

TO: The Chairperson and Members of the  
Finance Standing Committee

FROM: Associate Director

SUBJECT: **2010-2011 BUDGET GUIDELINES**

**1. Background**

Budget guidelines are developed annually to provide guidance to departments and Administrative Council as to the timing, responsibility and preliminary assumptions for the preparation of the proposed operating and capital budgets. The guidelines are brought to the Board for information and for direction regarding how Board strategic objectives are to be resourced.

**2. Current**

The 2010-2011 Budget Guidelines document is attached as APPENDIX A. These guidelines articulate the continued focus of the Board on student achievement within the context of the Board vision, mission and strategic plan. The Guidelines set out assumptions and timelines for budget preparation, for stakeholder consultation, and for reporting to Finance Standing Committee throughout the budget development process.

Trustee input is critical to the budget development process and the Board is ultimately responsible for the approval of a budget that is compliant with legislation and regulation, and consistent with strategic direction. Guidance provided to Administrative Council through the Director of Education throughout the process will ensure that the budget proposed is aligned with Board strategy.

**3. Report Status**

This report is provided for information.

**Respectfully submitted by:**

Carol McAulay  
Associate Director

January 27, 2010

## **2010-2011 BUDGET GUIDELINES**

# **RAISING THE BAR In Learning, Teaching and Leading**

### **STRATEGIC/PRIORITY-BASED BUDGETING**

The Ministry of Education document “Energizing Ontario Education” released in June 2008 continues to map the future for public education in Ontario with its articulation of three key goals.

- High levels of student achievement
- Reduced gaps in student achievement
- Increased public confidence in publicly funded education

These provincial goals parallel the articulated goals of Simcoe County District School Board; student achievement, safe schools and leadership and employee excellence.

The foundation for financial resource allocation in the budget development process will be made to support the commitment to improve student engagement, learning, and achievement through strategy-focused instructional and operational programs and services. Raising the bar on our expected outcomes involves the sustainability of programs and services that focus on achieving those goals while ensuring equity of outcome and excellence in education. To this end, the budget will reflect the necessary and responsive provision of resources, professional learning, and leadership to our school communities in support of significant student growth and achievement.

### **EARLY LEARNING PROGRAM**

The Ministry of Education recently announced plans for the implementation of full-day early learning for four- and five-year-olds. The Early Learning Program will be introduced in selected schools in the 2010-2011 school year, and will be phased in gradually each year with the goal of having all Ontario publicly-funded schools offer full-day Kindergarten by the 2015-2016 school year.

The Simcoe County District School Board (SCDSB) has been allocated up to 31 classes to serve 806 students for full-day learning for four- and five-year-olds in the 2010-2011 school year. For the 2011-2012 school year, the SCDSB will have up to 45 ELP classrooms serving approximately 1,170 students. Each class will have an average of 26 students and will be supported by one teacher and one early childhood educator. The teachers and early childhood educators will work together to provide learning opportunities and offer support to our students.

## **AUDIT COMMITTEE AND INTERNAL AUDIT INITIATIVE**

The Ministry of Education previously announced an internal audit initiative to be administered through eight regions. SCDSB has been named as the host board for the Barrie region and will oversee the administrative requirements for the regional internal audit team. Funding received under this initiative will be used to support internal audit functions within the region and will be reflected in the Board Administration and Governance section of grant revenues.

## **DECLINING ENROLMENT**

Enrolment in Simcoe County DSB schools is projected to decline in 2010-2011 by more than 800 pupils. Secondary enrolment declined in 2009-2010, at relatively the same rate as projected. Elementary enrolment in 2009-2010 declined at a slightly higher rate than projected, giving rise to an overall decline from original projections in 2009-2010 for a total of just over 60 pupils.

## **EFFICIENCIES AND SAVINGS MEASURES**

During the 2009-2010 budget development process, trustees were informed of the government announcement that included a number of efficiency and savings measures to be applied over a two year period commencing 2009-2010. The following areas will be impacted in 2010-2011:

- 15% ongoing reduction in the Textbooks and Learning Materials component of the Pupil Foundation Grant.
- 25% decrease in the Classroom Computers component of the Pupil Foundation Grant.
- The staff development component of the Pupil Foundation Grant which was reduced to \$0 for 2009-2010, will be restored to its 2008-2009 level of \$11/elementary pupil and \$12/secondary pupil in 2010-2011.
- The declining enrolment grant has permanently changed to 50%, 25%, 5% over three years from 50%, 25%, 25%.
- In 2010-11, top-up funding will be reduced from 20% to 18% for schools that are not at full capacity, with a further reduction in 2011-12 from 18% to 15%. This will not impact any of our schools deemed Rural or Supported. Also beginning in 2010-11, top-up funding for new schools will not be provided for the first five years of operations.
- An additional 1% reduction will be applied to Student Transportation in 2010-11 as well as funding adjustments as a result of declining enrolment. Transition support will be provided for 50% of any funding decrease resulting from enrolment decline.
- An ongoing reduction in the Board Administration grant of approximately 1.5% (approximately \$190 000), commencing in 2010-2011.

**BUDGET DEVELOPMENT PROCESS AND ACCOUNTABILITY**

<p>Board of Trustees and Standing Committees</p>	<ul style="list-style-type: none"> <li>• Measure program and operating recommendations against strategic priorities and system goals</li> <li>• Receive budget presentations from administration as a result of recommendations received through various standing committees</li> <li>• Budget deliberations – discussion and debate</li> <li>• Final approval of 2010 – 2011 budget and related recommendations</li> <li>• Monitor compliance</li> </ul>
<p>Director of Education and Associate Director</p>	<ul style="list-style-type: none"> <li>• Act as liaison to the Board of Trustees</li> <li>• Develop final budget recommendations and reports for presentation to Finance Standing Committee</li> <li>• Create opportunities for consultation with stakeholder groups</li> <li>• Develop formal communication plan with consultation with Admin Council and Board of Trustees</li> <li>• Generate revenue estimates</li> <li>• Complete Ministry of Education requirements including submission of Estimates and posting of budget to public website</li> </ul>
<p>Admin Council</p>	<ul style="list-style-type: none"> <li>• Plan and develop proposed 2010 – 2011 budget</li> <li>• Identify budget issues for review</li> <li>• Articulate characteristics of strategies to align budget with goals</li> <li>• Consider and debate relevance and sustainability of programs and initiatives</li> <li>• Develop budget recommendations</li> <li>• Participate in stakeholder consultation</li> <li>• Receive departmental budget proposals and measure them against strategy, characteristics, relevance and sustainability</li> <li>• Monitor compliance</li> </ul>
<p>Manager of Business Services, Assistant Manager of Business Services - Budget and staff</p>	<ul style="list-style-type: none"> <li>• Provide templates for department/program budget development</li> <li>• Act as resource to departments/programs and Admin Council</li> <li>• Support Associate Director throughout budget development process in preparation and analysis of information, presentations and reports</li> <li>• Prepare Estimates and monitor budget compliance</li> </ul>

## **BUDGET ASSUMPTIONS**

The 2010–2011 Budget will be developed in accordance with specific guidelines and assumptions made to assist with the preparation of the Board's preliminary budget position. These guidelines include legislative and regulatory requirements in addition to contractual, negotiated and self-determined conditions or restrictions that will be respected.

### **Legislative, Regulatory and/or Funding Model Requirements**

- The budget for 2010-2011 will be compliant with Ministry of Education regulations and enveloping provisions. It will be a balanced budget.
- The budget for 2010-2011 will be filed with the Ministry through EFIS by June 30, 2010 in accordance with Ministry of Education requirements.
- The budget for 2010-2011 will be compliant with the Ministry of Education's maximum average class size regulations for teacher staffing.
- The budget for 2010-2011 will be compliant with the Ministry of Education's minimum instructional time requirements for teacher staffing.
- The budget for 2010-2011 will be compliant with the Ministry of Education's Primary Class Size initiative, and the Early Learning Program initiative.
- The budget for 2010-2011 will be compliant with the Ministry of Education's Class Size Grade 4 – 8 initiative.

### **Revenue Estimates**

The release of the grant regulations and other technical documents related to the 2010-2011 budget year are not anticipated until mid-March 2010 or later. To calculate an estimate of the Board's provincial funding for 2010-2011, the 2009-2010 funding model will be used and adjusted for any known or expected changes to the Ministry funding benchmarks.

Revenue estimates will be based on projected enrolment developed by the Property and Planning Department.

The initial funding estimates will be adjusted once the 2010-2011 Grants for Student Needs have been released.

### **Expenditure Estimates**

Allocation of available resources will be proposed by Admin Council based on the Board's priorities and strategic direction on consultation with departments, school leadership and other stakeholders. Each department will submit a complete set of expenditure estimates on proscribed budget forms provided electronically by Budget. Although each school is considered an operating department they are not required to submit budgets as school budget allocations are determined centrally.

