



WINDSOR-ESSEX CATHOLIC
DISTRICT SCHOOL BOARD

2011-12

BUDGET

ESTIMATES

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June 27, 2011

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INTRODUCTION

The Windsor-Essex Catholic District School Board (WECDSB) continues to achieve positive results in its primary objectives of faith development and student achievement. Faith is incorporated into all facets of the organization for both pupils and staff. This is evidenced by the Christ-centered communities that exist in all of our schools and workplaces. Student performance generally remains at or above the provincial average for standardized EQAO testing. WECDSB students regularly display leadership in both scholastic and other activities throughout their school lives.

The Board also continues to dedicate significant resources to the realization of both of these goals. Faith development is not directly funded through Ministry of Education grants. Therefore, the Board must find efficiencies in other functional areas and re-direct the savings to make faith formation a priority. Student achievement is stressed for all WECDSB children and the Board remains deeply committed to an inclusionary model of education. Being an inclusive Board does require additional funding to be designated for special education and WECDSB will again exceed its Ministry grant allocation for special education in 2011-12.

From a broader financial perspective, WECDSB was able to realize the elimination of its prior years' accumulated operating deficit at the end of the 2009-10 school year. The Board finished 2009-10 with a modest budget surplus. However, the Board is still faced with the reality of substantial and ongoing declining enrolment since 2003. A further significant decline is projected for the upcoming 2011-12 school year.

Notwithstanding control measures that had been put in place to address the previous deficit situation, the Board took further decisive steps in April 2011 to deal with the disconnect between grant allocations and expenditures resultant from declining enrolment. Immediate budget adjustments were made to place the Board in a sound financial and operational position for 2011-12 and future years.

The presentation of the 2011-12 Budget herein reinforces the Board's commitment to its two core foundations of faith development and student achievement. The budget builds, for the third successive year, on the system priorities in these two key areas that were previously adopted by the Board for the 2009 to 2014 planning period. The overriding objective is to improve on the overall success of the Board's students, which has remained at a high level even with the financial constraints of recent years.

For 2011-12, the Board continues to maintain many of its previous programs and is positioned to consider additional initiatives, including the ongoing move towards a 21st century learning model, that support its mandate. Due diligence in apportioning increasingly limited resources to fulfill its objectives will remain a critical component of the Board's planning for the school system moving forward into the future.

Based on the above, the 2011-12 budget is presented in accordance with the requirements of the Education Act that the Board submit a balanced budget prior to the commencement of the upcoming school year.

2011-12 SYSTEM PRIORITIES

BOARD MISSION

“We will strive, as a partnership of school, family and parish, to provide our students with a quality Catholic education rooted in Gospel teachings, enabling all to grow to their potential.”

VISION & GOALS

FAITH DEVELOPMENT

- We seek to make Catholic faith integral to all aspects of our lives and learning.
- We provide meaningful and ongoing Catholic faith formation for all students and employees.
- We foster, through "Our Journey to Holiness", a spirit of kindness, compassion and service to the community.
- We create, in all our places of learning and labour, welcoming, inclusive and safe environments in which the dignity and worth of each individual is valued as being in the image and likeness of Christ.
- We embrace the "Ontario Catholic School Graduate Expectations" as the desired outcomes for all our students as they pursue educational excellence.

STUDENT ACHIEVEMENT

- We challenge all our students to become critical thinkers, effective communicators and problem-solvers through the development of literacy and numeracy skills.
- We nurture well-rounded, faith-filled and contributing citizens by developing knowledge, understanding and skills in sciences, arts, humanities, languages and technologies.
- We enrich intellectual, physical, emotional and spiritual well-being through "Healthy Active Living Education".
- We encourage effective communication among all partners in Catholic education to enhance students' achievement and spiritual growth.
- We support the professional development of all employees through training, mentoring and sharing best practices, enabling them to enrich the educational experiences of our students.

2011-12 FAITH DEVELOPMENT PRIORITIES

The faith development priorities for 2011-12 will continue to evolve on an ongoing basis in the coming months and throughout the upcoming school year. They will continue to build on the priorities proposed as follows:

- Catholic School Council Faith Awareness
- New Teacher Faith Formation Process
- Catholic Character Development Initiative
- Catholic Studies Curriculum Implementation - Fully Alive
- General Instruction of the Roman Missal Implementation
- Faith Formation – Diocese of London, St. Peter’s Institute & King’s College
- Catholic School Community Faith Practices - continued provision of faith development opportunities for students and parents
- Teacher additional qualification Religion course (Parts I, II, III) - leadership, professional development
- Retreats:
 - Staff – academic and support staff retreat opportunities Board-wide
 - Students - retreat opportunities grade 8 and high school, student senate faith formation day, and student council leaders
 - Leadership Programs
 - Principals and Vice-Principals
- System-wide Grade 11 Faith Day
- Muskoka Woods Leadership Development Experience, Social Justice Forums
- Together in Faith Day (for staff)
- Faith development opportunities for school councils and parents
- Professional development opportunities for Faith Ambassadors
- Catholic Curriculum Corporation - When Faith Meets Pedagogy Conference
- Liaison with Diocese, Local Deaneries and Parishes

2011-12 STUDENT ACHIEVEMENT PRIORITIES

The student achievement priorities for 2011-12 will continue to evolve on an ongoing basis in the coming months and throughout the upcoming school year. They will be formulated based on a cumulative review of the 2010-11 data from all schools and on Ministry directives which are issued throughout the school year. They will continue to build on the 2010-11 priorities of the Board, which were previously established as follows:

- Ministry Academic initiatives:
 - Literacy and Numeracy Secretariat (Gr. K to 6)
 - Student Success (Gr. 7 to 12)
 - School Effectiveness Framework (Gr. K to 12)

- Literacy and Numeracy Secretariat and Student Success Initiatives:
 - Literacy
 - Numeracy
 - Pathways
 - Catholic, community, culture and caring

- School Student Success Teams
 - Targeted intervention and supports
 - Continued implementation gap closing strategies

- Student Success Transition Planning:
 - Elementary to Secondary
 - Secondary to post-secondary (Apprenticeship, College, University, Workplace)

- Writing Initiatives - Junior Literacy/Numeracy Focus

- Continued implementation of Specialist High Skills Major at Assumption College School (culinary); F.J. Brennan (arts/culture), Cardinal Carter (agriculture and construction), Holy Names (business), St. Anne H. S. (environment), St. Joseph H. S. (health and wellness), St. Thomas of Villanova (information communication technology)

- Continued implementation of Urban Priority High School Grant (Catholic Central)

- Continued support of Ministry/Board initiatives such as Ontario Focused Intervention Partnership (OFIP) and Council of Directors of Education (CODE) special project funding

- Special Education:
 - Effective Individual Education Plan (IEP) development with measurable goals
 - Continued support and expansion of Pupils Establishing Effective Relationships (P.E.E.R. Pals) Program
 - Continued support and expansion of Peer Assisted Learning Strategies (P.A.L.S.)
 - Continued focus on Differentiated Instruction and Special Education Programming

- International Baccalaureate Program (Assumption College School)
- Opportunity Diploma Program - re-engagement of early leavers
- Continued implementation of differentiated instruction strategies for classroom teachers
- Additional supports to improve student achievement for English Language Learners (Newcomer Receptions Center, School Settlement Workers)
- Additional supports to improve student achievement for English Language Learners
- Continued implementation of IEP Review Action Plan
- Continued implementation of Ministry of Education Policy Program Memorandum (PPM) 140 - Incorporating Methods of Applied Behaviour Analysis (ABS) into Programs for Students With Autism Spectrum Disorders (ASD)
- Ontario Psychological Association Project to reduce wait times for assessments and to reduce the need for full assessments
- Analysis of Education Quality Assessment Office (EQAO) assessments to support the development of Board/School Improvement Plans
- Provide access to EQAO information for principals and school staff to facilitate improvement to student learning, monitoring of student progress and identification of patterns over time
- Provision of supports for teachers of combined grades
- Expand the use of the Comprehension, Attitude, Strategies, Interest (CASI) assessment tool
- Continuation of teacher professional development opportunities during the school year and the Summer Institute
- System Professional Development Days
- Family of Schools Professional Development
- Computers in Education - continued expansion of Ministry of Education eLearning initiatives
- Continuation of implementation of Managing Information for Student Achievement (MISA):
 - Data Warehouse
 - Business Intelligence Tool

2011-12 MINISTRY OF EDUCATION GRANTS FOR STUDENT NEEDS (GSN)

The Ministry of Education provides the bulk of funding for school board operations under what are known as the Grants for Student Needs (GSN). The Ministry has indicated that the overall increase in GSN across the Province for 2011-12 is 3.8%. When stated on a per pupil basis, the GSN has risen by \$489 to a Province-wide average in 2011-12 of \$10,730. This amounts to a 4.6% increase in average per pupil funding across the Province.

