015**

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**Members present:** M. Brant, J. Bray, J. Cobb, B. Danes, M. Hall, D. Inch, Chair, J. Williams

**Regrets:** L. Kyle, D. Patterson

**Absent:** T. Biniaris

**Guests:** K. Donnell

**Resource:** M. Fisher, T. FitzGibbon, K. MacQuarrie, L. Miller, C. Portt,  
J. Rogers, M. Savery-Whiteway

**Minutes:** J. Newman

**Call to order**

The meeting was called to order at 5:07 p.m.

**Delegations/presentations**

None

**Approval of agenda**

Moved: J. Cobb

Seconded: B. Danes

**That the agenda be approved.**

**Carried**

**Business Arising**

None

**Information**

**2015-2016 Budget Development**

Superintendent Miller presented Report No. C-1 to provide an update on development of the 2015-16 Budget. The update included an overview of EPO Funding, enrolment projections, a comparative revenue summary and key changes to the Grants for Student needs. In conclusion Superintendent Miller reviewed next steps in the budget development process.

Clarification/discussion items included:

- the data source for long term projections;
- Ministry funding for potential salary increases;
- the purpose of reserve and school generated funds;
- Ministry capitalization policy; Superintendent Miller to follow-up;
- accumulated surplus and how the funds can be used;
- FDK implementation and costs to the board;
- financial benefits in business cases for closing and building new schools;
- Ministry funding for new schools and how the dollars are apportioned.

**The meeting adjourned at 5:55 p.m.**



**Decision** \_\_\_\_\_ **Information** **X**

**To:** The Chair and Members of the Budget Committee

**From:** Mandy Savery-Whiteway, Director of Education  
Leslie Miller, Superintendent of Business Services

**Re:** **2015-2016 Budget Development**

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**PURPOSE:**

To provide an update on the 2015-2016 budget development.

**1. GUIDING PRINCIPLES:**

- Balanced budget → *Ensure we are operating within our means*
- Aligned with System Plan → *Supporting our core purpose and priorities*
- Challenge oriented → *Continuously seek ways to improve support structures & costs*
- Sustainable → *Considering smart transition plans to get us to sustainable future state*

**2. EDUCATION FUNDING 2015-16 (Re-cap presentation of May 19, 2015):**

On March 26, 2015 the Ministry of Education announced education funding for 2015-16. Highlights of the announcement are as follows:

Grant for Student Needs (GSN):

- Estimated at \$22.5 billion which is essentially the same amount as the 2014-15 GSN.
- Continue year 2 of 4 year phase in of new Special Education allocation model.
- Continuation of School Board Efficiencies & Modernization (SBEM) initiative providing incentives and supports for boards to make more efficient use of school space. New changes to be phased in over 3 years include:
  - Top up for non-isolated schools will be phased out; base top up eliminated
  - Geographic Circumstances Grant – Rural & Small community phase out / Updated factors in Remote & Rural Allocation
  - School Foundation – reduced money for schools under 150 students / more money for combined elementary/secondary schools
  - Declining enrolment adjustment being phased-out
- Adjustments for cost pressures:
  - 2% increase in funding for transportation offset against surplus.
  - 2% increase in funding for non-salary portion of facilities operation + 7.3% electricity
- School Condition Improvement (SCI) funding increased to \$500M for 2015-16.

Education Program Other (EPO):

- \$214.1 million of funding to be allocated to schools boards to support Ministry priorities (\$178.9 million in 2014-15)
  - \$153.4 million allocated to schools boards with the March funding announcement.
  - \$60.7 million balance of funds to be confirmed later in the year.

The following link provides access to the full materials, video presentation and supporting B Memos that were announced by the Ministry. <http://www.edu.gov.on.ca/eng/funding/index.html>



**3. ENROLMENT PROJECTION (Re-cap presentation of May 19, 2015):**

**Average Daily Enrolment (ADE):**

<b>FTE (All Pupils)</b>	<b>2013-14 Actual</b>	<b>2014-15 Revised Estimate</b>	<b>2015-16 Budget</b>	<b>Change</b>	<b>Comments</b>
<b>Elementary</b>	9,215	10,131	10,133	+2	<ul style="list-style-type: none"><li>• Consistent with 15 year forecast</li><li>• Includes new FI program at QE(P)</li><li>• (Note: 2013-14 is final year with FDK enrolments reported as half-time for ADE purposes)</li></ul>
<b>Secondary</b>	5,154	4,959	4,840	-119	<ul style="list-style-type: none"><li>• Trending as expected – prior years lower enrolment from elementary panel continues to flow into secondary</li><li>• Yr. 5 enrolment level projections continue to be refined (post implementation of 34 credit limit)</li></ul>
<b>Total</b>	<b>14,369</b>	<b>15,102</b>	<b>14,973</b>	<b>-117</b>	

