

Toronto District School Board 2011-12 Budget Background Q&A

Is TDSB's 2011-12 Budget balanced?

Yes, the TDSB Trustees approved a balanced Operating Budget for 2011-12 of \$2.8 billion, maintaining the quality of education for our students. However, as in previous years, TDSB continues to have a structural deficit.

What measures does the 2011-12 Plan include to balance the budget?

Under the Budget Plan, we are making every dollar count by focusing our resources on the needs of our students and finding savings in areas that do not directly support students, including:

- continuing to target central administration costs with an additional 15 percent cut in discretionary budgets
- cutting meeting expenses, external meeting room rentals, temporary office assistance, and the use of outside consultants
- further enhancing energy conservation measures
- auditing enrolment to make sure teacher staffing matches actual class sizes
- increasing permit fees as of in January 2012
- shifting \$30 million set aside for major renewal and capital projects to cover the cost of smaller critical building maintenance

What is the difference between Operating Budget and Capital Budget?

The Operating Budget funds the daily operation of our schools and includes costs such as program supports and supplies, salaries and benefits, utilities, technology, transportation. The Capital Budget covers the cost of building and renewing schools, including repairing existing schools; building or upgrading classrooms, portions of a school or a full school; repairing or upgrading plumbing, wiring and heating, etc.; repairing structural problems; and repairing or upgrading school grounds including sport fields, playgrounds, fences and asphalt surfaces, etc.

What is a “structural deficit”?

An organization is said to have structural deficit when annual expenditures normally exceed revenues. For example, if someone is constantly dipping into their savings to pay for regular expenses they have a structural deficit. Whether you are talking about an individual household or a large organization, the principle is the same: balancing the annual budget will require short-term solutions such as delaying planned purchases, selling assets or borrowing.

In order to maintain our current level of programs and services in 2012-13, TDSB is projecting a budget shortfall of more than \$50 million.

What is the connection between TDSB's structural deficit and balancing the budget?

The balanced budget plan for 2011-2012 includes specific one-time savings and measures - essentially short-term solutions that are not ongoing and/or sustainable. One of the ways we are doing this is by using \$30 million of money budgeted for major renewal and capital project funding to cover the cost of smaller building maintenance projects.

Where are some of the shortfalls in TDSB's funding from the Province?

TDSB offers many programs and services that aren't fully funded by the Province but significantly enhance student success, such as Model Schools for Inner Cities, and Child and Family Literacy Centres, as well as educational assistants, lunchroom supervisors, school nutrition programs, swimming pools and outdoor education centres.

Although there have been improvements in provincial funding models, challenges still remain. Many of our funding grants are tied to specific Ministry initiatives such as full-day kindergarten and to salary increases.

Why does TDSB have a shortfall in Special Education funding?

More than 50 percent of provincial Special Education funding is based on a school board's overall enrolment, rather than on the number of Special Education students it serves. Next year, TDSB will receive **\$1.5 million less** in Special Education funding, despite the fact that the number of students identified with special needs is growing every year.

The number of identified special-needs students enrolled in TDSB schools grew between 2006 and 2010 by 5,200 (16%). During the same period our overall enrolment fell by 13,600 students (5.4%).

TDSB spends \$15.4 million more than we are funded to provide the Special Education programs and services our students need. We will continue to support Special Education at current levels despite decreases in funding.

Why is declining enrolment a problem for TDSB?

Declining enrolment has been a significant, ongoing challenge for TDSB. Since 2001-02, enrolment in TDSB schools has fallen by nearly 13% or more than 35,000 students. Fewer students means less money because Provincial funding for school boards is based largely on student enrolment numbers.

While school staffing models are enrolment-based and are adjusted as enrolments change, many other costs are less flexible. These include, for example, facility costs (utilities, maintenance), information technology infrastructure, and transportation services. We do not receive any funding for maintenance of excess classroom space resulting from declining enrolment.

Why does TDSB have a \$3 billion backlog in renewal projects?

From 2005-10, the province's Good Places to Learn school-renewal funding program provided TDSB with \$413 million, but this grant ended in 2010. The TDSB school renewal backlog now exceeds \$3 billion, \$200 million in the last year alone.

