

MEMORANDUM



**WATERLOO CATHOLIC
DISTRICT SCHOOL BOARD**

DATE: June 24, 2002
MEMO TO: Board of Trustees
FROM: Roger D. Lawler
Director of Education and
Secretary of the Board
SUBJECT: Board Policy IV 005, "Budgeting/Forecasting"
Letter of Transmittal for the 2002-2003 School Year
Budget.

The estimate of revenues and expenditures for the 2002-2003 school year - contained herein - is presented for Board approval as recommended by the Director of Education. The budget was prepared based on the following criteria:

- The Board of Trustees' budget policy, as set forth in Executive Limitation IV 005 -- "Budgeting/Forecasting".
- The Board of Trustees Strategic Plan, *Sharing Our Journey*.
- The System Plan for Improved Student Learning/School Improvement, May 31, 2002 [attached].
- The Board of Trustees acceptance on March 26, 2002, of the Budget Recovery Plan.
- The Education Act and Regulations.

Budget Highlights

- This budget represents the fifth year of the *new* provincial funding model.
- The budget is based on planning assumptions that reflect the fiscal reality of the cumulative effect of and significant and serious impact of under funding of education in Ontario.
- The budget provides for the anticipated 2001-2002 year-end deficit position of the Board.
- The budget incorporates the March 26 Budget Recovery Plan direction that no new programs will be added through this budget which incurs new spending.
- The budget reflects the system priorities based on the new strategic plan, *Sharing Our Journey*; system priorities as presented in draft form to the Board of Trustees on May 27, 2002. *Sharing Our Journey* was developed over the past two school years in consultation with over 3,000 ratepayers, staff, clergy, students and members of the wider community for implementation beginning in September, 2002, and extending to 2006.

Introduction

The following budget has been developed based on current policy direction from the Board of Trustees on budget development through Board Policy IV 005, "Budgeting/Forecasting". This policy has been in place since 1999 and has remained unchanged.

Provincial Context – Funding of Education



In his epic book, *A Tale of Two Cities*, Charles Dickens begins with the following quote:

“It was the best of times, it was the worst of times, it was the age of wisdom, it was the age of foolishness, it was the epoch of belief, it was the epoch of incredulity, it was the season of Light, it was the season of Darkness, it was the spring of hope, it was the winter of despair, we had everything before us, we had nothing before us, ...”

One can describe the current funding model much like the *tale of two cities*. There are those who view it as adequate and as a spring of hope and those that live in a winter of despair. There were many who saw the introduction of the funding model in 1998 as a spring of hope. Finally, students in Ontario would be funded according to both equity and equality – no matter where they resided in Ontario. The epoch of belief was that government, in taking over full responsibility for funding education in Ontario – would continually update the funding benchmarks to permit school boards to engage in long-term planning; to reach responsible collective agreements with all employee groups knowing beforehand what their revenue stream would be

However, Ontario education has entered the winter of despair. The foundational benchmarks for determining a school board’s entitlement to funding have not been increased substantially by government over time.

- In 1998 school boards received \$5.20 per square foot for cleaning and maintaining school facilities. In 2002, school boards receive the same amount. Costs continue to increase.
- In 1998, school boards received \$43 per student elementary and \$56 per student secondary to operate information technology systems. The same amounts are received today. Costs continue to increase.
- The base level for salary and benefits for all employee groups has risen by 1.96% since 1998 – six years ago. Costs continue to increase beyond the one-time 1.96% increase to the salary and benefit line since 1998.
- An examination of all benchmarks reveals the same process – insignificant increases to the benchmarks if any at all while, at the same time, all school boards have seen dramatic increases in costs.
- Beyond the above, government has legislated that school boards must negotiate three year collective agreements with no idea of how much revenue school boards will have to pay for the deals.
- While the government has introduced the *local priorities* amount to provide school boards with increased local flexibility, the local priorities funding is a hollow amount. Government keeps telling the public that school boards have local flexibility to address local priorities. School boards keep robbing Peter’s envelop to pay for the funding shortfall in Paul’s envelop. Flexibility is more than hallow since one cannot spread the 2002-2003 additional \$100 per student over the ever increasing wide range of cost increases.
- The Waterloo Catholic District School Board continues to cover off the lack of Special Education funding that students qualify for yet government has not provided. In the case of the Waterloo Catholic District School Board, our cycle 1 approval rate for additional Special Education revenue increased from an approval rate of 68% in November 2001 to 99% in December 2001. This permitted the school board to qualify for an additional \$1.1 million **not yet received!** Special Education funding has been frozen at last year’s 68% approval rate! Nonetheless, government, through the memorandum that accompanies the grant regulations states “this funding [the local priorities amount] is flexible, meaning that boards will be able to use this funding without the restrictions of the enveloping provisions to address pressures, such as the cost of teachers, special education, and remediation programs.”



The recently completed cycle 3 approval rate also verified approval of 113 of 114 files. This will also translate into an additional \$1.7 million in Special Education funding for the school system beyond the \$1.1 million already owed. Last year, we over spent in Special Education by \$2.8 million by taking money from other envelopes. **The recently completed cycle 1 and cycle 3 validation of our Special Education files demonstrates that we have entitlement to \$2.8 million – the exact amount that we over-spent in Special Education last year!**

We can no longer continue, however, to provide the services without the revenue government owes the students of this school system! We continue to rob Plant Operations to pay for kids and very soon our facilities will begin to drop back into the disrepair they were in when the funding model came into being; a model designed to ensure there was money there for facilities so they would not become run down. We don't need the flexibility to move funds from one area to another. Rather we need adequate funding in all envelopes.