**4. ACCUMULATED SURPLUS – Appendix A**

**5. DRAFT CONSOLIDATED STATEMENT OF OPERATIONS – Appendix B**

- Estimated In-Year Surplus / (Deficit) available for compliance = (\$57,574)
- Operating Revenue Increased by \$1,078,866 to \$191,099,145 vs. May 19<sup>th</sup> report
  - Grant for Student Needs + \$828,866 : Reduced allocation to capital assets \$600,964; Update Qualification & Experience Grant \$228,053
  - Other Fees & Revenues + \$250,000 : Update for expected continuing education & Loyalist program revenues

**5a. DRAFT GRANT FOR STUDENT NEEDS SUMMARY – Appendix C**

**5b. DRAFT SUMMARY OF OPERATING EXPENSES – Appendix D**

**6. DRAFT CAPITAL EXPENSE SUMMARY – Appendix E**

**7. NEXT STEPS:**

- June 15<sup>th</sup> – Final Draft Budget & Recommendation to Board for approval
- June 30<sup>th</sup> – Submission of reports to Ministry

Respectfully submitted,

**Mandy Savery-Whiteway**  
Director of Education

**Leslie Miller**  
Superintendent of Business Services



Hastings and Prince Edward  
District School Board

Budget Committee  
Public Report No. C-1  
Appendix A  
June 8, 2015

**2015/2016 BUDGET  
ACCUMULATED SURPLUS**

	<u>Year End 2013-2014</u>	<u>Revised Estimates 2014-2015</u>
Opening Balance	\$5,134,334	\$5,553,145
Surplus/(Drawdown)	418,811.00	(485,894.00)
Ending Balance	<u>\$5,553,145</u>	<u>\$5,067,251</u>



**DRAFT 2015-2016 BUDGET**  
**MINISTRY OF EDUCATION SCHEDULE 1.1**  
**CONSOLIDATED STATEMENT OF OPERATIONS**

<b>Revenues</b>	<b>2013-2014 Actual</b>	<b>2014-2015 Revised Estimates</b>	<b>2015-2016 Estimates</b>
Grants for Student Needs	170,231,446	175,932,310	175,421,510
Provincial Grants - Other	10,522,081	2,844,384	1,695,830
School Generated Funds	4,051,300	3,948,478	3,948,478
Federal Grants and Fees	1,569,428	1,699,892	1,679,592
Other Fees and Revenues	2,525,131	1,928,541	2,055,798
Amortization of DCC	5,779,292	\$6,197,061	6,297,937
	<b>\$ 194,678,678</b>	<b>\$ 192,550,666</b>	<b>\$ 191,099,145</b>
<b>Expenses</b>			
Instruction	143,203,853	143,858,232	142,460,050
Administration	5,779,415	5,753,172	5,716,801
Transportation	13,384,376	13,526,499	12,975,218
Pupil Accommodation	25,758,173	24,031,714	24,143,098
School Generated Funds	3,950,513	3,948,478	3,948,478
	<b>\$ 192,076,330</b>	<b>\$ 191,118,095</b>	<b>\$ 189,243,645</b>
Sub Total	2,602,348	1,432,571	1,855,500
Appropriated for Employee Future Benefits	2,183,537	1,918,465	1,913,074
Surplus/(Deficit) For Compliance	<b>\$ 418,811</b>	<b>\$ (485,894)</b>	<b>\$ (57,574)</b>