The Ministry is again providing additional monies to school boards to fund enhancements agreed to in the Provincial Discussion Table (PDT) agreements originally negotiated for 2008-09 and continuing for 4 years in total through to 2011-12.

The highlights of the 2011-12 GSN are provided as follows:

GENERAL ENHANCEMENTS IN GSN

(Funding figures are Ministry estimates for the entire Province for the 2011-12 budget year.)

Salaries

- \$485.2M additional funding to increase salary benchmarks by 3%.

Specialist Teachers and Preparation Time

- \$57.2M increased funding to provide for additional specialist teachers and to support an additional 10 minutes in preparation time.

Grade 4-8 Class Size Reduction

- \$12.7M increased funding to provide for additional teachers to reduce average Grade 4 to 8 class size to 24.7 pupils.

Elementary Supervision

- Additional funding to achieve a \$20.06 per pupil benchmark in the final year of a 4 year initiative to support changes in the number of supervision minutes for elementary teachers.

Education Assistants

- \$120.2M additional funding to improve services and programs for students with special needs and working conditions for education assistants. However, the share of funding flowed to boards through the regular special education per pupil grant is being reduced.

Professional Learning

- \$9.5M additional funding to support professional learning for elementary teachers.

Secondary Programming

- \$20.0M increased funding to provide for additional secondary teachers to support locally developed strategies to expand high school programming.

ENHANCEMENTS IN GSN TO KEEP UP WITH COSTS

(Funding figures are Ministry estimates for the entire Province for the 2011-12 budget year.)

OMERS Contributions

- \$49.9M additional funding to assist boards with the increased costs of the employers' share of contributions in the current school year.

School Operations

- An increase in the non-staff portion by 2% to address increases in commodity prices, such as natural gas and electricity, as well as for insurance costs, plus an additional increase of \$4.1M specifically to assist boards with projected increases in electricity costs.

Student Transportation

- An increase in the cost benchmark by 2% to address higher fuel, capital and other operating costs.
- The Fuel Escalation/De-Escalation Component introduced in 2009-10 to the transportation funding formula will continue in 2011-12 to ensure funding stability for boards in the event of fuel price increases.

Community Use of Schools

- \$0.5M additional funding to help cover cost pressures due to inflation.

REFORMS AND REFINEMENTS TO THE GSN

Updating Allocations to Reflect 2006 Census Data

- In 2011-12, the Ministry will continue with the second year of a four year phase-in to update grants that use census data in their formulas including:
 - Learning Opportunities Grant (LOG)
 - English as a Second Language (ESL)
 - Actualisation linguistique en français (ALF)
 - Safe Schools Supplement
- Since updated census data may result in redistribution of funding among school boards, the LOG and ESL funding changes, both increases and decreases, are being phased-in over 4 years starting in 2010-11. The other two allocations have been implemented fully in 2010-11.

Distant Schools Allocation

- In 2011-12, the Ministry will continue with the second year of a four year phase-out of this allocation.

First Nations, Métis and Inuit Education Supplement

- The Ministry is adjusting the funding benchmarks to address the significant increase in pupils accessing the support programs designed for Aboriginal students.

Supervised Alternative Learning

- Starting in 2011-12, students in supervised alternative learning programs will be funded as half-time pupils plus the appropriate full time equivalent (FTE) for any academic program, to a maximum of 1.0 FTE funding.

Transfer into the GSN – Full Day Kindergarten Transportation Funding

- In 2011-12, transportation funding for full day kindergarten will be transferred from Education Programs – Other (EPO) into the GSN.

CAPITAL FUNDING

(Funding figures are Ministry estimates for the entire Province for the 2011-12 budget year.)

Temporary Accommodation Allocation

- \$40M to continue the new allocation introduced in 2010-11 to address the estimated annual cost of temporary accommodation (portable moves/leases/purchases, lease costs of permanent instructional space) previously funded through the New Pupil Places Grant.

Amount for School Condition Improvement

- \$150M to address school renewal needs in each of the next three years.

Capital Funding for New Schools, Additions and Retrofits/Renovations

- \$600M to fund major capital projects to be undertaken beginning in the next 3 years.

Updates to Energy Efficient Schools Program

- The Ministry is extending the timelines for completion into 2012 to allow boards more flexibility in utilizing previously committed funding.

Full-Day Kindergarten (FDK)

- Starting in 2011-12, boards will be able to use up to an annual maximum of 2.5% of their FDK capital funding allocations to lease or relocate portables, as a temporary solution to address FDK-related accommodation needs.

EFFICIENCY AND SAVINGS MEASURES

(Funding figures are Ministry estimates for the entire Province for the 2011-12 budget year.)

Savings Measures from 2009-10

- The Ministry has extended for one more year the originally planned \$25M annual two year reduction for computers through the Pupil Foundation Grant.
- The annual 1% reduction in student transportation funding will continue for boards that have not received a "High" rating on routing and technology through the Effectiveness and Efficiency (E & E) reviews.

Savings Measures from 2010-11

- The reduction in funding for School Board Administration will increase from \$8.6M in 2010-11 to \$15.4M in 2011-12. A further reduction of \$6.4M is planned for 2012-13.

Savings Measures Starting in 2011-12

- \$21.3M one-time reduction in the Staff Development component for the Pupil Foundation Grant benchmarks.
- \$10M recovery from boards in the 3% non-union salary benchmark increase for 2011-12 (excluding principals and vice-principals).

PROCESS IMPROVEMENTS FOR REFORM

Special Education Funding Formula Review

- The Ministry has initiated a review to examine reasons for the variation in board reporting of students with special education needs and matters related to the special education grants.

Board Administration and Governance Review

- The Ministry has established an advisory group, including school board representatives, which is reviewing the funding formula.

Planned Process Improvements

- The Ministry is moving forward on a variety of process improvements designed to make school finances more efficient as follows:
 - Reviewing workload pressures identified by board administrators as part of the School Board Administration and Governance Review process.
 - Examining reporting requirements to reduce and consolidate the number of reports that the Ministry requires from boards.
 - Examining the move of more Educational Programs – Other (EPO) into the GSN.
 - Working with school boards to increase and expand the range and number of consortia opportunities.
 - Working with Indian and Northern Affairs Canada to address issues about tuition fee agreements.

2011-12 MINISTRY OF EDUCATION FUNDING IN ADDITION TO GRANTS FOR STUDENT NEEDS

Each year the Ministry of Education provides funding outside the Grants for Student Needs (GSN) to sustain its supports to priority initiatives. The funding for these key programs is provided through “Education Programs – Other” (EPO) transfer payments. These EPO funds are essentially restricted in that each specific program allocation contains explicit requirements on use of monies and reporting.

The approximate historical EPO allocations for the Windsor-Essex Catholic District School Board (WECDSB) and the projected allocation for 2011-12 are as follows:

School Year	Total EPO Funding
2011-12	4,219,618 ¹
2010-11	4,607,583
2009-10	3,886,217
2008-09	2,919,422
2007-08	2,360,205
2006-07	2,482,873
2005-06	2,502,875
2004-05	2,457,983