On January 11th, 2002, our Board Chair, Vice-Chair, Past-Chair, and Director of Education met with our local four Members of Provincial Parliament – the Honourable Elizabeth Witmer, Ted Arnott, Wayne Wettlaufer, Gerry Martiniuk. At that time, information was presented that demonstrated that the funding model's benchmarks had not changed substantially since 1998 and that these benchmarks were based on the cost of delivering education in Ontario in 1996 – some six years ago. If the funding benchmarks had increased over the past six years by the 8% inflation rate, our board would have experienced an approximate revenue surplus of some \$4 million dollars to apply to our 2001-2002 budget situation. As it was, we were initially dealing with an \$8 million deficit position – a position that was subsequently reduced to approximately \$3.4 million by March, 2002, through continuous review by senior administration of all aspects of our organization. By the end of the 2001-2002 fiscal year, we expect the 2001-2002 revenue shortfall to be approximately \$1 million roughly the same amount the Government owes us in Special Education funding for recently approved cycle 1 files. Nonetheless, as noted below, this reduction in spending comes at a considerable cost.

Presenting this budget, therefore, is much like the tale of two cities. How does one celebrate the positives in Catholic education – the season of Light: the development and implementation of our strategic plan, *Sharing Our Journey*, the many incredible things that go on in classrooms and at the system level everyday, carried out by very dedicated staff – while, at the same time, we work within the season of Darkness: a funding model that has not kept up with cost increases over the past five years?

As the Ontario Catholic School Trustees' Association has stated time and again to government, it is not the funding model that is flawed but the adequacy of money that the government of the day decides to put into the model. Had government kept up the regular influx of money through updating the funding benchmarks along the way, school boards would not be in the financial position they are in today.

Process of Budget Presentation



Ministry of Education Regulations

1. Enrolment data
2. Ministry of Education expenditure rules
3. 2002-2003 revenue estimates and overall expenditures

Board of Trustees' Budget Policy on Budget/Forecasting

4. Budget planning assumptions
5. Information gathering/sharing process
6. Catholic distinctiveness
7. Faith development experiences for students/staff/trustees
8. Support for an inclusive learning environment
9. Professional development/capacity building for all partners in the Catholic education community
10. Equity of access to resources and opportunities
11. Provision for lifelong learning, including the provision for Junior Kindergarten
12. Provision of a safe learning environment
13. Trustee planning
14. Monitoring activities

Other Planning Areas and Recommendation

15. Operating versus capital budget items
16. Accommodation Master Plan – Capital Budget
17. Report on reserve funds
18. Challenges for 2002-2003
19. Recommendation

1. Enrolment Data

The enrolment experience of the school system has been one of steady, continuous growth over the past ten years. We are continuing to see a levelling off in elementary enrolment for the 2002-2003 school year due to the impact of the *'baby boom echo'* moving through the school system wherein the number of new JK and K registrations has fallen off. This is a provincial trend. It is anticipated that our enrolment will continue to level out over the next three school years before gradually picking up again. The chart below indicates the enrolment on the official count date (September 30 for 1991 to 1995 and October 31 thereafter).

Year	Enrolment as of Sept. 30 or Oct. 31	% Change Over Previous Year
1991	20,610	-
1992	21,670	5.14
1993	22,316	2.98
1994	22,746	1.92
1995	22,966	0.96
1996	23,156	0.82
1997	23,491	1.44
1998	23,919	1.82
1999	24,075	0.65
2000	24,105	0.12
2001	24,285	0.74
2002	24,350 (projected)	0.26



Revenue for the budget is calculated using the **average daily enrolment of the system** -- that is, 50% of the projected October 31, 2002, enrolment count and 50% of the March 31, 2003, projected enrolment count. (Junior and Senior Kindergarten students count as half-time). **The average daily enrolment estimate for the 2002-2003 school year is projected to be 15,752 (elementary) and 6,835.75 (secondary) for a system total of 22,587.75.**

This budget, as in the past, is a plan of revenues and expenditures based on the estimated average daily enrolment. Consequently, if the average daily enrolment changes as a result of either the October 31 or March 31 actual enrolment numbers, then the budget revenues and expenditures will be revised. Revisions occur in:

- November and April of each school year.
- Administration will report enrolment to the Board in September, November and April as part of the regular monitoring reports.
- As a result of monitoring activities in November and April, budget revenues and expenditures will either be increased, decreased or remain stable.

2. Ministry of Education Expenditure Rules

The funding model has a number of expenditure rules that must be followed. Funds may be moved around to meet local circumstances so long as the rules are heeded. The table below states the rule and the particulars from the 2002-2003 School Year Budget to demonstrate that the budget plan is within the Ministry of Education General Legislative Grant Regulations.

Expenditure Rule
1. There must be a minimum of 65% expenditure of revenues in the classroom. A board may spend 35% of revenues in non-classroom areas. This budget allocates more than 65% of expenditures to the classroom as outlined on page one of the budget cover page.
2. For 2002-2203 the government has provided an additional \$100 per full-time equivalent student to be used for local priorities. The government argues that this provides school boards with more flexibility to address local issues -- a concern school boards have raised in the past with the government. These funds are allocated to the various expenditure envelopes as per Ministry direction.
3. Funds may not be moved from the classroom to areas defined as "non-classroom". No classroom funds have been directed to non-classroom areas.
4. Special Education revenue is the <u>minimum</u> that must be expended for Special Education Programs and Services. Any excess at the end of the year must be placed in a Special Education Reserve Fund to be used for Special Education in subsequent years. This budget proposes spending approximately \$1.8 million more on Special Education than we receive in revenue grant. Please see budget cover page, line B. It should be noted that last year we expended approximately \$2.8 million more on Special Education than we received in grant!
5. Revenues for school board administration and governance represent the <u>maximum</u> that can be spent on these components. This budget expends less than the maximum amount on school board administration and governance. Please see budget cover page, line E.
6. The allocations for new pupil places and school renewal represent the <u>minimum</u> that must be spent in these areas. Any excess must be placed in a Pupil Accommodation Reserve for use in subsequent years for new pupil



places/school renewal. **This budget allocates pupil accommodation revenues to the appropriate areas and assigns, as required, the excess to reserve. Please see budget cover page, line I and ‘Capital Expenditures / Revenues detail on budget cover page.**

7. The average class size, elementary, as a system average, must be 24.5 to 1. The average class size, secondary, as a system average, must be 21 to 1. **In 2001-2002, school boards had the option of applying to the Ministry to increase the secondary average class size by up to one student to 22 to 1.** The Waterloo Catholic District School Board passed the appropriate motion during 2001-2002. Subsequently, the Board – as required by the legislation – passed a motion in April 2002 to maintain the secondary average class size at 22 to 1 until August 31st, 2004.