Building systems in more than 450 TDSB schools are well past their 35-year "best before" date. Today's \$3 billion backlog in renewal projects represents the amount it will take to replace those basic structural, mechanical and electrical systems, nothing more. The cost of updating our schools to meet 21st century learning needs is much, much higher: an estimated \$8.22 billion in today's dollars.

Since 2001, the cost of emergency repairs and health and safety projects has grown from \$2 million to over \$30 million per year. Emergency repairs and unplanned maintenance expenses impact our ability to update schools for 21st century learning needs. For example, the more than 300 schools built during the post-war baby-boom now need retrofits.

Why does TDSB need to raise permit fees?

In 2009-10, TDSB's budget shortfall related to permit use was \$11.2 million. TDSB is the largest and most heavily permitted school board in Ontario. Since 2004, a number of new programs have been established, increasing permit use by approximately 45% (2004-09).

TDSB permit fees have not seen a fee increase since 2004, although the cost of caretaking and maintenance has increased significantly. By comparison, during this same period, the City of Toronto has raised permit fees by approximately 3 percent each year. With the increase in permit rates beginning in January 2012, TDSB permit rates will finally begin catching up with inflation.

How will the permit fee increase impact seniors and community members?

There will be little to no impact on seniors and other community members.

Permit fees are not the same thing as program fees. They are simply the rent that external groups and organizations pay to use TDSB space. This "rent" typically accounts for only 1–3 percent of an organization's overall cost to run programs such as a youth soccer league or a continuing education program.

TDSB permit rates vary depending on the kind of organization or group requesting the permit, as well as on the kind of space they need. The actual impact of the proposed fee increase on most categories of permit holders will be quite small. So, for example, a community-based seniors' or youth group will pay a much lower rate than a for-profit organization would pay to use the same space. A youth basketball league, for example, would see the cost of their Friday night gym permit go up by less than \$4.00.

What other steps has the Board taken to build a solid foundation for the future?

In 2009/10, we established the Toronto Lands Corporation (TLC) to make the most of our surplus assets, and began reviewing our property needs across the entire city. Revenue generated through this process will allow us to invest in the inspiring environments our students deserve. Eight accommodation reviews were completed last year and eight schools closed. Two new reviews are already moving forward in 2011, but as enrolment numbers continue to decline, dealing with excess, unfunded space will remain an issue.

A five-year capital plan was recently approved by the Board. Several property redevelopment projects are underway and several more are being considered. This will help support the TDSB's longer-term school building and renewal needs.

Strategies such as the Solar Roof partnership let us use our resources creatively to benefit our students. This innovative project addresses urgent roofing renewal needs while delivering clean energy to communities and offering our students an up-close lesson in environmental responsibility.

How will TDSB solve its budget challenges in the long-term?

In June 2010, the Board set in motion the process of developing a three-year operating budget recovery plan to reduce TDSB's structural deficit and reliance on renewal funds to balance the budget.

In August 2011, the Board's reconstituted Budget Committee and other relevant standing committees will begin the 2012-13 budget process to consider measures for expenditure reductions and more innovative options for revenue generation. Trustees will closely examine all operational spending to determine areas of potential savings and the impact of potential reductions. They will also continue to consult with members of our diverse communities to understand and reflect their priorities. The Budget Committee will report back to the Board in December 2011 with recommendations for the 2012-13 operating budget.

How can TDSB community members help?

During the upcoming provincial election campaign, the Ontario Public School Boards Association (OPSBA) has declared September 20, 2011 as *Education Day*. School board Trustees across Ontario, including TDSB, will be hosting open forums in each provincial riding and encouraging voters to engage local candidates on the education issues that are important to their communities. Details about times and locations will be available at www.tdsb.on.ca in July.

Where can I find more information about TDSB's budget?

Visit www.tdsb.on.ca/budget for additional background information, links, and resources.

For more information, please contact:

Lauren Riley
Communications and Public Affairs
Toronto District School Board
416-395-2721
lauren.riley@tdsb.on.ca