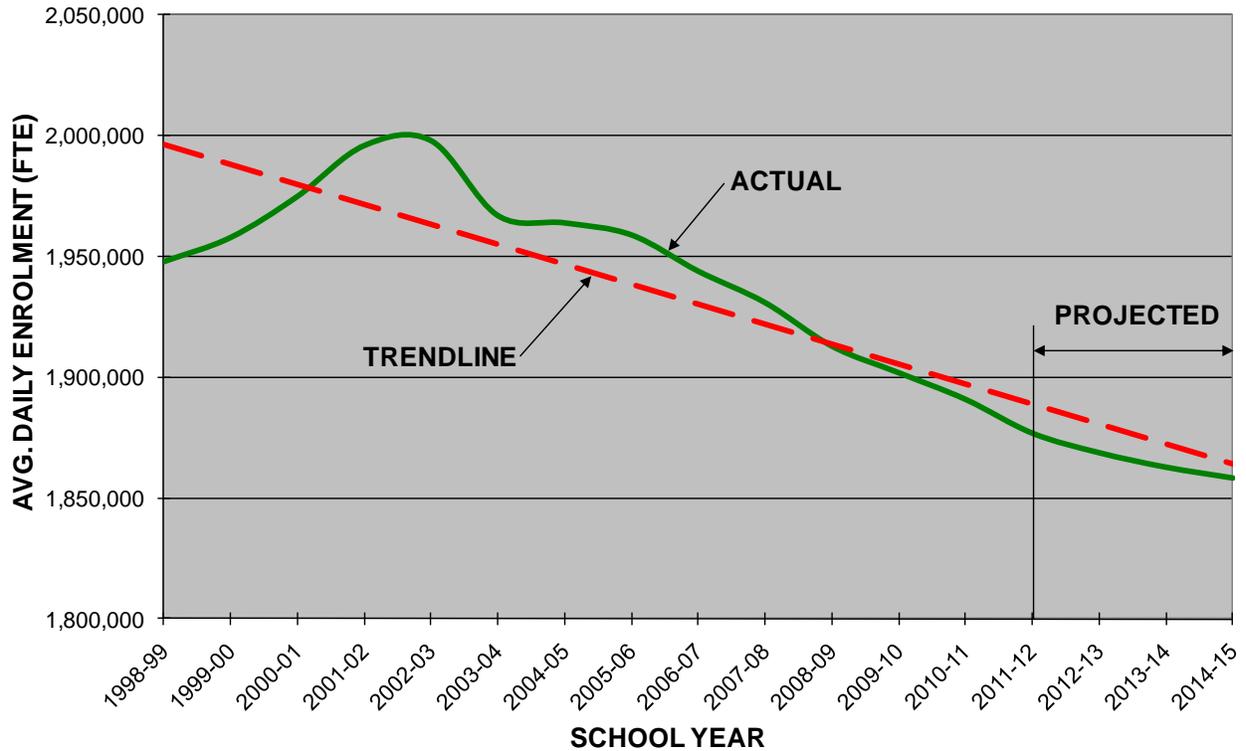
Note: ¹ Projected funding based on information available at the current time. The actual level of funding will be determined by the Ministry through directives anticipated to be issued throughout the 2011-12 school year.

ENROLMENT PROJECTIONS

ONTARIO ENROLMENT TRENDS

In keeping with the trend that has been established since 2002-03, school enrolment in Ontario continues to decline. There still remain the challenges of the changing demographic landscape, specifically an ageing population with fewer children and immigration patterns different than those experienced in the past. While the provincial trend is for the enrolment decline to level off on or about 2014-15, there is still significant uncertainty as to the actual numbers that the future may bring. However, this general projection is unchanged from last year, as shown in the following graph.

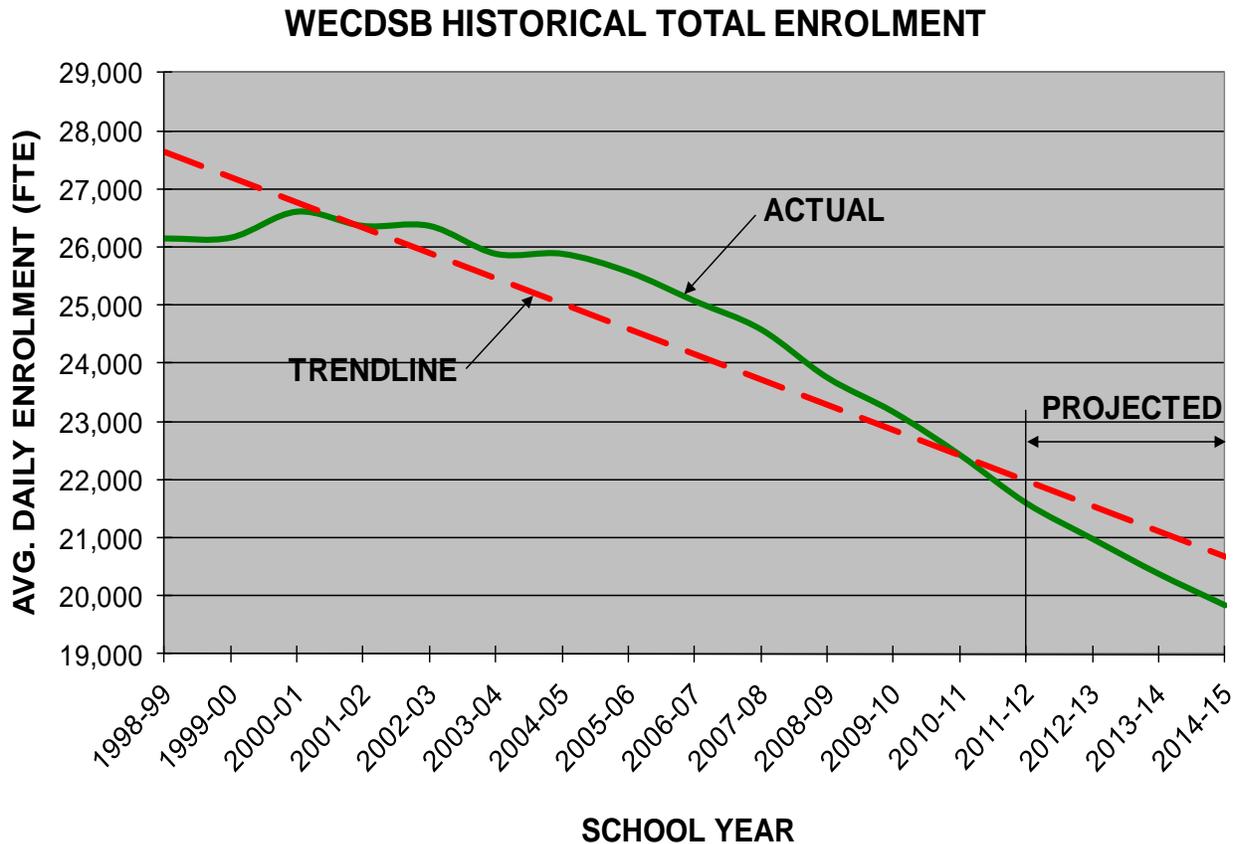
ONTARIO HISTORICAL ENROLMENT



Since the 2002-03 peak, enrolment in Ontario has declined by approximately 107,000 pupils or 5.4% through 2010-11. The proportion of school boards experiencing declining enrolment across Ontario, approximately 75%, is anticipated to remain the same. School boards immediately outside of the City of Toronto are expected to continue to be the exception in projecting enrolment increases in the foreseeable future.

WECDSB ENROLMENT TRENDS

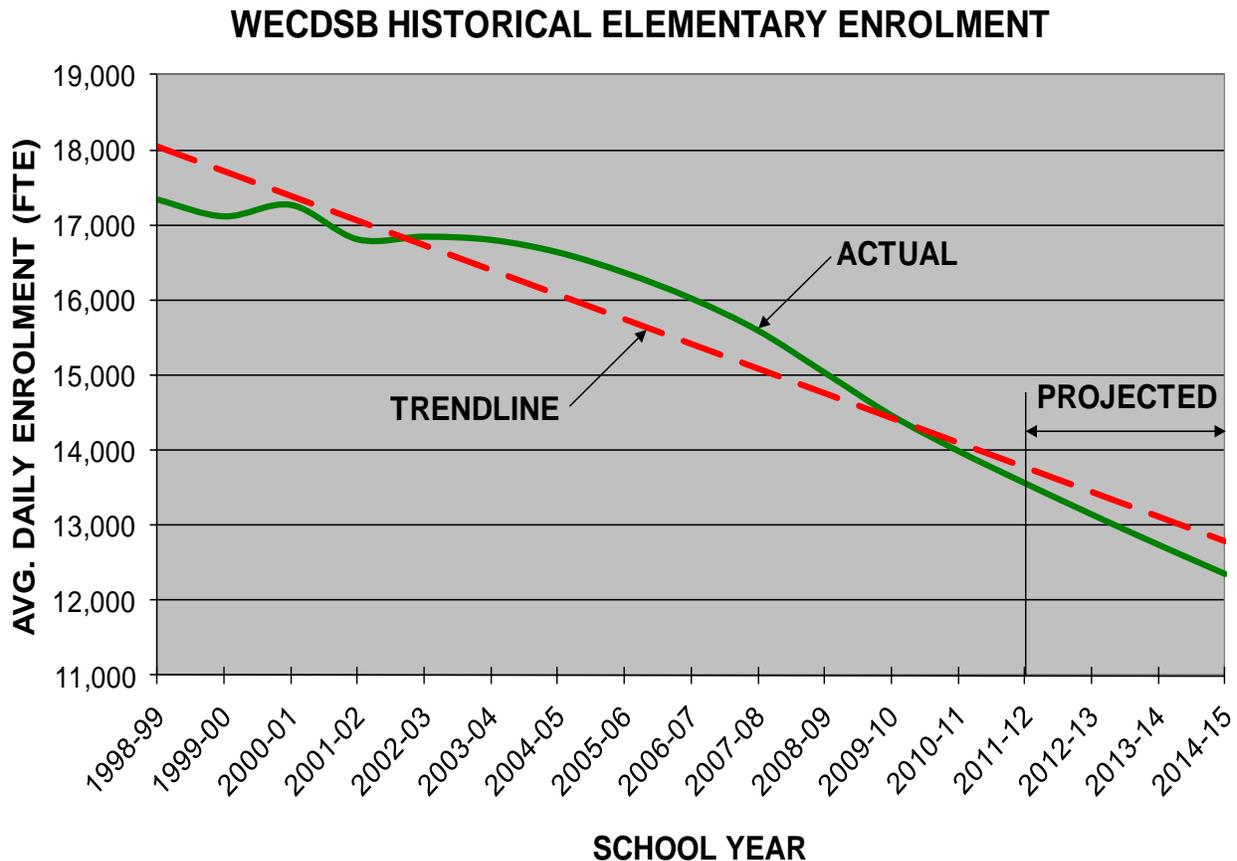
WECDSB enrolment will continue to follow the general Provincial trend, albeit at a rate of decline greater than the Province overall. The actual historical enrolment along with future projected enrolment is shown in the following graph.