3. 2002-2003 Revenue Estimates and Overall Expenditures

The following chart outlines the 2002-2003 estimated revenues (after the OMERS clawback) and expenditures by category area. This information is captured from page one of the budget report.

Area	Revenue for 2002-03 by Area After OMERS Savings Deducted	Expenditures by Area	Surplus / (Deficit) by category
Board Administration and Governance	\$5,062,258	\$5,046,324	\$15,934
Transportation	\$5,732,016	\$5,997,614	(\$265,598)
Adult & Continuing Education	\$4,121,352	\$4,038,838	\$82,514
School Operations	\$14,767,536	\$12,898,663	\$1,868,873
Special Education	\$13,768,227	\$15,655,869	(\$1,887,642)
Day School – Elementary and Secondary	\$100,231,883	\$99,122,964	\$1,108,919
Surplus at start of 2001-2002 and Projected 2001-2002 Deficit Recovery	\$77,000 (\$1,000,000)		\$77,000 (\$1,000,000)
Totals	\$142,760,272	\$142,760,272	\$0

School Boards are required by law to bring in a balanced budget. When revenues were received this year from the government, the school board is required to account for any projected deficit from the previous year before addressing the needs of the next school year. The Board of Trustees is aware that the school system reported a projected deficit for 2001-2002 through the Revised Estimates of November, 2001, in the amount of approximately \$7.9 million. Through actions taken by senior administration, the projected deficit was decreased to approximately \$3.4 million by March, 2002. Senior administration anticipates the year-end position will be a deficit of \$1 million. This needs to be ‘covered off’ by revenues provided for the 2002-2003 budget prior to considering any other expenditures for 2002-2003.

If we compare ourselves to November, 2001, our Revised Estimates demonstrate that after the \$2.7 million adjustment for benefits, we were expending some \$4.8 above our revenues of approximately \$136.9 million.



Actions taken during the 2001-2002 school year – and carried over to the development of the 2002-2003 school year budget have to ensure a balanced budget. When one examines 2002-2003, however, one also has to account for increased costs that are built into the budget process. For example, one step in the grid for teaching staff accounts for approximately \$1 million. Health benefits increased by 6% overall; that is, approximately \$320,000. While we received an additional \$4.2 million in revenue, the \$1 million deficit from 2001-2002 must be covered off, the step in the grid for teaching staff of approximately \$1 million must be provided for, the benefits increase must be provided for, the salary increase negotiated for the 2001-2002 collective agreement and not provided for by government must be provided for and steps must be taken to ensure that reductions attained during the 2001-2002 school year are sustained.

As we moved forward to develop the 2002-2003 school year budget, therefore, the following cuts to programs and services were necessary in order to achieve a balanced budget and to provide for the projected 2001-2002 year-end deficit:

<ul style="list-style-type: none"> ▪ Permanent spending reductions achieved in 2001-2002 ○ Furniture & Equipment reduction ○ Library Contract ○ Plant Operations and Maintenance ○ Business Services ○ Director’s Office ○ Human Resource Services ○ Program Services ○ Information Technology Services ○ Special Education 	<ul style="list-style-type: none"> \$ 25,000 \$ 5,250 \$ 222,685 \$ 55,000 \$ 67,015 \$ 370,877 \$ 106,400 \$ 92,416 \$ 112,820 	<ul style="list-style-type: none"> \$1,057,463
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In addition, reductions for the 2002-2003 School Year Budget (The dollar figure represents the net savings) include:

Board Office

<ul style="list-style-type: none"> ▪ Merging two supervisory positions in Plant Operations into one and non-replacement of Accounting Clerk ▪ Renegotiation of telephone line charges ▪ Non replacement of vacant Executive Secretary position ▪ Merging two consultant positions into one Principal of Program Services and an overall reduction in the number of consultants by 3 positions ▪ 50% reduction in the Athletics Convenor position ▪ Reduction of one position in the Media Centre ▪ Reduction of Program Services secretarial support 	<ul style="list-style-type: none"> \$ 198,933 \$ 15,000 \$ 48,000 \$ 149,420 \$ 24,000 \$ 34,000 \$ 44,000
Subtotal Board Office	\$ 513,353

Program Services

<ul style="list-style-type: none"> ▪ Program services reduction of spending primarily on teacher in-service 	<ul style="list-style-type: none"> \$ 461,944
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BOARD OF TRUSTEES BUDGET POLICY ON BUDGET/FORECASTING

4. Budget Planning Assumptions

Three key pieces of information were used in order to develop the 2002-2003 school year budget. The first was the Board’s new strategic plan, *Sharing Our Journey* – to be implemented beginning September, 2002. The second reference point was the Board’s budget policy as stated in Executive Limitation IV 005 “Budgeting/Forecasting”. The third focus point was the *System Plan for Improved Student Learning/School Improvement*, which flows from *Sharing Our Journey* and was presented as a draft to the Board on May 27, 2002 and is included in final form as Appendix ‘A’ to this budget letter of transmittal. These three sources provide the filter through which budget preparation has occurred.