The following guidelines will be used in the development of initial 2010-2011 expenditure budget proposals:

#### General Guidelines

- In anticipation of possible Ministry constraint measures, departments will be asked to reduce expenditures not tied to benchmarks by 1%.
- Operating expenditures cannot exceed 2009-2010 budget levels. If increases are necessary appropriate explanations will be provided as part of the budget submission. As noted earlier, if the Board experiences a change in projected revenue estimates, amendments to projected expenditures may also be necessary.
- The cost of any new program or proposed increase to an existing program or service should be offset by an increase in revenue or a reduction in another program or service.
- All departmental budgets will be tabled for consideration with Admin Council. A narrative description of the budget proposal will accompany the numerical document and will highlight changes as well as connection to strategic goals, relevance, sustainability and metrics.
- Some departments/programs will be asked to make presentations to their Standing Committee as part of the budget development process for the Board.

#### Salaries and Benefits

- Budget staff will calculate funded and projected instructional staff levels considering Ministry average class size and minimum instructional time regulations and in consultation with Human Resource Services and Payroll and Benefits. The budgeted cost for these positions will be included on the web-based budget input templates
- Non-instructional salary and benefit costs will be calculated by Human Resource Services and Payroll and Benefits in consultation with Budget based on proposed staff levels. These costs will be included on the web-based budget input templates. Proposed changes (increases or decreases) will be part of the budget development and submission process administered by Admin Council. This process reflects a modified zero-base budget approach.
- Salaries and benefits are to be provided for in accordance with existing employee collective agreements/contractual obligations, and historical absenteeism experience by job classifications unless there are specific disclosed reasons to project either an increase or decrease.
- Anticipated financial impact arising from pay equity maintenance/job evaluation that are not known at the time of budgeting will be allowed for in an estimate calculated by Human Resource Services and will be allocated to departments/programs according to a rubric designed by HRS.

#### Operating Expenditures

- Operating expenditure budgets will be developed using a modified zero-based or zero-based approach. In either case operating expenditures will be accompanied by per unit measurements wherever possible. Examples of per unit metrics are number of supply days x supply cost/day for professional development for replaceable staff, cost/square foot for utilities, etc.

*Capital Budget*

- The 2010-2011 Capital Budget will be tabled with the 2010-2011 Operating Budget. The Capital Budget will include funding, debt servicing costs and projected total expenditures but will not include detailed projected expenditures on capital projects. Capital projects funded with School Renewal grants and Good Places to Learn grants are subject to independent approval processes aligned with Ministry of Education guidelines for the use of those grants. Identification of capital priorities to be submitted to the Ministry of Education for specific capital funding are subject to the Board's annual capital planning process and will be submitted for public consultation and Board approval in accordance with the timelines established for that process.

**BUDGET RESPONSIBILITIES**

Director of Education, Kathi Wallace	<ul style="list-style-type: none"> <li>• 816 Trustees</li> <li>• 818 Director's Office</li> <li>• 819 System Services – Communications and Freedom of Information</li> </ul>
Associate Director, Carol McAulay	<ul style="list-style-type: none"> <li>• 800 Board Revenue</li> <li>• 809 Board Expenses</li> <li>• 810 Business Services</li> <li>• 811 Ed Centre Services</li> <li>• 814 Planning and Enrolment</li> <li>• 820-822 Information Technology Services</li> <li>• 869 Facility Administration</li> <li>• 870 Custodial Services</li> <li>• 871 Environmental Systems</li> <li>• 872 Con Ed – Facility Operations</li> <li>• 875 Maintenance</li> <li>• 876 Transportation</li> </ul>
Superintendent of Human Resource Services and Organizational Development, Ruth Bragança	<ul style="list-style-type: none"> <li>• 812 Human Resource Services</li> <li>• 874 Health and Safety</li> </ul>
Superintendent of Instructional Services and Leadership, Lindy Zaretsky	<ul style="list-style-type: none"> <li>• 828 Leadership Development</li> <li>• 831 Special Education</li> <li>• 833 Instructional Services</li> </ul>
Superintendents of Education K - 12, Kathy Bailey Stephen Blake John Dance Phyllis Hili Janice Medysky Paul Sloan	<ul style="list-style-type: none"> <li>• 697-706 Continuing Ed and Learning Centres</li> <li>• 794 Continuing Ed – International Program</li> <li>• 795 Continuing Ed – PSW Program</li> <li>• 796 Continuing Ed = LBS Program</li> <li>• 832 Supt's of Education Office</li> <li>• 834 Student Success</li> <li>• 835 Newcomer Welcome Centre</li> <li>• 836 Safe Schools</li> <li>• 837 Aboriginal Education</li> <li>• 838 New Teacher Induction Program</li> <li>• 862 Attendance Counseling</li> </ul>