Since the 2002-03 peak, WECDSB enrolment has declined by 3,940 pupils or 15.0% through 2009-10, which is significantly greater than the Province-wide decline of 5.4% over the same time period. It is being projected that WECDSB enrolment will continue to decline at a similar rate moving forward over the next 3 years. While the Provincial projection is for enrolment to level off around 2014-15, WECDSB total enrolment may experience this levelling off sometime after that. For the purposes of the 2011-12 budget estimates, a decline of 827 pupils (3.7%) is being projected for overall WECDSB enrolment, bringing total enrolment down to 21,594 pupils.

WECD SB ELEMENTARY ENROLMENT

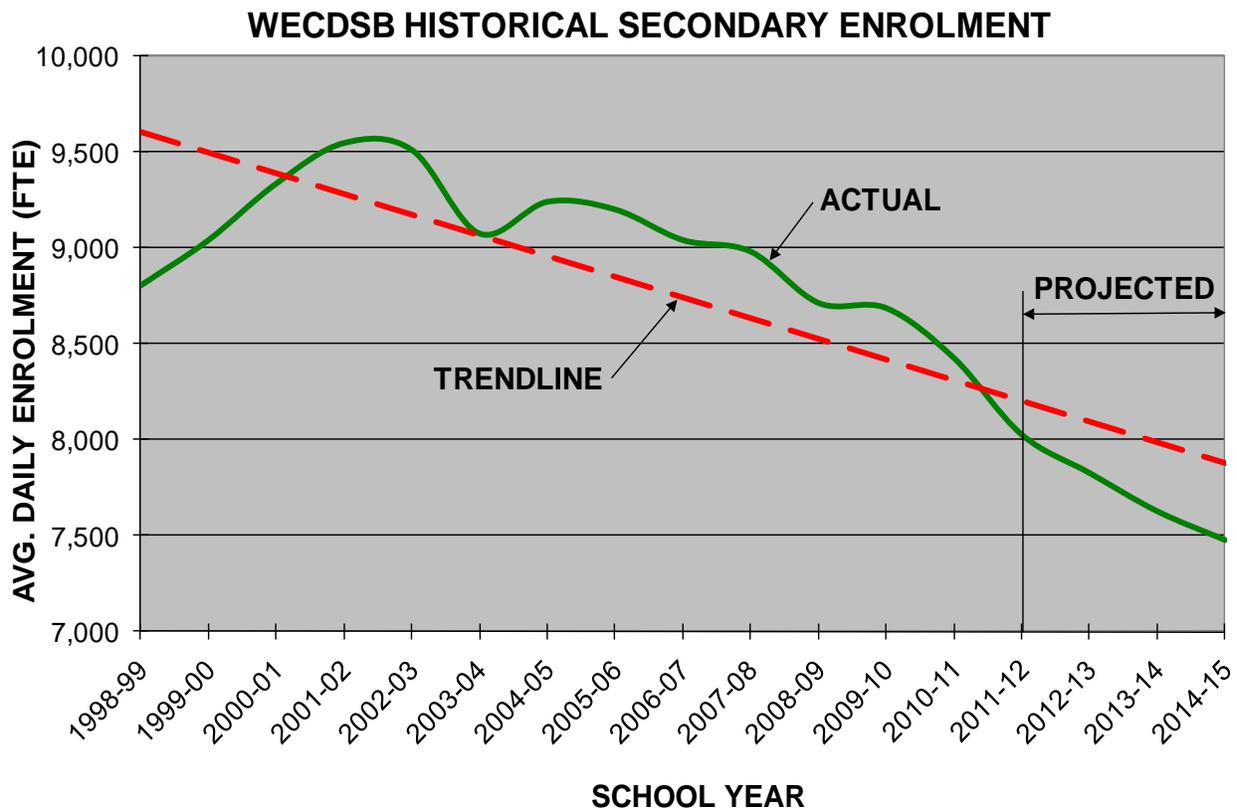
The enrolment trend for the WECD SB elementary panel is somewhat consistent with the overall trend. Continued decline is anticipated over the next 3 years with a levelling off projected for sometime after 2014-15. For the purposes of the 2011-12 budget, a decline of 429 pupils (3.1%) is being projected in the elementary panel, bringing total elementary enrolment down to 13,566 pupils. The actual historical enrolment and future projected enrolment is shown in the following graph.



WECDSB SECONDARY ENROLMENT

The enrolment trend for the WECDSB secondary panel, although in decline, has not decreased at a generally consistent rate in recent years as has the elementary panel. Projecting secondary enrolment into the future is somewhat more difficult given the uncertainty of future registrations resulting from immigration. However, the decline that has been experienced over the years in the elementary panel is now translating into the secondary grades as pupils progress through the school system.

On this basis, the projection over the next 3 years for secondary enrolment is that an increased rate of decline will continue to occur. For the purposes of the 2011-12 budget, a decline of 400 pupils (4.8%) is being projected in the secondary panel, bringing total secondary enrolment down to 8,027 pupils. The actual historical enrolment along with future projected enrolment is shown in the following graph.



Any discussion of enrolment trends must come with a caveat that predictions in the current uncertain economic situation are somewhat tenuous. At a minimum, an annual review of projections is essential to ensure that appropriate adjustments are made to reflect prevailing trends globally and in the local community.

2011-12 BUDGET PLANNING

BACKGROUND

With the completion of WECD SB's 2009-10 audited financial statements in March 2011, it was confirmed that the Board had successfully eliminated its entire \$6.7M projected in-year and accumulated deficit from prior years. The financial and operational plan that had been previously approved by the Board was instrumental in achieving this goal within the original 2 year timeline established by the Board. There was, in fact, a resulting overall accumulated budget surplus of \$556,353 at year-end 2009-10.

While the elimination of the prior years' accumulated deficit was a significant accomplishment, inherent pressures continue to impact the Board's financial situation. Faced with an in-year deficit for 2010-11, coupled with a projected \$8M to \$10M shortfall for the upcoming 2011-12 budget year, the Board approved immediate expenditure reductions in April 2011. The intent of these reductions was to mitigate the 2010-11 in-year deficit and to achieve a balanced 2011-12 budget in compliance with the balanced budget requirements under the Education Act.

Subsequent to the announcement of the expenditure reductions, concerns were expressed by various stakeholders with respect to the nature and magnitude of the reductions and the lack of consultation before proceeding with the reductions. In order to address these concerns, the Board requested the Ministry of Education to undertake a financial review of the Board. The findings of this review have been duly considered in the development of the 2011-12 budget estimates.

MINISTRY OF EDUCATION REVIEW

The Board's request for a review by the Ministry focused on two specific areas. The first was an examination of the Board's financial position to determine the appropriateness of the level of reductions necessary to achieve a balanced budget in 2011-12. The second was an analysis of the alignment of WECD SB spending with Ministry funding allocations to assess areas of opportunity for reductions. This second analysis included a review of board administration spending and staffing, which had been suggested by some stakeholders as warranting consideration for reduction.

In discussions with the Ministry, it was decided that the review would be conducted in two phases. The first phase, encompassing an initial review of the areas noted above, was conducted in early June, with a summary of findings being presented to the Board on June 16, 2011. Given the need for Board staff to focus on preparation of the 2011-12 budget for submission by the June 30, 2011 due date, the second phase was deferred to July 2011. This second phase will be conducted by Price Waterhouse Coopers and will be a more comprehensive review of the finances and human resources of the Board. It will include a review of both non-union and union positions to assist the Board in considering various organizational alignments moving forward into the future.

The findings of the first phase of the Ministry review have been considered in the development of the 2011-12 budget estimates as follows.