The specific operational priorities and areas of focus are:

Priority	Focus on
<p>Learning and Growing.</p> <p>[For a full description of each area, please consult the system plan that was presented to the Board of Trustees on May 29th, 2002].</p>	<p>1. Language Literacy</p> <ul style="list-style-type: none"> *Assessment measures JK –3 *Guided Reading <ul style="list-style-type: none"> -JK-3 – focus on learning to read -Gr. 4-6 – focus on learning to read and reading for meaning -Gr. 7-12 – focus on learning to read, reading for meaning and reading to learn. *Reading intervention <ul style="list-style-type: none"> -JK-1 – Pilot of assessment tool leading to specific intervention strategies. *Special Education <ul style="list-style-type: none"> -Shift focus of efforts to early and primary years -Alignment to language literacy initiative *Mathematics Literacy <ul style="list-style-type: none"> -Building from language literacy initiative *ESL *Connections to language literacy initiative <p>2. Supporting Capacity</p> <ul style="list-style-type: none"> *Assessment and evaluation policy – JK – 12 *Exemplar training across content areas, Gr. 1-12 *Special Education assessment *IEP development and training *ISA preparation *Family Life and Human Sexuality Units *HIV/AIDS Training *Leadership Training.
Priority	Focus on
<p>Discipleship and Faith-Filled Communities</p>	<p>1. Faith Development and Formation</p> <ul style="list-style-type: none"> *Pastoral team development and support *Residential Retreat Program



	<p>2. Safe Schools</p> <ul style="list-style-type: none"> *Enhance strategies to promote safe schools *Involvement of Child and Youth Care Workers *Conflict resolution skill training for school leaders
<p>Supportive Organizational Structures</p>	<p>1. Information Technology Division</p> <ul style="list-style-type: none"> *Trillium Student Information System Implementation Project *Communications protocols *Business/H R Management System replacement *Formation of corporate database <p>2. WCDSB Website</p> <ul style="list-style-type: none"> *Development of interactive internet/intranet
<p>Other Planning Assumptions</p>	<ol style="list-style-type: none"> 1. The Research Development Office will continue implementation during 2002-2003. 2. Government will continue to under fund education in Ontario. 3. School boards will continue to be expected to negotiate multi-year collective agreements with no knowledge from government on how much revenue school boards will have to pay for the collective agreements. 4. School boards will have no idea of increased energy costs due to the uncertainty around the status of Hydro One and what impact that may have on energy costs. 5. School boards can expect to continue to deal with increased government demands, for example, criminal record checks, teacher performance appraisal, appeals to suspensions and expulsions with no additional revenue to deal with increased costs. 6. School boards can expect to deal with increased lack of ability to engage in long-term planning due to the uncertainty of funding levels over the current and next number of years.

5. Information Gathering / Sharing Process

Information gathering for the 2002-2003 School Year Budget process began at the conclusion of the 2001-2002 School Year Budget.



- **January 2001** - Senior administration reviewed each aspect of the budget process. Human Resource Services and Business and Financial Services reviewed all human resource costs to ensure accuracy and to ensure that individuals were charged to the appropriate funding code of accounts.
- **January 11, 2002** – The Board Chair, Vice-Chair, Past Chair and the Director of Education met with the four local MPPs (Witmer, Wettlaufer, Martiniuk, Arnott) to apprise them of the Board’s financial position and the impact of under funding of education.
- **January to March, 2002** – Senior administration met with Principals and employee group representatives to apprise them of the budget recovery process – a process that will take at least two if not three years.
- **January to March, 2002** – Principals made presentations to each of their staff on the budget recovery process.
- **March 7, 2002** – The Director of Education and Superintendent of Business met with Ministry of Education staff concerning the in-year deficit for 2001-2002.
- **March 26, 2002** – Trustees received and accepted the Budget Recovery Plan.
- **May 2002** – the Province of Ontario released the General Legislative Grants for Education.
- **June 5, 2002** – the Special Education Advisory Committee (SEAC) reviewed the budget as it relates to Special Education programs and services.
- **June 17, 2002** – the Government of Ontario tabled the budget in the Legislature.
- **June 19, 2002** – Senior Administration met with School Administrators and the Administrators’ Executive concerning the 2002-2003 budget.
- **June 19, 2002** – the 2002-2003 School Year budget was presented to the Board of Trustees and the public as information. A copy was posted on the board’s web site.
- **June 24, 2002** – the 2002-2003 School Year budget was presented to the Board of Trustees for action.

6. Catholic Distinctiveness

Funding of school boards in the Province of Ontario operates on the basis that boards receive the same per pupil funding no matter where the student lives in Ontario, no matter what school the student attends. The province recognizes in law that there are four distinct and different publicly funded school systems: the English Language Catholic system, the English Language secular system, the French Language Catholic system, and the French Language secular system.

If the Waterloo Catholic District School Board is compared to a secular school board of similar size, one will see roughly the same revenue. There may be differences because of the board’s geographic location or because of the socio-economic composition of the board’s population. At this point the similarity should end. One should be able to see budget allocations that are different for each board; budget allocations that are based on the prime difference between a Catholic and a secular school board – primarily because of our mandate to address the entire faith community called the school.



A review of the 2002-2003 School Year Budget will show that beyond the teaching of Religious Education and Family Life by teaching staff, approximately \$ 1,018,175 of total expenditures can be attributed to the decisions made to reflect our distinctiveness as a Catholic Board. Highlighting how we allocate resources is an important way to demonstrate our difference and our relevance in an increasingly complex world.

The following areas are identified in the budget as components of Catholic distinctiveness. The allocation beside each item represents the 2002-2003 budget amount to support the initiative.

Catholic Distinctiveness Area	2002-03 Budget
Chaplain Services- Elementary and Secondary	\$ 523,928
Catholic Family Life/Religious Education Central Staff	\$ 100,000
Catholic Family Life Program	\$ 45,375
Religious Education Program	\$ 21,019
Student Retreat Program – Mount Mary	\$ 75,749
When Faith Meets Pedagogy Conference	\$ 2,500
Options for the Marginalized – Transportation Support for students	\$ 10,000
Pastoral Team Training and Adult Faith Formation Program Support	\$ 32,354
Catholic Curriculum Co-operative Membership Levy	\$10,750
Catholic School Council Development (In-service on Operating Effective Catholic School Councils)	\$ 5,000
Trustee Development and Community Relations	\$ 28,500
John Sweeney Scholarship	\$ 1,000
Catholics In Public Life Conference	\$ 5,000
Institute for Catholic Education Symposium on Catholic Education	\$ 4,000
Ontario and Canadian Catholic Trustee Association Fees	\$ 68,000
Catholic Family Counselling Employee Assistance Program	\$ 85,000
Total	\$ 1,018,175

Beyond the above, our schools have a full Religious Education and Family Life program. One can argue that if the teaching of Religious Education and Family Life were eliminated there would be a savings of approximately \$8 million. This is unrealistic because if we did not teach these subjects, the teachers would be engaged in other learning since the teachers are engaged to teach a total curriculum within the 24.5 to 1 and 22 to 1 average class size. In a Catholic school system, however, curriculum is arranged to include the teaching of Religious Education and Family Life not only as distinct subjects but through the influence of our values and beliefs as part of all curriculum activities.

