



BOARD MEETING

To be held via Teams Meeting or via phone
(705) 482-7613 or (844) 883-2385 with code 580 525 095#
Tuesday August 11th at 7:00 pm

AGENDA

1.1 Call to Order

1.2 Attendance

1.3 Declaration of Conflict of Interest

1.4 Approval of Agenda

Motion:

That the agenda for the Board meeting of August 11, 2020 be approved.

2.0 Items for Decision

2.1 Report from In-Camera

2.2 2020-21 Budget Report

Motion:

That the 2020-21 Budget Report be approved.

3.0 Adjournment

Motion:

That we do now adjourn at _____ pm.



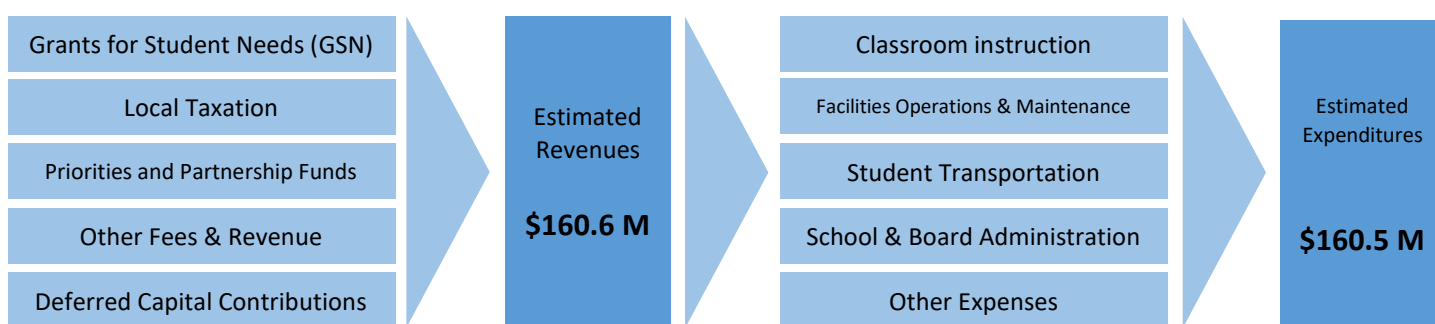
DRAFT Budget Report 2020-21

Introduction

The Board has developed a Budget Procedures Manual for the 2020-2021 Budget that outlines an Action Plan and timelines, this document is meant to compliment the Final Budget Report of 2020-2021. The 2020-21 operating budget was developed to align with the Near North District School Board's ("NNDSB" or the "Board") strategic plan to assign monetary resources to the realization of the Board's mission.

Operating Budget

The operating budget comprises the major annual revenues and expenditures of the Board's financial operations. Revenues from operating grants are received from the Ministry of Education, largely through the Grants for Student Needs (GSN) and represents a significant percentage of the Board's total operating revenues.



Enrolment is the main driver for the Board's funding, as well as the key determinant for teacher staffing ensuring class size compliance. The funding is based on the Average Daily Enrolment (ADE) using the full-time equivalent of students enrolled at each school as of October 31st and March 31st. Sound enrolment projections are primary to ensuring a balanced budget; there is risk if enrolment is overstated. Enrolment for 2020-21 is projected to be an FTE of 9,602 students.