Capital Deficit

- Discussions with the Ministry in 2008 had determined that the Board would be responsible for a portion of capital debt that had been incurred in previous years, but was not supported by Ministry grants. It was also determined at the time that the Board would fund the principal and interest payments on this debt by utilizing a portion of its school renewal grants and by utilizing proceeds of disposition through the future sale of surplus Board properties.
- The actual level of debt for which the Board would be responsible was not finalized until the completion of the 2009-10 audited financial statements in March 2011. This level of unsupported capital debt has now been identified at approximately \$17.2M.
- The Ministry review noted that the unsupported amortization expense of this debt over the remaining 23.2 year average service life of the facilities would amount to approximately \$740,000 per year. The Board has already been dedicating a portion of its annual school renewal grant allocation for this purpose in excess of the amount noted by the Ministry. This is proposed to continue in 2011-12. Future proceeds of disposition will also be used to accelerate the retirement of this debt.
- In its review, the Ministry emphasized that the capital deficit would impact the Board's operating budget each year until the debt is fully retired.

Accommodation Review

- The Ministry review indicated that approximately 40% of the schools operated by the Board have a utilization rate below 85% of available floor capacity. Below this level, the Board receives diminished grant funding, which is creating a cost drag on the Board's operations. This will be considered in 2011-12 accordingly.
- The Ministry has recommended that an accommodation review is required to rationalize the Board's underutilized facilities in order to assist in the future with both the Board's operating and capital deficits. This will be considered in 2011-12 accordingly. Given the timeline for accommodation reviews, savings would not be realized until future years.

Operating Deficit

- A projected accumulated 2011-12 in-year operating deficit of \$1.8M was determined by the Ministry through its review.
- The Ministry also confirmed a \$2.4M underlying structural deficit which, if not addressed, would persist beyond 2011-12 into future years.
- Beyond the above two deficits, the Ministry identified another \$3.2M in reductions required when considering grant amendments and other anticipated budget impacts.
- The above three items result in the need for a base total budget reduction of \$7.4M.

- However, the Ministry acknowledged that the \$7.4M required base reduction did not include a further \$5M in spending pressures initially listed by the Board (e.g. special education, school operations and maintenance, etc.). The Ministry stressed that these pressures should be assessed individually and should only be approved once other budget offsets are identified.
- When the \$7.4M base reduction and the \$5M in pressures are considered, the total required reduction to balance the 2011-12 operating budget would be \$12.4M.
- As noted previously, the Board has already made reductions to position itself for the 2011-12 school year. Further adjustments have been proposed in the 2011-12 budget to achieve a balanced budget for submission to the Ministry.

Spending vs. Allocations

- The Ministry review arrived at four key areas in which 2010-11 projected expenditures exceeded allocations, including educational assistants, school operations and maintenance, professionals/paraprofessionals and continuing education.
- It was the Ministry's recommendation that these four areas may provide opportunities for reductions. These are being investigated further to determine the feasibility and timing of budget adjustments in the future.

Board Administration

- The Ministry confirmed Board administration spending when compared against the Ministry allocation to be as follows:

2010-11 Under-spending = \$0.4M

2011-12 Under-spending = \$0.5M

- Furthermore, the Ministry indicated that "Criticism that board administration staff was growing in numbers and receiving pay increases at a time when major staffing reductions were being proposed appears to be unfounded."
- In assessing WECDSB's administration staffing, WECDSB was found to be comparable or lower to other school Boards. Two graphs prepared by WECDSB have been provided in Appendix A which confirm this comparison.
- The graph entitled "Board Administration Staffing" prepared by WECDSB shows that WECDSB's 2011-12 administration staffing will decline by 4 staff and will be at the lowest end of school boards with comparable enrolment.
- The graph entitled "Board Senior Administration Staffing Breakdown" prepared by WECDSB shows WECDSB's senior staffing at the lowest end of various Catholic school boards with varying enrolments.
- With respect to school administration staffing, the graph entitled "Administrative Vice-Principals Staffing" prepared by WECDSB shows that vice-principal administrative staffing has declined from prior years. The projection for 2011-12 is for status quo.

2011-12 BUDGET ESTIMATES

As noted previously, the Board took action earlier this year to implement reductions in order to address the 2010-11 projected in-year deficit and the 2011-12 projected future deficit. The budget estimates that have been prepared for 2011-12 reflect these reductions and are noted in the attached Appendix B. Highlights pertaining to each of these documents are provided as follows.

BUDGET SUMMARY

- This table provides an overall summary of expenses and revenues and identifies any surplus or deficit that may be projected at year-end 2011-12.
- Estimated total operating, capital and other revenues are \$253,578,978.
- Estimated total instructional, pupil accommodation and other operating expenses are \$251,842,498.
- There is no projected accumulated surplus or deficit at year-end 2011-12.
- The proposed budget is in compliance with the requirement contained in the Education Act that the Board must prepare and submit a balanced budget to the Ministry of Education for each school year.

IN-YEAR REVENUES – SUMMARY

- This table contains a listing of all revenues expected to be received by the Board in 2011-12.
- Estimated total grants for student needs are \$247,664,421 (1.4% increase over 2010-11).
- Estimated total in-year revenues for compliance with Ministry requirements are \$253,578,978 (1.3% increase over 2010-11).

IN-YEAR EXPENSES – SUMMARY

- This table reflects a breakdown of 2011-12 proposed expenditures by major categories.
- Estimated instructional expenses are \$193,338,909 (2.2% increase over 2010-11).
- Estimated board administration expenses are \$8,304,500 (17.6% decrease from 2010-11).
- Estimated transportation expenses are \$7,830,501 (5.5% decrease from 2010-11).

- Estimated pupil accommodation expenses are \$40,755,843 (2.5% decrease from 2010-11).
- Estimated total in-year expenses for compliance with Ministry requirements are \$251,842,498 (0.4% increase over 2010-11).

IN-YEAR EXPENSE DETAIL BY CATEGORY – ELEMENTARY & SECONDARY COMBINED

- This table presents a breakdown of 2011-12 proposed expenditures by major category and by major account.
- When all operating expenses are considered, salaries, wages, benefits and staff development make up 82.3% of the Board's estimated 2011-12 budget.

CAPITAL EXPENDITURES – SUMMARY

- This table lists the capital project areas planned for 2011-12.
- Estimated capital expenditures are \$10,968,753 (61% increase over 2010-11).
- The commencement in 2011-12 of major capital components of the full day kindergarten program, combined with the introduction of the School Improvement Condition grant to address renewal needs, is contributing to the significant increase over 2010-11.
- The estimated capital expenditures do not reflect an amount for the recently announced funding by the Ministry for the St. Bernard – Windsor project. This will be added to the list once formal confirmation of the funding amount is received from the Ministry.

2011-12 BUDGET CHALLENGES

The challenges that WECDSB will continue to face in the short term remain unchanged from the past several years. They are outlined as follows.

DECLINING ENROLMENT

- The situation of declining enrolment facing the vast majority of school boards in the Province, including WECDSB, now and into the future, has been well-documented and has been detailed previously in this and previous budget submissions.
- The continual decrease in pupil numbers over time is significantly impacting most areas of the organization. WECDSB will be required to remain diligent in ensuring that future expenditures are consistent with the anticipated reduction in future funding allocations.

CHANGING GRANT REVENUES

- Ministry of Education grants continue to be based, for the most part, on enrolment numbers. With the decline in enrolment, WECDSB has received significantly less in grant revenues over the past several years than would otherwise be the case if enrolment had remained at higher levels. The projection for 2011-12 is that grant revenues will again be proportionally lower given the anticipated reduced enrolment.
- Notwithstanding enrolment declines, the Ministry continues to maintain some grant revenues at prior levels and has slowed the downward transition of other grants to allow school boards time to adjust their operations. These grants may be targeted for further reductions or completely phased out in due course.
- The past two years have seen a proliferation of special one time grants from the Ministry to assist school boards in improving supports in the classroom. This has further assisted boards in making appropriate adjustments in transitioning to smaller pupil numbers. The downside of these small grants is the inordinate administrative effort needed to comply with the grant requirements at a time when administration funding is being reduced.
- For the past several years, the Ministry has provided direct temporary support to school boards by means of the Declining Enrolment Grant. The grant formula is designed to phase out over three years and amendments to the grant in 2009-10 have led to less funding for boards as a result. Further reductions in the grant are expected in the future, since the expectation by the Ministry is that boards will have had sufficient time to adjust their operations to address the impacts of declining enrolment.
- Given the Provincial economic and budget situation, there has been an effect on grants to be provided to school boards in 2011-12. This is expected to continue in the foreseeable future.