Apart from the budgetary items that can be readily identified, the system is involved in a number of activities that reflect our distinctiveness as a Catholic education institution. Each partnership primarily has time costs associated with it along with some monetary costs. The following examples are noted:

- ✚ Trustee Louise Ervin is currently President of the Ontario Catholic School Trustees Association (OCSTA) and Past President of the Canadian Catholic School Trustees Association (CCSTA).
- ✚ Director of Education, Roger Lawler, is Past President of the Ontario Catholic Supervisory Officers Association (OCSOA).
- ✚ Michael Schmitt, Superintendent of Program Services, is the new Chair of the Board of Directors of the Catholic Curriculum Co-operative. The Catholic Curriculum Co-operative writes curriculum for Catholic schools in Ontario – a curriculum designed down from the Ontario Catholic School Graduate Expectations.



- † Helen Mitchell, Superintendent of Business and Financial Services, is on the Board of Directors for the Ontario Catholic School Board Officials Association and represents Catholic School Board Officials on the Board of OSBIE (Ontario School Boards Insurance Exchange). As well, Helen is the representative of the Catholic School Board Business Officials on the Board of Directors of the Catholic Community Delivery Organization – the group within the Catholic community charged with the responsibility of designing and delivering the Supervisory Officers’ Qualifications Program.
- † Superintendents Heather Cullen and Gary Leduc are members of the 2003 Ontario Catholic Supervisory Officer AGM committee.
- † Fostering closer parish-school relations including Chaplain and senior staff membership in and attendance at meetings of the Waterloo Deanery. Chaplains attend meetings of the Cambridge Deanery.
- † Pastoral Care Team at each site.
- † System Compassionate Care Team.
- † The Waterloo Catholic District School Board has a vibrant partnership with St. Jerome’s University, Waterloo. St. Jerome’s and the Waterloo Catholic District School Board jointly sponsor the ‘Catholics in Public Life’ conference. As well, the school system supports the *School Board Lecture Series* as part of the St. Jerome’s University Centre for Lifelong Learning.
- † The Board is a member of the Alliance of Organizations with Catholic Values and Traditions. The Chair of the Board and the Director of Education [who is the current Chair of the Alliance] attend meetings of the Alliance on behalf of the board. Members of the Alliance are:
 - St. Mary’s General Hospital, Kitchener
 - Catholic Family Counselling
 - KIDSLink
 - The Catholic Women’s League, Diocese of Hamilton
 - The Knights of Columbus, Diocese of Hamilton
 - The Diocese of Hamilton
 - St. Jerome’s University, Waterloo
 - The Waterloo Region Catholic Community Foundation
- † Father Fred Scinto, CR, is our Spiritual Animator and liaison with the deaneries and the Diocese of Hamilton. The Bishop of Hamilton meets on a regular basis with the Directors of Education of the boards within the diocese.
- † The Family Life Advisory Committee is a distinctive mark of our Catholicity in action. Celebrating its 31st anniversary in 2002, Family Life Advisory reviews all materials related to Family Life and Human Sexuality. Following guidelines issued by the Ontario Conference of Catholic Bishops, Family Life recommends materials for classroom use, groups that should and should not have access to the school system and numerous community partnerships that should be entered into in support of our students’ diverse needs. Family Life is but one example of the Church in the community. Representation on the committee includes the Diocese of Hamilton, a local pastor, physician, psychologist, trustee, students, staff and several parents.
- † The Faith Advisory Committee is another example of our distinctiveness. Faith Advisory exists to advise the Director of Education on any policy or operational matter that impacts on the faith life or values of the school



system. Representation includes the Institute for Catholic Education, St. Jerome's University, a local pastor, and the Diocese of Hamilton.

7. Faith Development Experiences for Students/Staff/Trustees

Faith formation for students, staff, and trustees is a key to the continuous effectiveness of the Catholic school system. Within this budget, provision has been made to provide for the following:

- † Faith Formation programs for staff – both new teaching staff and experienced staff.
- † Retreat experiences for students and staff.
- † An in-school Faith Day is planned for May, 2003.
- † Faith development experiences for trustees according to a plan developed by trustees.
- † The implementation of an Adult Faith Formation Program for Staff and Catholic School Councils in partnership with the Waterloo Region Catholic Community Foundation.
- † An Annual Faith Celebration and Student Recognition activity organized by the Board of Trustees.
- † An Annual Staff Recognition Evening hosted by the Board of Trustees and senior administration
- † With the implementation of *Sharing Our Journey*, it is prudent to review our current leadership programs to ensure alignment and consistency with our vision document. Consequently, during the 2002-2003 school year, the Resurrection Faith Formation program and the CELF (Catholic Education Leadership Formation) program will be reviewed. The results of the review will be incorporated into the 2003-2004 school year budget.

8. Support for an Inclusive Learning Environment

Through our beliefs as stated in *Sharing Our Journey*, we give preference to being an inclusive learning community. Thus, there is a need to ensure programs and services are in place that not only deal with the academic but the affective domain as well. Indeed, through *holism*, we believe that *all life is interrelated and interdependent*. This means:

- we value the totality of self and others;
- we recognize that the development of the gifts of each other enriches the life of the community;
- we recognize that the wellness of each person is necessary for the wellness of the community.

This budget, particularly through the Special Education components, provides for an inclusive learning community. Special Education funding is generated through a per pupil grant. The Special Education Per Pupil Amount (known as SEPPA) is:

\$500 per elementary school student, JK to Grade 3
\$376 per elementary school student, Grades 4 to 8, and,
\$243 per secondary school student.