| | 2017/2018 Actual | 2018/2019 Actual | 2019/2020 Budget | 2019/2020 Revised Estimates | 2020/2021 Budget | Budget vs Revised Estimates Change |
|-------------------------|---------------------|---------------------|---------------------|-----------------------------------|---------------------|---|
| Elementary | | | | | | |
| JK/SK | 1,206.00 | 1,231.00 | 1,189.00 | 1,233.00 | 1,189.00 | -44.00 |
| Gr. 1 - 3 | 1,991.00 | 1,944.35 | 1,880.00 | 1,915.00 | 1,932.00 | 17.00 |
| Gr. 4 - 8 | 3,362.35 | 3,415.85 | 3,404.00 | 3,403.00 | 3,417.00 | 14.00 |
| First Nation Students | 101.00 | 121.50 | 118.00 | 121.00 | 103.00 | -18.00 |
| Total Elementary | 6,660.35 | 6,712.70 | 6,591.00 | 6,672.00 | 6,641.00 | -31.00 |
| Secondary | | | | | | |
| Pupils of the Board | 3,020.05 | 2,969.46 | 2,888.95 | 2,901.18 | 2,873.50 | -27.68 |
| First Nation Students | 89.88 | 72.50 | 74.50 | 77.50 | 70.50 | -7.00 |
| Visa Students | 34.80 | 36.00 | 31.00 | 33.00 | 17.00 | -16.00 |
| Total Secondary | 3,144.73 | 3,077.96 | 2,994.45 | 3,011.68 | 2,961.00 | -50.68 |
| Total Enrolment | 9,805.08 | 9,790.66 | 9,585.45 | 9,683.68 | 9,602.00 | -81.68 |

Budget Highlights: 2020-2021 Funding Changes and Challenges

Notable changes within the GSNs (Grants for Students' Needs) for the 2020-2021 Budget year include:

- The Ministry's commitment to fund the centrally negotiated employee collective agreement items such as a 1% increase to salaries, 1% increase to provincial Employee Life and Health Trust benefit plans for plan maintenance and increase for inflation, system investments for hiring additional staff in specific employee groups as well as change to secondary class size from 28:1 to 23:1.
- Funding for one additional sick day to support and recognize school boards' experience with sick leave usage.
- A 2% increase to the non-staff allocation within the School Operations Grant to manage increases in commodity costs (ie. utilities, facility insurance, etc.).
- A new allocation for software licensing to mitigate the impact of the Ministry no longer funding free access to certain software.
- Transportation allocations remain status quo however this area is experiencing budget increases.
- Other GSN changes involved the renaming of grants and changes in the enveloping of grants.
- Prior externally funded Priorities and Partnerships Funding (PPF) grants of Mental Health Workers, Experiential Learning, Curriculum and Assessment Implementation and Executive Compensation allocations were transferred into the GSN.

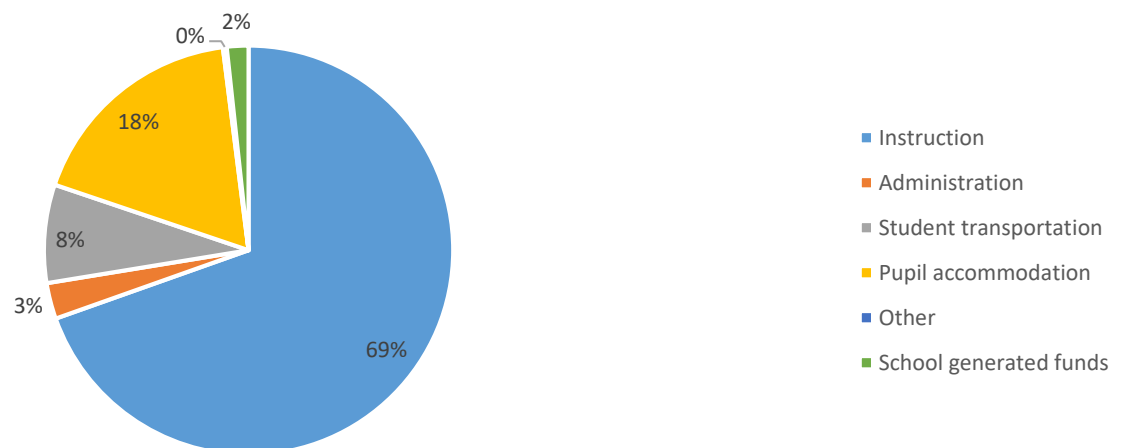
For the Near North DSB the 2020-2021 represents the final year for the phase-out of the retirement gratuity obligation for which the board will no longer have to set aside operating funds to satisfy this obligation.