**DRAFT 2015-2016 BUDGET  
GRANTS FOR STUDENT NEEDS SUMMARY**

	<b>2014-2015 Revised Estimate</b>	<b>2015-2016 Estimate</b>	<b>Change</b>	
(1) Pupil Foundation Grant	79,295,547	78,495,404	(800,143)	Lost funding due to declining enrolment
(2) School Foundation Grant	12,330,752	12,161,184	(169,568)	Lost funding allocation for Admin support est at \$350k over 3 years
(3) Special Education	21,747,589	21,565,003	(182,586)	Lost funding estimated at \$200k per year over 3 years
(4) School Operations	17,126,347	16,946,132	(180,215)	Lost Top up funding est \$1.5M over 3 years; offset by \$180k/yr utilities increase
(5) Transportation	13,706,032	13,699,675	(6,357)	
(6) Qualifications and Experience	14,894,166	15,450,928	556,762	Increase to account for net grid movement
(7) Board Administration and Governance	4,782,568	4,813,667	31,099	New Trustee Assoc Fee funding \$43,000
(8) School Renewal	3,401,649	3,325,884	(75,765)	Lost funding due to change in Top-up model est at \$0.2M over 3 years
(9) Debt Repayment (Interest Portion)	1,810,365	1,765,312	(45,053)	
(10) Learning Opportunities	2,598,586	2,587,841	(10,745)	
(11) Remote and Rural/Distant Schools	3,045,430	2,557,485	(487,945)	Lost funding due to change in Geographic Circumstance est at \$1.2M over 3 years
(12) Language Allocation	1,959,462	1,813,409	(146,053)	FSL funding reduction due to change in enrolment assumptions
(13) Declining Enrolment Grant	1,123,300	370,959	(752,341)	Funding phase out
(14) Continuing Education	505,616	504,884	(732)	
(15) First nation, Metis and Inuit	971,683	967,065	(4,618)	
(16) Safe Schools	309,034	304,149	(4,885)	
(17) Community Use	241,817	237,231	(4,586)	
(18) Restraint Savings	(137,145)	(137,145)	-	
<b>Sub total</b>	<b>\$ 179,712,798</b>	<b>\$ 177,429,067</b>	<b>\$ (2,283,731)</b>	<b>-1.3%</b>
(19) Less Tangible Capital Assets	(1,208,600)	(107,636)	1,100,964	Reduced technology capital investment for 2015-16
(20) Less School Renewal Capital & Interest	(2,571,888)	(1,899,921)	671,967	Higher allocation to capital in 14-15 for Bayside Sewage Treatment project
<b>Total</b>	<b>\$ 175,932,310</b>	<b>\$ 175,421,510</b>	<b>\$ (510,800)</b>	<b>-0.3%</b>



## DRAFT 2015-2016 BUDGET Summary of Operating Expenses

	2013-2014 Actual	2014-2015 Revised Estimate	2015-2016 Estimate	Change:	
				15-16 Estimate vs 14-15 Revised Estimate	
(1) Instruction	143,203,853	143,858,232	142,460,050	(1,398,182)	Sal & Ben (\$0.1M) : Teaching \$1.0M; Other school staff (\$0.8M); Prof Dev (\$0.3M) Supplies & Services (\$1.3M) : 14/15 revised budget adjustments due to EPO and c/f requests
(2) Administration	5,779,415	5,753,172	5,716,801	(36,371)	Sal & Ben (\$0.1M) : Ongoing realignment of staff with attrition Supplies & Services \$0.1M : Trustees Assoc Fee \$43k; Contract Services \$70k
(3) Transportation	13,384,376	13,526,499	12,975,218	(551,281)	Tri-Board admin cost reductions + continuing efforts to optimize route efficiency.
(4) Pupil Accommodation	25,758,173	24,031,714	24,143,098	111,384	Sal & Ben (\$0.5M) : Ongoing realignment of staff with attrition School Renewal \$0.6M : Shift in planned spending between capital and operating expense
(5) School Generated Funds	3,950,513	3,948,478	3,948,478	-	
<b>Total</b>	<b>\$ 192,076,330</b>	<b>\$ 191,118,095</b>	<b>\$ 189,243,645</b>	<b>\$ (1,874,450)</b>	<b>-1.0%</b>





**DRAFT 2015-2016 BUDGET  
MINISTRY OF EDUCATION SCHEDULE 3  
CAPITAL EXPENSE SUMMARY**

	<u>2013-2014 Actual</u>	<u>2014-2015 Revised Estimates</u>	<u>2015-2016 Estimates</u>
Minor Capital Assets (Furniture, computers, vehicles)	1,252,368	1,208,600	107,636
<b>Land, Buildings, Construction in Progress</b>			
Full Day Kindergarten	5,965,370	242,000	-
Other (short term Interest on capital projects)	241,075	114,140	105,500
New Stirling and Tweed Schools	2,505,639	-	-
Stirling Day Care		700,000	-
Queen Elizabeth - Trenton	342,445	3,400,000	9,900,000
Child Care Retrofit	174,807	-	-
Prince Charles P.S.,	298,920	-	-
Harmony Public School	8,764,739	2,200,000	-
Harry J. Clarke Public School	549,460	50,000	-
School Condition Improvement	2,111,955	1,510,000	6,642,169
School Renewal	495,320	1,531,419	1,800,151
Bayside Sewage Treatment		900,000	
	<u><b>\$ 22,702,098</b></u>	<u><b>\$ 11,856,159</b></u>	<u><b>\$ 18,555,456</b></u>