In addition, funds are generated from four sources, all termed Intensive Support Allocations or ISA – each of which requires prior approval from the Ministry of Education before the release of the funds to the Board. The ISA grants are:

ISA1 - for student equipment needs in excess of the first \$800.

ISA 2 and 3 cover the costs of intervention for students with high needs.



ISA4 is for students defined under Section 19 of the Education Act and who receive their education in a facility such as a hospital, a correctional facility, or a care and treatment facility. In our case, students attending a section 19 facility would normally attend KIDSLink at St. Agatha, our program at Grand River Hospital, or our program at Hope Harbour (correctional unit for young offenders).

It has been the practice, and continues to be so, that additional revenue is added to Special Education Programs and Services in order to meet the needs of the majority of students. This amounts to approximately \$1.8 million for 2002-2003 and is directly attributable to under-funding of Special Education. For 2002-2003, as stated earlier in this letter of transmittal, our requests for Special Education amounted to some \$15.6 million while revenue for Special Education totals only \$13.7.

9. Professional Development/Capacity Building for all Partners in the Catholic Education Community

The ability to face change and move to new learning is as critical for staff as it is for trustees, school councils and parents. Through *Sharing Our Journey* we state a belief in continuous growth and improvement. The concept of lifelong learning, the recognition of the natural capacity of all people to learn and grow throughout their lives, is provided for in this budget.

Professional development describes the programs and services that ensure staff remain current and up-to-date. Capacity building is a term used to describe providing people with the ability to make the system vision a reality. People – whether staff, trustee, or Catholic School Council member – cannot be expected to change, to improve, if they do not have the ability to behave in new ways. Thus, a focus on both professional development and capacity building is necessary to move ahead.

Funds have been allocated to provide for staff development (\$313,650). A majority of teacher staff development will occur after school hours or through Summer Institutes. This approach which reduces supply teacher costs is being taken as a cost-savings measure. The focus for teacher professional development in 2002-2003 is on the *System Plan for Improved Student Learning/School Improvement* – in particular on language and mathematics literacy - elementary and secondary. There is also a focus on the mandatory in-service related to programs such as Religious Education/Family Life.

Trustee development and community relations account for \$28,500 of the professional development budget. School council development receives \$5,000 while student representatives on the board and secondary school student council leadership opportunities account for \$2,500. Finally, the School Council Faith Formation Program will be implemented this year through the Pastoral Care Team at each site. As a school system, we are fortunate to have a Pastoral Care Team at each of our sites – a voluntary team that ministers to the needs of both students and staff. This is unique in our province and a uniqueness to be proud of!

10. Equity of access to resources and opportunities

Equity of access to resources and opportunities is addressed in the following six areas:

- Basic school budgets: Regrettably, in order to balance our budget and live within our means, our school budgets will have to be reduced by \$10 per pupil. **However**, it is hoped that the impact will be offset by the additional funds outlined below from the GRCA, the residential program and provincial textbook funding – a total of an additional **\$32.14 per elementary student** and an additional **\$43.79 per secondary student**. Each

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elementary school, therefore, will receive a basic budget \$90 per student while each secondary school will receive a basic budget of \$170 per student plus the additional textbook, GRCA and residential retreat revenue as outlined below.

It should also be noted that these funds are in addition to the funds for areas such as school computers, funds to operate school offices, furniture and equipment, et cetera. In addition to the school basic budget for 2002-2003, the following additions are being made:

- The increase in textbook revenue as outlined below – some \$443,200 for elementary schools and \$289,350 for secondary schools.
- The increase in revenue to the board from the GRCA (\$33,000) to partially cover the costs of transportation to outdoor education facilities – an expense paid out of school budgets last year.
- The increase through this budget of funds to cover supply teacher costs for the mandatory retreat program (\$40,000). These costs were paid for last year from the school budget.

It is our hope that the funding model review will result in sufficient revenue flowing to school boards that school budgets for 2003-2004 can be returned to where they properly belong.

- Textbooks: Beyond the funds allocated within the *basic school budget*, there has been over the years specific additional Ministry funding for textbooks and learning materials. These funds have been allocated by the Ministry as follows:

• <u>1999-2000</u>	Elementary	\$ 1,206,196	Secondary	\$ 303,791
• <u>2000-2001</u>	Elementary	\$ 0	Secondary	\$ 292,122
• <u>2001-2002</u>	Elementary	\$ 443,200	Secondary	\$ 289,350
• <u>Totals</u>	Elementary	\$ 1,649,396	Secondary	\$ 885,263

Each school has developed a three-year textbook purchase plan consistent with the available revenues and the priorities of the school. When the Government of Ontario announced the additional textbook funding in April 2002, schools were advised that to access the funding for their school, the school had to complete their inventory of current textbooks, identify gaps, develop a plan to address the gaps and have the plan presented to their Catholic School Council before submitting the plan to their appropriate supervisory officer. This approach ensures accountability for the funds received and indicates to the school community that the individual schools have plans in place to address the textbook needs within the specific school in accordance with the priorities of the school.

- Centrally supplied services: To deal with the differences between large and small schools, rural and urban schools, socio-economically advantaged and disadvantaged school communities, services such as computers, access to the retreat program, access to conservation areas, copyright fees and teacher in-service, are provided centrally to schools.



- Assignment of Staff: While each school receives classroom staff, library technicians, and secretarial support based on the enrolment formula, special education staff are allocated to schools based on both the enrolment formula and special student learning needs. The ten Literary teachers are assigned to schools based on need. Furthermore, staff assignments – particularly in areas such as child care workers and educational assistants– are reviewed regularly to ensure that schools with the highest special education needs have their student needs addressed.

With the focus this year on language literacy, nine additional literacy teachers have been hired at a cost of \$580,268, bringing the total to ten literacy teachers. These teachers will be formed into teams to work with schools on the goal of improved student language literacy – a significant focus of this year’s *System Plan for Improved Student Learning/School Environment*.