Budget development during a global pandemic is new for all Boards and will represent an ongoing challenge as the impact of COVID-19 may have a significant impact on both revenues and expenditures. Given the ever changing and uncertain landscape of COVID 19 with regards to the path forward and funding supports, the Board may need access to prior years' accumulated surplus to fund school re-opening plans. For these reasons, accompanied with so much uncertainty about how schools will operate during the year there will be the need for budgets to potentially be flexible where possible to respond to emerging cost pressures and changing events that are currently unknown at this time. Such cost pressures may include employee sick time, transportation, special education and mental health supports, technology and consumables related to health and safety.

Currently the Near North District School Board is presenting a compliant budget for the 2020-2021 school year. The 2020-21 operating budget projects total revenue of \$160,649,526 and total expenditures are projected at \$160,572,833 (including the final Retirement Gratuity Phase-Out Obligation of \$1,034,358).

| Near North DSB 2020-2021 Budget Summary | | | | | | |
|--|---------------------|---------------------|---------------------|---|---------------------|------------------------------|
| | 2017/2018 Actual | 2018/2019 Actual | 2019/2020 Budget | 2019/2020 Revised Estimates (RE) | 2020/2021 Budget | \$ Budget Change vs RE |
| Revenues | | | | | | |
| Provincial legislative grants | 136,178,205 | 139,217,586 | 136,704,286 | 137,505,149 | 140,992,416 | 3,487,267 |
| Provincial grants - other | 4,205,272 | 3,329,178 | 940,045 | 1,985,173 | 963,562 | (1,021,611) |
| Federal grants and fees | 2,435,780 | 2,407,213 | 2,486,707 | 2,511,989 | 2,280,603 | (231,386) |
| Other fees and revenues | 2,748,947 | 2,847,988 | 569,608 | 755,025 | 320,595 | (434,430) |
| Other revenues - school boards | 302,310 | 240,972 | 260,000 | 260,000 | 290,000 | 30,000 |
| Investment Income | 170,275 | 173,462 | 0 | 57,000 | 0 | (57,000) |
| School generated funds | 2,763,038 | 2,812,911 | 2,735,408 | 2,735,408 | 2,774,334 | 38,926 |
| Amortization of deferred capital contributions | 9,672,305 | 10,748,516 | 10,525,342 | 10,527,942 | 13,028,016 | 2,500,074 |
| Total Revenue | 158,476,132 | 161,777,826 | 154,221,396 | 156,337,686 | 160,649,526 | 4,311,840 |
| Expenses | | | | | | |
| Instruction | 108,711,200 | 110,468,411 | 106,388,385 | 107,419,634 | 110,999,586 | 3,579,952 |
| Administration | 4,355,111 | 4,194,426 | 4,384,919 | 4,514,491 | 4,545,085 | 30,594 |
| Student transportation | 11,326,329 | 12,160,131 | 12,293,944 | 12,478,551 | 12,388,369 | (90,182) |
| Pupil accommodation | 24,763,248 | 27,179,381 | 26,303,450 | 26,617,378 | 28,401,711 | 1,784,333 |
| Other | 3,245,420 | 1,416,787 | 573,202 | 663,202 | 481,202 | (182,000) |
| School generated funds | 2,632,808 | 2,778,084 | 2,606,482 | 2,606,482 | 2,722,522 | 116,040 |
| Total Expenses | 155,034,116 | 158,197,220 | 152,550,382 | 154,299,738 | 159,538,475 | 5,238,737 |
| Annual Accumulated Surplus/(Deficit), Before Retirement Gratuity Phase Out Obligation | 3,442,016 | 3,580,606 | 1,671,014 | 2,037,948 | 1,111,051 | (926,897) |
| Retirement Gratuity Phase Out | 1,723,930 | 1,723,930 | 1,723,929 | 1,723,929 | 1,034,358 | (689,571) |
| Annual Accumulated Surplus/(Deficit) | 1,718,086 | 1,856,676 | (52,915) | 314,019 | 76,693 | (237,326) |