**2010 - 2011 BUDGET TIMELINES**

January 6 <b>PRO</b>	Program Standing Committee	Presentation to and consultation with Trustees <ul style="list-style-type: none"> <li>• Instructional Program Strategies for 2010-2011</li> </ul>
January 12	Administrative Council	<ul style="list-style-type: none"> <li>• Budget Development process and required timelines for departments by budget department</li> </ul>
January 21	Regional Principals All Areas	<ul style="list-style-type: none"> <li>• Consultation on 2010-2011 Operating Budget</li> </ul>
February 3 <b>FIN</b>	Finance Standing Committee (regular meeting)	<ul style="list-style-type: none"> <li>• Budget Guidelines</li> <li>• 2010-2011 Projected Enrolments</li> </ul>
February 9 - June 10	Administrative Council	<ul style="list-style-type: none"> <li>• Budget Development presentation by managers continues at A/C meetings</li> </ul>
February 17 <b>PRO</b>	Program Standing Committee	Presentation to and consultation with Trustees <ul style="list-style-type: none"> <li>• continuation of Instructional Program Strategies for 2010-2011</li> </ul>
March 3 <b>FAC</b>	Facilities Standing Committee	Presentation to and consultation with Trustees <ul style="list-style-type: none"> <li>• School Operations Strategies for 2010-2011</li> <li>• Transportation Efficiencies for 2010-2011</li> </ul>
April 14 <b>FIN</b>	Finance Standing Committee - Budget	Presentation to and consultation with Trustees <ul style="list-style-type: none"> <li>• continuation of presentation with a portion on staffing in Closed Session</li> </ul>
May 12 <b>FIN</b>	Finance Standing Committee - Budget	Presentation to and consultation with Trustees <ul style="list-style-type: none"> <li>• 2010-2011 Operating Budget</li> <li>• 2010-2011 Capital Budget</li> </ul>
May 19 <b>SEAC/FIN</b>	Finance Standing Committee – Budget (6:00 p.m. start) Joint SEAC/Finance (likely start 7:00 p.m.)	Presentation to and consultation with Trustees <ul style="list-style-type: none"> <li>• 2010-2011 Special Education Projected Grants</li> <li>• 2010-2011 Operating Budget</li> <li>• 2010-2011 Capital Budget</li> </ul>
May 26 <b>PIC</b>	Parent Involvement Committee (4:30 p.m. start)	Presentation to and consultation with committee members <ul style="list-style-type: none"> <li>• 2010-2011 Operating Budget</li> <li>• 2010-2011 Capital Budget</li> </ul>
May 27	Regional Principals All Areas	Consultation on 2010-2011 Operating Budget
June 2 <b>FIN</b>	Finance Standing Committee - Budget	Presentation to and consultation with Trustees <ul style="list-style-type: none"> <li>• 2010-2011 Operating Budget</li> <li>• 2010-2011 Capital Budget</li> </ul>
June 9 <b>FIN</b>	Finance Standing Committee – Budget	Presentation to and consultation with Trustees <ul style="list-style-type: none"> <li>• 2010-2011 Operating Budget – final debate and recommendation to Board</li> <li>• 2010-2011 Capital Budget – final debate and recommendation to Board</li> </ul>
June 23	Board of Trustees - Regular Board Meeting	<ul style="list-style-type: none"> <li>• Approval of 2010-2011 Operating and Capital Budgets</li> </ul>
June 24	Schools	<ul style="list-style-type: none"> <li>• Release of School Basic Budget</li> </ul>
June 26	Director of Education and Superintendent of Business & ITS	<ul style="list-style-type: none"> <li>• Release of 2010-2011 Ministry Estimates to Ministry of Education</li> <li>• 2010-2011 Budget posted on public website</li> </ul>
To be determined	Director's Meeting	<ul style="list-style-type: none"> <li>• In-service on 2010-2011 Operating and Capital Budget</li> </ul>