- Transportation: Transportation is one aspect of equitable access to resources and opportunities. The transportation budget provides for basic service to those students who fall outside of the Board’s walking distances. As well, provision is made within the transportation budget to address the needs of students who – with their family – may have to take advantage of local shelters. Transportation continues to be a challenge because it is still essentially funded according to 1997 levels despite two government infusions of revenue last year and this year. While government provided more funding this year, ALL school boards face increasing pressures because of funding essentially based on 1997 scenarios. We need the new transportation funding model – first promised in 1997 and not yet in place – before any relief will be seen in this area. Administration will have to seriously consider major cuts to transportation for the 2003-2004 budget if we do not receive the new transportation funding model. This would be devastating to a school system based on regional not neighbourhood schools.
- Library Automation: Library systems have evolved over the years in an uneven manner. However, over the past three school years, all elementary and secondary school libraries have been fully automated. The 2001-2002 school year represented the final year of the phase-in of the Library Automation Project.
- Computers: During the 1999-2000 school year Y2K issues were addressed through replacement of all 1,186 elementary classroom computers and 472 of our 931 secondary school computers. The 1999-2000 School Year Budget Letter of Transmittal indicated that the elementary school student-to-computer ratio was 12.75 to 1. The secondary student-to-computer ratio was 6 to 1. Through the 2000-2001 budget process, the elementary ratio became 12 to 1 while the secondary ratio was 5 to 1. The 2002-2003 budget maintains the 2000-2001 levels of computers. Unfortunately, government funding for information technology has not changed since 1998 and school boards have always spent more than they have received in this area in order to keep up with the latest technological changes. While we deferred purchases in 2001-2002 because of the overall budget position, in 2002-2003 we will begin to replace the 1999-2000 technology as lease agreements are renewed. The lease approach has meant a more effective use of resources and the ability to upgrade technology every three to four years.

11. Provision for lifelong learning, including the provision for Junior Kindergarten

Lifelong learning is a guiding principle of this school system. As stated in *Living Our Mission*:



“Lifelong learning recognizes the natural capacity of all people to learn and grow throughout their lives. In a Catholic educational community, lifelong learning involves the deepening of one’s personal relationship with God within a faith context.”

The proposed budget provides \$313,650 for a continuum of learning beginning with the provision of Junior Kindergarten and extending to Adult and Continuing Education. As well, the budget has allocations for the ongoing development of teaching and non-teaching staff both professionally as well as their own faith journey. The budget provides for the ongoing faith development of trustees. Funding has been allocated for continuous learning by school councils. These funds are listed under #6 of this Letter of Transmittal; that is, “Professional Development/Capacity Building for all Partners in the Catholic Education Community”.

With reference to Junior Kindergarten, the 2000-2001 government announcement of a reduction in average class size for JK to Grade 3 from 25 to 1 to 24 to 1 has impacted more on Grades 1 to 3 than on JK/SK. This budget maintains our smaller class size for JK/SK.

Our Adult and Continuing Education program continues to be a vibrant program operated on a cost recovery basis.

12. Provision of a safe learning environment

A safe learning environment is both necessary for effective learning and for the ongoing development of our local school and broader community. Each of the system’s procedures is being reviewed and where necessary updated as a result of the passage of the *Safe Schools Act, 2000*. The revised procedures were implemented in September, 2001. During the upcoming school year, the system’s document, *For the Safety of All*, will be reviewed and updated as a support document to the safe schools procedures. Funds also continue to be allocated to promote tolerance, to celebrate our multicultural diversity and to ensure students develop the necessary knowledge, values, and skills to live in an increasingly pluralistic society where the value of tolerance cannot be underestimated.

13. Trustee Planning

The Director of Education may not cause or allow budgeting which provides less than \$135,000 per annum for trustee prerogatives such as costs of trustee development, Board and Committee meetings and trustee association fees.

The budget provides for the following:

- | | | |
|---|-----------------------|-----------|
| • Trustee Mileage/ expenses | (8 trustees) | \$ 10,000 |
| • Student Representatives on the Board | (2 - travel expenses) | \$ 2,500 |
| • John Sweeney Memorial Scholarship | | \$ 1,000 |
| • Trustee Development and community relations | | \$ 28,500 |
| • Board and Committee Meetings | | \$ 7,000 |



• Courier	\$ 4,000
• Legal Fees	\$ 9,000
• Trustee Computers	\$ 5,000
• Ontario and Canadian Catholic Trustee Association Fees	\$ 68,000
Total	\$135,000

14. Monitoring Activities:

The Director of Education may not cause or allow budgeting which provides less than \$155,000 per annum for fiscal audit and legal fees or fails to provide funding for monitoring activities.

The budget provides for monitoring activities as follows:

• Auditing Fees - General	\$ 35,000
• Auditing Fees – Adult Education	\$ 2,800
• Legal Fees – Human Resources	\$ 55,000
• Legal Fees - Property Matters	\$ 15,000
• Legal Fees – Business & Finance	\$ 5,000
• Legal Fees – Special Education	\$ 10,000
• Legal Fees – Director’s Office	\$ 18,000
• Monitoring Activities	
• Curriculum	\$450,627
• Business/HR Computer System	\$150,000
• Trillium Student Data System	\$106,000
• Total	\$847,427

Other Planning Areas and Recommendation

15. Operating versus Capital Budget Items

The proposed budget is broken down into two categories: “operating” and “capital”. The covering sheet shows the operating budget summary of \$ **142,760,272** (line H). The capital budget summary of \$ **17,215,244** is shown as line I. In total, the 2002-2003 operating and capital budget revenues are **\$159,975,516** (line K). The total operating and capital expenditures are **\$159,975,516** (line K).

16. Accommodation Master Plan

The Accommodation Master Plan was first developed in 1999 as a requirement under the funding model for school boards to access revenue to build new schools. In order for a board to qualify for revenue, the system must have more students than there is capacity for the students in existing buildings – excluding portables.



The Waterloo Catholic District School Board has benefited quite well from the pupil accommodation grants. Since 1999, the Waterloo Catholic District School Board has witnessed an investment of approximately \$67 million in additions, renovations or new construction for Catholic schools in Waterloo Region.