BUSINESS OPERATION REVIEWS

- WECDSB was the subject of a Business Operations Review by the Ministry in May 2009, with the final report from the Ministry review team being largely positive, and WECDSB has moved on many of the recommendations arising from the review. However, the reality continues to be that, with the ongoing financial pressures the board is facing and with the complications presented by significant declining enrolment, there are not sufficient administrative supports in place to undertake several of the recommendations in the foreseeable future.
- The Windsor-Essex Student Transportation Services consortium, of which WECDSB is a partner, also was the subject of an Effectiveness and Efficiency Review by the Ministry in January 2010. While the overall rating was positive, the review failed to grant the consortium a rating of high in the routing and technological efficiency category. Therefore, the Ministry reduced transportation grants for 2010-11 to the local consortium partners by 1%, on top of the 1% reduction that was imposed in 2009-10. The consortium is working to have a re-evaluation undertaken by the Ministry sometime in the 2011-12 school year in order to achieve the necessary rating to have the grant reduction eliminated for future years.

INCREASING COSTS

- While inflation and interest rates continue to remain at relatively low levels, costs continue to escalate for many goods and services. Construction and facility maintenance are examples of two areas that have seen regular increases over the past several years, well above the rate of inflation. While the Ministry has provided some financial consideration in this regard, these increases must be partially funded from the existing revenue base.
- Notwithstanding ongoing enrolment decline, WECDSB's active school building inventory has remained at historic levels, with the exception of the recent consolidation of St. Francis and St. James Elementary Schools. The ever-increasing fixed costs for building utilities and maintenance are still being incurred for school buildings, even as enrolment and associated grants have declined.

ORGANIZATIONAL REALIGNMENT

- WECDSB has made significant adjustments to its organization in the recent past in terms of staffing numbers and deployment of staff. As enrolment continues to decline, the organization must continue to make adjustments to its organizational structure, so that reduced resources are utilized effectively and efficiently in support of student achievement objectives.

DEBT SERVICE COSTS

- The Board's overall capital debt is largely funded through Ministry grants now and into the future.

- WECDSB remains responsible for a portion of past capital debt, which is not supportable under regulation for direct Ministry grant funding. The principal and interest payments on this debt are being made from the Board's operating budget and more specifically from the School Renewal budget. Proceeds of disposition from the future sale of surplus properties can be used to offset principal and interest payments. In addition, the Board may apply any future budget surpluses for this purpose.

LONG TERM ACCOMMODATION PLANNING

- As a result of its recent review of the Board's finances, the Ministry of Education formally recommended that an accommodation review is required. This is imperative given the cost pressures that the Board is experiencing. Significant and growing underutilization of the Board's facilities is presenting an ongoing drain on financial resources, particularly those dedicated to operating and maintaining these facilities. Specific action is necessary in the coming months to assess the strategic direction of the Board in this regard.

SUMMARY

The 2011-12 Budget, as is being presented, incorporates the financial direction for the school year announced by the Ministry of Education and key objectives of the Board for 2011-12 moving into the future as follows:

- The Board mission and strategic priorities are reflected in the budget, with focus on faith development and student achievement.
- Classroom programs continue to be fully funded and continue to improve and expand in order to fulfill the mandate for student success.
- Additional funding arising out of the Provincial Framework Agreements with employee groups has been included in the budget, as it has in recent years.
- Announced funding enhancements to support new Ministry initiatives have been inserted into the budget.
- Funding constraint measures as mandated by the Ministry have been introduced into specific areas as directed.
- Future funding constraints as communicated by the Ministry have been considered in the 2011-12 Budget development.
- Budget challenges respecting declining enrolment, changing grant revenues, increasing costs, organizational realignment, debt service costs and long term accommodation planning have been recognized in the budget.
- Provisions have been included to adequately fund the Board's commitment for the remaining balance of WECDSB's long term debt.
- It is acknowledged that future surpluses are to be applied to support future debt financing as a first priority, followed by the reinstatement of School Renewal funding.

In conclusion, the 2011-12 Budget has been prepared to be in compliance with the Education Act requirement that the Board submit a balanced budget prior to the commencement of the new school year.