2020/2021 Budget
Operating Expenses by Envelope



Operating Expenses

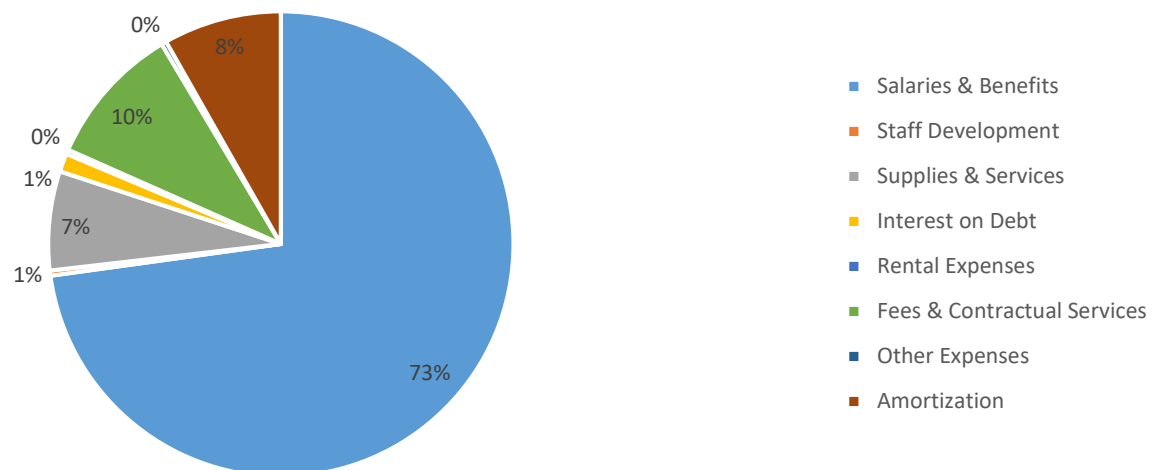
Budgeted expenditures are based on negotiated collective agreements, contractual and service contracts, legislative requirements, and local needs of the system. The budget was carefully reviewed for efficiencies and savings where possible. Current projections for WSIB (Workplace Safety Insurance Board), supply/replacement costs and transportation reflect increases based on historical data and known information.

Total salaries and benefits account for 73% of the total operating expenditures.

The following chart shows the estimated expenditures by category for 2020-21:

| Operating Expenses (by Category) | | | | | | |
|-----------------------------------|--------------------|--------------------|--------------------|-----------------------------|--------------------|---------------------------------------|
| | 2017/2018 Actual | 2018/2019 Actual | 2019/2020 Budget | 2019/2020 Revised Estimates | 2020/2021 Budget | \$ Change Budget vs Revised Estimates |
| Expense Category | | | | | | |
| Salaries & Benefits | 112,436,178 | 115,584,097 | 110,819,242 | 112,386,785 | 116,170,177 | 3,783,392 |
| Staff Development | 403,930 | 370,400 | 659,564 | 659,564 | 563,695 | (95,869) |
| Supplies & Services | 10,942,435 | 11,054,808 | 11,859,714 | 11,712,001 | 10,985,804 | (726,197) |
| Interest on Debt | 2,328,131 | 2,225,350 | 2,150,083 | 2,150,083 | 2,039,707 | (110,376) |
| Rental Expenses | 962,355 | 856,494 | 29,179 | 29,179 | 482,350 | 453,171 |
| Fees & Contractual Services | 14,861,664 | 15,792,466 | 15,728,665 | 15,975,591 | 15,644,182 | (331,409) |
| Other Expenses | 3,354,578 | 1,492,549 | 660,452 | 750,452 | 552,006 | (198,446) |
| Amortization | 9,744,845 | 10,821,056 | 10,643,483 | 10,636,083 | 13,100,554 | 2,464,471 |
| Total Expenses by Category | 155,034,116 | 158,197,220 | 152,550,382 | 154,299,738 | 159,538,475 | 5,238,737 |

2020/2021 Budget
Operating Expenses by Category



Staffing:

Staffing takes into consideration various elements such as:

- Centrally negotiated collective agreements which includes additional System Investment funds to reinstate certain employee positions that were reduced as at August 31, 2019 as well as funds to hire additional staff.
- Secondary class size change from 28:1 to 23:1.
- Special education and mental health supports as well as enhanced opportunities for indigenous programming.
- The planned closure of two (2) school facilities for school consolidation purposes, including transition staffing to support student needs.
- The reduction of two (2) supervisory officers resulted in the need to review underlying supports to realize additional cost savings where possible while ensuring the Board has the necessary supports to carry out needed functions.

| Staffing (FTE) - October 31 Count Date for Actuals | | | | | | |
|--|---------------------|---------------------|---------------------|-----------------------------------|---------------------|---|
| | 2017/2018 Actual | 2018/2019 Actual | 2019/2020 Budget | 2019/2020 Revised Estimates | 2020/2021 Budget | Change Budget vs. Revised Estimates |
| <u>Classroom & Support Staff</u> | | | | | | |
| Teaching | 658.80 | 661.10 | 626.60 | 638.30 | 648.60 | 10.30 |
| Para-professionals | 70.50 | 72.60 | 75.10 | 77.60 | 73.60 | -4.00 |
| Educational Assistants | 171.50 | 173.50 | 167.00 | 167.00 | 167.00 | 0.00 |
| Early Childhood Educators | 48.00 | 50.00 | 48.00 | 52.00 | 44.00 | -8.00 |
| Library & Guidance | 23.00 | 21.50 | 20.00 | 22.00 | 24.20 | 2.20 |
| Co-ordinators & System Principals | 29.00 | 28.70 | 16.30 | 16.30 | 22.60 | 6.30 |
| Total Classroom Staff | 1,000.80 | 1,007.40 | 953.00 | 973.20 | 980.00 | 6.80 |
| <u>Support Staff</u> | | | | | | |
| School Administration | 94.60 | 102.70 | 99.50 | 103.90 | 96.80 | -7.10 |
| Board Administration | 34.20 | 32.80 | 31.70 | 33.10 | 32.80 | -0.30 |
| Facility Services | 116.60 | 117.40 | 116.40 | 120.60 | 111.80 | -8.80 |
| Other Support Staff | 2.00 | 2.00 | 1.50 | 2.00 | 2.00 | 0.00 |
| Total Support Staff | 247.40 | 254.90 | 249.10 | 259.60 | 243.40 | -16.20 |
| Total NNDSB Staff | 1,248.20 | 1,262.30 | 1,202.10 | 1,232.80 | 1,223.40 | -9.40 |

GSN Capital Budget

The GSN provides facility renewal grants (School Renewal and School Condition Improvement) to fund upgrading and renovation of school facilities. A facility renewal project would normally be a project that would cost more than \$10,000 and would convey a benefit of more than one year.

Given the compressed timelines due to the late release of the annual GSN, staff have not been afforded the opportunity as of yet to determine the Capital Projects that will access both School Renewal and School Condition Improvement Funding. The list of proposed capital projects will be brought forward to the Board once finalized.

| Capital Budget | | | |
|------------------------------|------------------|-----------------------------|------------------|
| | 2019/2020 Budget | 2020/2021 Budget Allocation | \$ Budget Change |
| School Renewal | 2,655,216 | 2,712,084 | 56,868 |
| School Condition Improvement | 4,712,877 | 5,077,863 | 364,986 |
| Total Capital Budget | 7,368,093 | 7,789,947 | 421,854 |

Capital Update – New Builds

Current construction projects include:

- JK – 12 Build in Parry Sound – Space Template has been recently approved by the Ministry of Education with next step per Ministry Construction Guidelines is the development of the Request for Proposal for Engagement of Architect.
- Fricker Build – Have completed Schematic Design and proceeding forward with Conceptual Design to 50% and 80% design drawings. Then on to submission of ATP – Approval to Proceed to Tender.