The next revisions to the Accommodation Master Plan will occur during the 2002-2003 school year for presentation as part of the 2003-2004 budget. The revisions will look to the future and point out a plan that in the best of all worlds would be attainable. Enrolment shifts, the need to now consolidate schools in order to reduce excess space in order to qualify for additional pupil accommodation revenue, potential changes to government policy and the overall climate for change always impact on whether or not the various strategies outlined in the Master Accommodation Plan will be implemented.

17. Report on Reserve Funds.

Reserve funds exist for future use in the context of changing times. Like many school boards, this board has reached the point where all of its operational reserves have been used up in order to meet funding shortfalls.

The Board has four reserve funds that are mandated by provincial legislation. Any special education funds remaining at the end of a budget year are to be deposited into a Special Education Reserve and used for special education programs and services in subsequent years. We have never had a surplus in Special Education revenues at the end of any given year to deposit to this reserve. Since the inception of the funding model, we have consistently over-spent in the area of special education to meet the needs of our students. As stated earlier, we will spend more for Special Education than we receive in revenue and this is still less than we anticipate the cost will be for implementing the Special Education Master Plan.

Any revenue for new pupil places, school renewal, or proceeds from the sale of property that are not used in a budget year are to be deposited to a Pupil Accommodation Reserve and used in subsequent years for accommodation. This reserve is quite healthy and will be used over the years to pay the principal and interest on the \$67 million in new school construction undertaken by the Board.

The Ministry of Education mandated a new reserve beginning in 2000-2001. The new ‘classroom reserve’ is to be used for surplus revenues in the classroom spending area that have accumulated at the end of a fiscal year. Since 1998, the board has never had a surplus of funds at the end of the school year to deposit to this reserve.

The fourth reserve fund is used to fund non-classroom activities. Since 1998, the board has never had a surplus of funds at the end of the school year to deposit to this reserve.

The chart below indicates the balance as of August 31, 2002, in each reserve fund and the anticipated activity during the 2002-2003 school year. The anticipated balance for the end of the 2002-2003 school year is provided in the fourth column.

Reserve Fund	Balance Aug. 31,2001	To (From) Reserves in 2001-2002	Estimated Balance August 2002	To (From) Reserve 2002 – 2003	Estimated Balance at August 2003
Classroom Reserve	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Non-Classroom Reserve	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Special Education Reserve re: Access	\$ 230,992	(\$10,000)	\$220,992	(\$50,000)	\$170,992



Pupil Accommodation Reserve	\$6,819,809	\$ 1,560,029	\$ 8,379,838	\$131,242	\$8,248,596
Education Development Charges Reserve	\$	\$200,000	\$200,000	(\$117,000)	\$83,000
Disposition of Property Reserve	\$6,018,434	\$1,560,029	\$ 7,578,463	\$1,841,000	\$9,419,463
Total Reserves	\$ 13,069,235	\$3,310,058	\$ 16,379,293	\$ 1,805,242	\$ 17,922,051

18. Challenges for 2002-2003

As the system moves forward to the 2002-2003 school year, there is no doubt that long-term planning cannot occur without the results of the review of the funding model. Local and provincial associations such as the Ontario Catholic School Trustees' Association will have to continue dialogue with their partners and government on the amount of funding government provides for education. School boards cannot, for example, engage in any long term planning when they are forced by government to live from year-to-year in terms of budget development. Boards require the ability to plan three to five year budgets through revenue guarantees. School boards cannot negotiate long-term collective agreements without knowledge of the amount of revenue available to finance the agreements. These are challenges for resolution at the provincial level. They impact on all school boards.

Funding models are fine, except when the formulas are not updated on an annual basis. School boards cannot continually respond to inflationary pressures or benefit increases by simply cutting from other budget areas. The funding model needs to be sensitive to at least provincial average increases in each area each year and be adjusted accordingly – including adjustment for inflation. With this type of anticipated increase, school boards can engage in focused planning that will ultimately enhance classroom learning, rather than reactive measures that continually mean a decline in services and a poor environment for effective learning.

19. Recommendation

The development of the 2002-2003 School Year Budget has been a difficult exercise across the system. The budget concentrates on priorities that will ensure a focus on improvement of student learning, provision of special education programs and services and adherence to Catholic distinctiveness.

Despite the impact of inadequate revenues, the budget does have its positives, particularly as it relates to improvement of student learning, for example, the strides made by all schools and staff to engage in improvements in the areas of literacy and numeracy. Our language literacy teachers are having a positive impact. I am continually impressed by the social justice activities engaged in by both students and staff. Our site-based Pastoral Care Teams – teams that are purely voluntary – continue to address the many faith-life issues faced by staff and students. Through these teams, our schools really are caring, compassionate beacons of hope and light. The budget continues our commitment to faith development and development of staff, students and school councils despite the fact that we will have to implement these programs and services in different ways to live within our means and retain them in the future.

To be clear, the key problem -- the problem that should be the focus of attention across Ontario -- is not the equity of the funding model but, rather, the amount of revenue the government places in it.



For school boards, the key concern this year and into the future remains the chronic under-funding of public education in Ontario. It is in the interests of trustees – as those who hold the school system in *trust* for the students of this system – to strongly advocate locally and provincially during the upcoming and future reviews of the funding model to ensure voices are heard concerning the adequacy of funding in education in Ontario. Our students deserve no less.

As we proceed in what are undoubtedly challenging times, we will continue to lead with integrity, serve our community with compassion and care, and always strive for excellence in Catholic education.

In conclusion, the Education Act and Regulations require that the Board of Trustees adopt an annual budget. Thus, the following recommendation is made to the Board of Trustees.

That the 2002-2003 School Year budget in the amount of \$159,975,516 (Estimate of Revenues and Expenditures) be adopted as being in compliance with Ministry of Education requirements and Board Policy – Executive Limitation IV 005, “Budgeting/ Forecasting”.

Roger D. Lawler,
Director of Education and
Secretary of the Board.

Ref: 2002-03 School Year Budget Letter of Transmittal