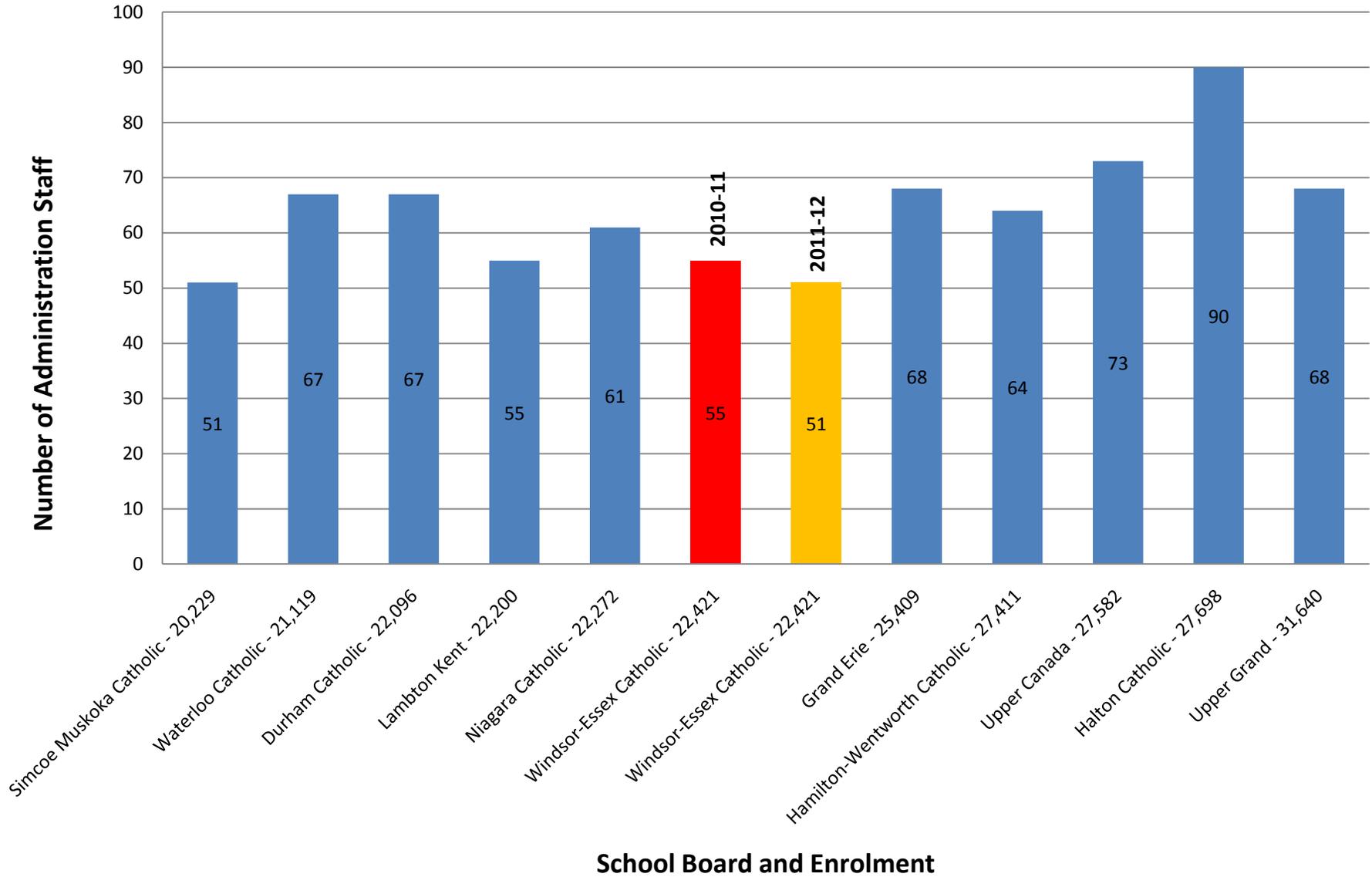
APPENDIX A

BOARD ADMINISTRATION

GRAPHS

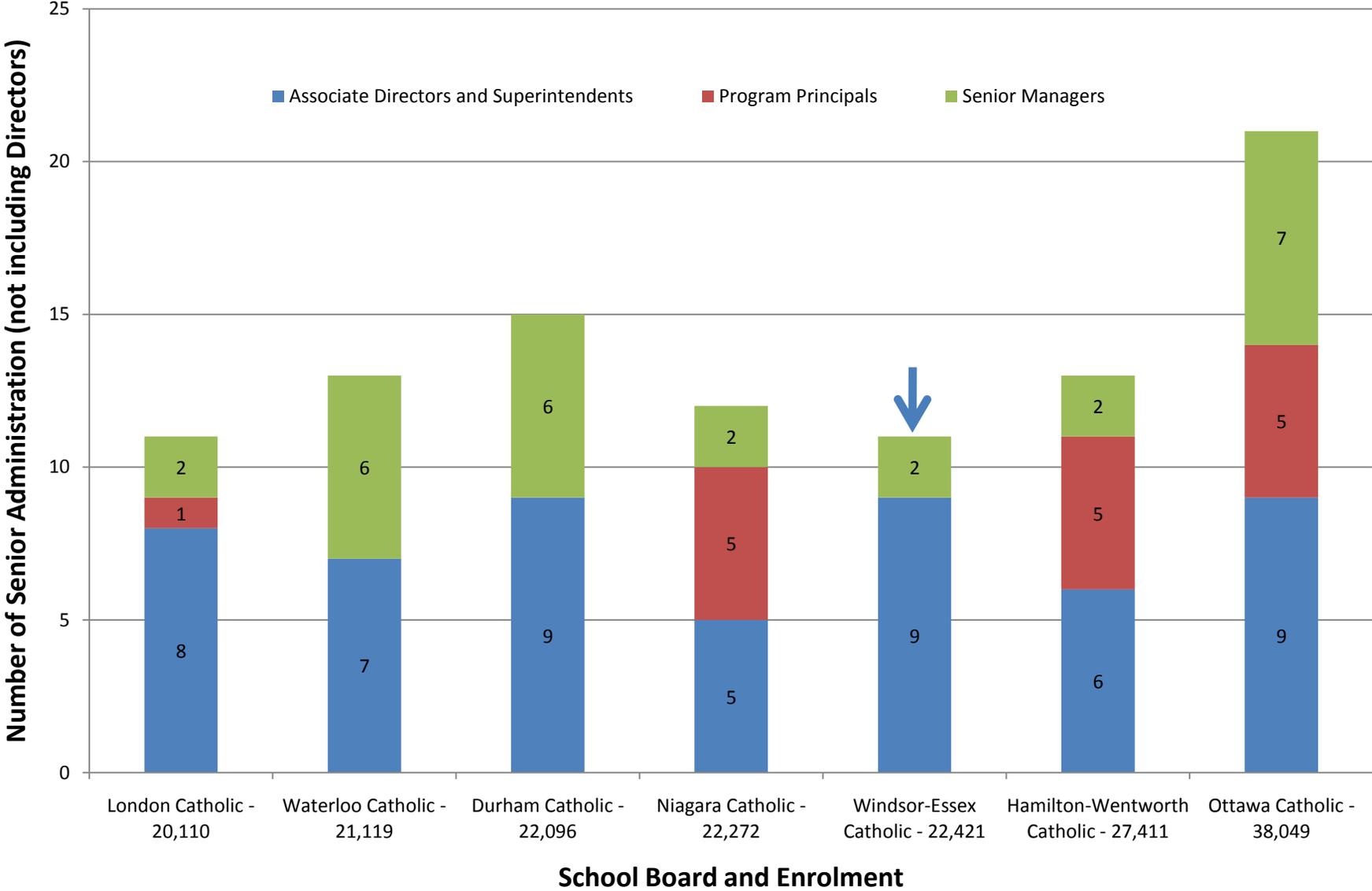
BOARD ADMINISTRATION STAFFING

(Directors, Associate Directors, Superintendents and Other Administration Staff)

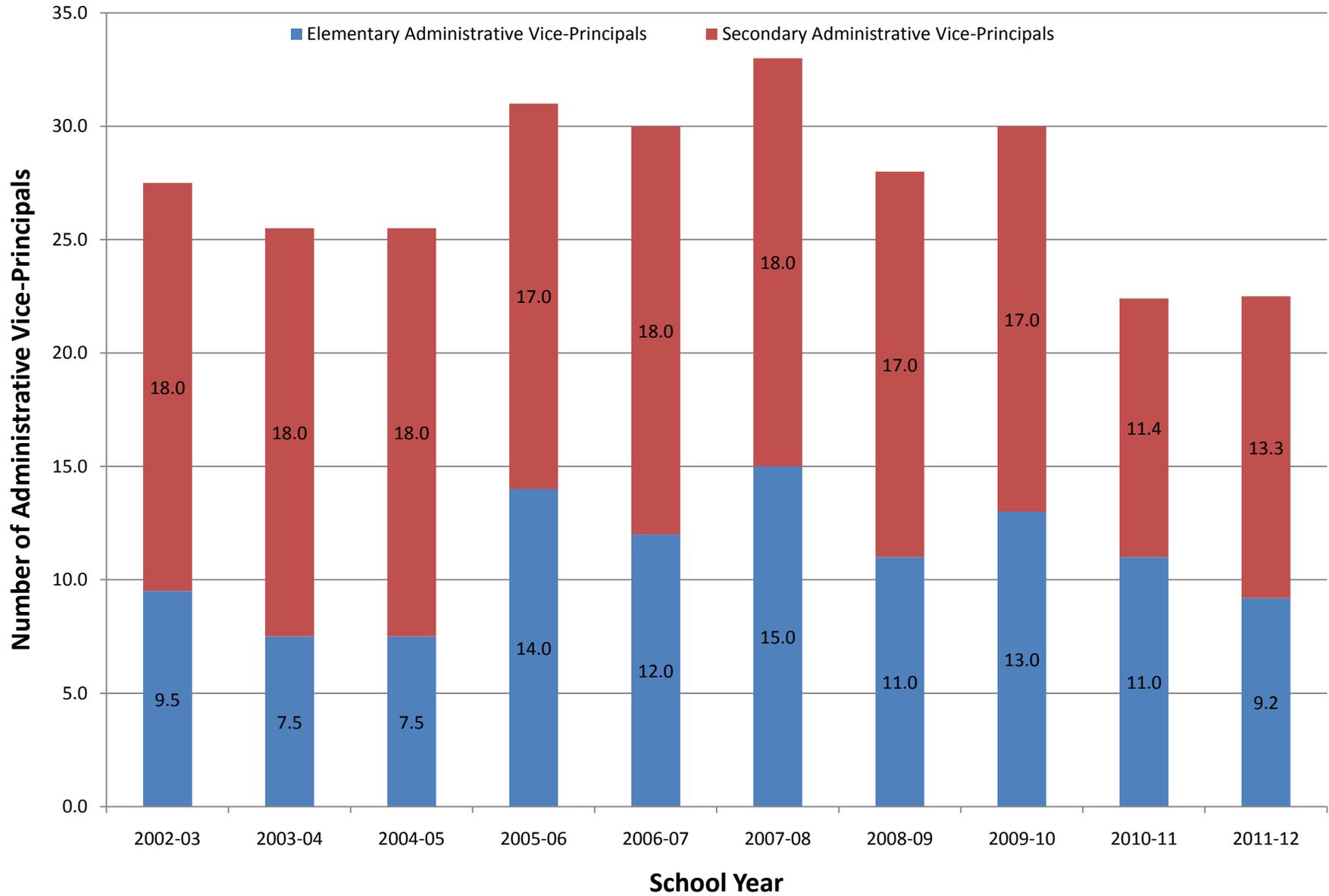


BOARD SENIOR ADMINISTRATION STAFFING BREAKDOWN

(Associate Directors & Superintendents , Program Principals and Senior Managers)



ADMINISTRATIVE VICE-PRINCIPALS STAFFING



APPENDIX B

2011-12

BUDGET

ESTIMATES

Budget Summary

	2011-12 Budget Estimates
Revenue	
Operating	\$ 229,440,415
Capital	18,224,006
Other	5,914,557
TOTAL REVENUE	\$ 253,578,978
Expenses	
Instruction	\$ 193,338,909
Other Operating	16,135,001
Pupil Accommodation & Other	42,368,588
TOTAL EXPENSES	\$ 251,842,498
In-Year Surplus/(Deficit)	\$ 1,736,480
Projected Prior Year Accumulated Deficit	(1,800,000)
Prior Year Accumulated Surplus - Internally Restricted	441,101
SUBTOTAL	\$ 377,581
Less: Internally restricted surplus unavailable to balance budget ⁽¹⁾	(377,581)
PROJECTED ACCUMULATED SURPLUS/(DEFICIT) - August 31, 2012	\$ -

- (1) The Board's projected internally restricted surplus at 2011-12 year-end relates to the following:

Benefit Plan	\$ 76,536
Committed Sinking Fund Interest Earned	301,045
	<u>\$ 377,581</u>

As these amounts are internally restricted, they cannot be used to offset the projected accumulated deficit of (\$1.8M) that is anticipated at the start of the 2011-12 fiscal year (as a projected carry forward from 2010-11 year-end).

In-Year Revenues - Summary

GRANTS	2011-12 Budget Estimates	2010-11 Revised Budget Estimates
I. Pupil Foundation Grant	\$ 113,376,242	\$ 113,874,799
II. School Foundation Grant	\$ 15,497,019	\$ 15,350,606
III. <u>Special Purpose Grants:</u>		
Special Education	\$ 27,414,819	\$ 25,748,662
Language	4,661,627	4,516,563
Learning Opportunity	4,333,013	4,503,982
Adult Ed., Continuing Education and Summer School	1,308,984	1,245,066
Cost Adjustment & Teacher Qualification and Experience	22,244,499	19,335,795
New Teacher Induction Program (NTIP)	89,466	114,639
Restraint Savings	(89,266)	-
Transportation	8,192,592	8,208,402
Administration & Governance	6,149,549	6,239,240
School Operations	20,580,195	20,377,224
Community Use of Schools	301,377	298,893
Temporary Accommodation	-	304,573
Declining Enrolment Adjustment	2,443,579	2,482,842
Program Enhancement	482,500	482,500
First Nation, Métis and Inuit Education Supplemental	178,699	180,139
Safe Schools	645,130	642,668
School Renewal - Operating portion	1,630,391	1,484,587
Green School Pilot	-	64,529
	<u>\$ 100,567,154</u>	<u>\$ 96,230,304</u>
IV. <u>Debt Servicing Grants:</u>		
Permanent Financing of NPF	\$ 1,612,745	\$ 1,612,745
Amortization of Deferred Capital Contributions	7,971,039	8,280,591
Capital Debt Support Payment - Interest Portion	8,640,222	8,864,953
Short Term Interest	-	29,947
	<u>\$ 18,224,006</u>	<u>\$ 18,788,236</u>
TOTAL GRANTS FOR STUDENT NEEDS	\$ 247,664,421	\$ 244,243,945
Education Programs - Other (EPO's)	\$ 4,219,618	\$ 4,607,583
Investment Income	\$ 22,000	\$ 1,500
Fees & Revenues from Other Sources	\$ 1,672,939	\$ 1,420,837
TOTAL IN-YEAR REVENUES FOR COMPLIANCE	\$ 253,578,978	\$ 250,273,865

In-Year Expenses - Summary

EXPENSE CATEGORIES	2011-12 Budget Estimates	2010-11 Revised Budget Estimates
INSTRUCTION		
Classroom Teachers	\$ 137,344,750	\$ 134,434,789
Occasional Teachers	4,523,676	3,000,819
Teacher Assistants / Early Childhood Educators	17,874,754	16,269,845
Textbooks, Supplies, Materials	4,505,822	5,317,392
Computers	1,052,870	1,053,405
Professionals, Paraprofessionals & Technicians	5,856,061	5,306,787
Library & Guidance	3,125,554	4,473,157
Staff Development	326,565	509,254
Department Heads	618,881	676,268
Principals & Vice-Principals	9,379,267	9,393,566
School Office - Secretarial & Supplies	5,870,001	6,141,675
Coordinators & Consultants	2,557,371	1,736,172
Continuing Education	255,348	553,405
Amortization & Write downs	47,989	247,730
TOTAL INSTRUCTION	\$ 193,338,909	\$ 189,114,264
ADMINISTRATION		
Trustees	\$ 150,633	\$ 155,233
Directors & Supervisory Officers	1,718,109	1,925,024
Board Administration	6,426,888	7,984,709
Amortization & Write downs	8,870	16,099
TOTAL ADMINISTRATION	\$ 8,304,500	\$ 10,081,065
TRANSPORTATION		
Pupil Transportation	\$ 7,830,501	\$ 8,282,696
TOTAL TRANSPORTATION	\$ 7,830,501	\$ 8,282,696
PUPIL ACCOMMODATION		
School Operations & Maintenance	\$ 21,848,140	\$ 22,811,133
School Renewal - operating portion	1,630,391	1,484,587
Other Pupil Accommodation	8,706,389	8,877,170
Amortization & Write downs	8,570,923	8,619,947
TOTAL PUPIL ACCOMMODATION	\$ 40,755,843	\$ 41,792,837
OTHER		
Other Non-Operating Expense	\$ 1,612,745	\$ 1,633,995
TOTAL OTHER	\$ 1,612,745	\$ 1,633,995
TOTAL IN-YEAR EXPENSES FOR COMPLIANCE	\$ 251,842,498	\$ 250,904,857

In-Year Expense Detail by Category - Elementary & Secondary Combined

Expense Categories	Salaries and Wages	Employee Benefits	Staff Development	Supplies & Services	Interest Charges on Capital	Rental Expense	Fees & Contractual Services	Other	Amortization	Total Expenses
INSTRUCTION										
Classroom Teachers	\$ 121,955,364	\$ 15,349,500	\$ -	\$ 39,886	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 137,344,750
Supply Teachers	4,134,707	388,969								4,523,676
Teacher Assistants/ECE	13,760,252	4,114,502								17,874,754
Textbooks/Supplies				4,420,661			85,161			4,505,822
Computers				1,052,870						1,052,870
(Para)Prof./Technicians	4,478,682	1,287,123		90,256						5,856,061
Library/Guidance	2,643,503	481,313		738						3,125,554
Staff Development			326,565							326,565
Department Heads	558,557	60,324								618,881
Principals and VPs	8,251,570	1,109,747	11,950	6,000						9,379,267
School Office	4,163,971	1,364,199		341,831						5,870,001
Coord. and Consultants	2,090,640	257,743		208,988						2,557,371
Continuing Education	224,294	21,054		10,000						255,348
Amortization									47,989	47,989
Instruction Subtotal	\$ 162,261,540	\$ 24,434,474	\$ 338,515	\$ 6,171,230	\$ -	\$ -	\$ 85,161	\$ -	\$ 47,989	\$ 193,338,909
ADMINISTRATION										
Trustees	\$ 109,233	\$ -	\$ 14,400	\$ 18,000	\$ -	\$ -	\$ -	\$ 9,000	\$ -	\$ 150,633
Director/Supervisory	1,412,561	300,548	5,000							1,718,109
Board Administration	2,847,249	1,023,629	12,250	748,010		191,200	1,122,600	481,950		6,426,888
Amortization									8,870	8,870
Administration Subtotal	\$ 4,369,043	\$ 1,324,177	\$ 31,650	\$ 766,010	\$ -	\$ 191,200	\$ 1,122,600	\$ 490,950	\$ 8,870	\$ 8,304,500
TRANSPORTATION										
Pupil Transportation	\$ 205,534	\$ 61,732	\$ 2,940	\$ 31,252	\$ -	\$ 10,584	\$ 7,510,374	\$ 8,085	\$ -	\$ 7,830,501
Transportation Subtotal	\$ 205,534	\$ 61,732	\$ 2,940	\$ 31,252	\$ -	\$ 10,584	\$ 7,510,374	\$ 8,085	\$ -	\$ 7,830,501
PUPIL ACCOMMODATION										
School Oper./Maintenance	\$ 10,629,352	\$ 3,707,029	\$ 2,142	\$ 6,636,917	\$ -	\$ 215,200	\$ 655,500	\$ 2,000	\$ -	\$ 21,848,140
School Renewal -Operating							450,330	1,180,061		1,630,391
Other Pupil Accommodation					8,652,380		54,009			8,706,389
Amortization									8,570,923	8,570,923
Pupil Accom. Subtotal	\$ 10,629,352	\$ 3,707,029	\$ 2,142	\$ 6,636,917	\$ 8,652,380	\$ 215,200	\$ 1,159,839	\$ 1,182,061	\$ 8,570,923	\$ 40,755,843
OTHER										
Other Non-Oper. Expenses								1,612,745		1,612,745
Subtotal - Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,612,745	\$ -	\$ 1,612,745
TOTAL EXPENSES	\$ 177,465,469	\$ 29,527,412	\$ 375,247	\$ 13,605,409	\$ 8,652,380	\$ 416,984	\$ 9,877,974	\$ 3,293,841	\$ 8,627,782	\$ 251,842,498

Capital Expenditures - Summary

FUNDING SOURCE	2011-12 Budget Estimates	2010-11 Revised Budget Estimates
Full Day Kindergarten - NPF	\$ 5,636,305	\$ 200,000
Good Places to Learn Renewal - NPF	2,132,079	4,560,764
School Condition Improvement	1,620,615	-
Capital Priority Projects - NPF (St. James 4 classroom addition)	-	434,985
Energy Efficient Schools	-	5,593
Minor Tangible Capital Assets	140,000	38,000
Short Term Interest on Capital	72,383	-
School Renewal	2,997,762	3,064,673
Less: Portion of School Renewal grant transferred to Operating	(1,630,391)	(1,484,587)
Less: Portion of School Renewal grant projected to be unspent	-	(5,086)
TOTAL IN-YEAR CAPITAL EXPENDITURES	\$ 10,968,753	\$ 6,814,342

Note:

NPF = Not Permanently Financed