



2008-2009 SCHOOL YEAR BUDGET

ROGER D. LAWLER – DIRECTOR OF EDUCATION

PRIORITIES & GOALS

PRIORITY:

NURTURING OUR CATHOLIC COMMUNITY

GOALS:

OUR EDUCATIONAL FAITH COMMUNITY

The Board will create a dynamic environment that will encourage an intelligent, honest and searching exploration of our Catholic tradition.

OUR STAKEHOLDERS

The Board will engage partners to promote Catholic Education.

INTRODUCTION

The following estimate of revenues and expenditures to support improved student learning during the 2008-2009 school year is presented to the Board of Trustees as recommended by the Director of Education -- on behalf of senior administration. The budget includes **\$196,743,712** in operating expenditures and **\$14,936,210** in capital expenditures for a total budget of **\$211,679,922**.

The budget is hereby presented to the Board of Trustees on June 11, 2008 as information – to be brought forward for consideration on Monday, June 23, 2008 for approval in public session.

LETTER OF TRANSMITTAL

This *Letter of Transmittal* represents the culmination of a process that began in February 2008. The delivery of this letter also represents a new format for presentation of the budget.

The side-bar to this letter highlights three key components of the budget development process. These are addressed throughout the budget:

- ✓ a statement of the nine board goals that flow from the strategic plan, **Sharing Our Journey** – our board's current *Aims/Ends Policy I 001*;
- ✓ a statement of the three **Ministry of Education priorities** for the period 2008 to 2010;
- ✓ a statement of the seven components of the board's budget policy, **IV 007 -- Financial Planning and Budgeting**.

PRIORITY:

**IMPROVING
STUDENT
LEARNING and
ACHIEVEMENT**

GOALS:

CURRICULUM

The Board will ensure that the distinctive nature of Catholic education is demonstrated in curricular, extra-curricular and educational experiences reflective of the Ontario Curriculum and the Ontario Catholic School Graduate Expectations.

ASSESSMENT

The Board will promote assessment strategies which assist learners in celebrating their gifts and help them in identifying directions for further academic and personal growth.

INSTRUCTION

The Board will support instructional practices which celebrate inclusion and diversity in our learning communities.

Beyond the above, we have embedded in the electronic copy of the budget letter links to a CD that contains the plans and reports for various budget areas. (With the CD inserted in your computer's 'D' drive, click on any bolded, italicized, and underlined word or phrase. This will take you to the appropriate document on the CD).

A CD has been provided to each trustee and senior administrator. The same format is available on the board web page for the general public.

Through this change in format, trustees and the public will be able to drill down – as part of our information sharing process – to view trends or Ministry requirements that support/explain budget decisions.

As an example of how the process functions, the folder on **board materials** contains various reports that assist staff in determining what enrolment numbers should be used for projection purposes. The folder identified as **Ministry of Education** contains correspondence from the Ministry related to the budget. This documentation includes the **technical paper** along with any specific memoranda ([B Memos](#)) that all impact on budget decisions.

These memoranda and the technical paper outline the expectations the Government of Ontario has concerning how funds are to be allocated and spent. These decisions relate directly to the Ministry of Education's strategic direction for all learners and school boards in Ontario. This direction is entitled *Reach Every Student: Energizing Ontario Education* and can be found on the accompanying CD under the title **Ministry direction 2008-2010**. [Reach Every Student: Energizing Ontario Education]. The framework for student achievement, reducing the gaps in student achievement and increased public confidence in publicly funded education outlined in *Reaching Every Student* is the basis of the \$211-plus million in grants provided to the Waterloo Catholic District School Board. Staff implement programs and services to achieve these provincial ends through the nine goals of the Waterloo Catholic District School Board.

The budget detail will be presented in components that fairly closely replicate the enveloping provisions of how revenue is provided to the school board through the **Grants for Student Needs**. [Technical Paper]. This will allow future monitoring to focus on specific program areas as well as to maintain the integrity of the manner for which funds are

allocated through the grant system. Thus we will be presenting a budget in the

PRIORITY:
BUILDING CAPACITY TO LEAD & LEARN

GOALS:
OUR LEADERS
The Board will enable the development of informed and imaginative people of faith who are committed to achieving excellence in Catholic Education.

OUR RESOURCES INCLUDING TECHNOLOGY
The Board will demonstrate the management of responsible, just and equitable natural, material, technological and human resources.

STAFF
The Board will create an organizational culture whose focus is to attract, develop and retain staff that excel in their fields.

OUR ORGANIZATION
The Board will create a system which is accountable for decisions within the context of our roles as Catholic educators, employers and members of the broader community.

following segments:

- a) **Capital Budget**
- b) **Adult and Continuing Education**
- c) **Transportation**
- d) **School Operations**
- e) **School Administration**
- f) **Day School**
- g) **Student Services**
- h) **School Board Administration and Governance**

The total budget for 2008-2009 is **\$211,679,922**. The capital portion of the budget is **\$14,936,210** and the operating budget portion is **\$196,743,712**

When we present each budget area, we will identify:

- a) The lead staff person for the budget category;
- b) An indication of any constraints or flexibility concerning the funding;
- c) The percentage of the overall operational budget that this category represents;
- d) The separation of the expenditure into two categories – Human Resources and non-HR costs to replicate the budget motions under consideration.

Thus for each budget area, the following chart will appear:

<u>Area</u>	<u>HR Costs</u>	<u>Non-HR costs</u>
Staffing	\$12,000,000	
Maintenance Projects		\$3,000,000

As in the past several years, the budget motions are presented as motions “A”, “B”, “C”, “D” and “E” to accommodate the various conflicts of interest that trustees identify.

Budget Motion “A” deals with the Board’s Employee Assistance Program contract with Catholic Family Counselling.

Budget Motion “B” deals with the Human Resource salary and benefits portion of the budget and includes all program areas where staff may be hired to deliver specific programs (or conversely declared surplus or laid off). This accounts for 82.28% of the total budget.

**MINISTRY
DIRECTION
2008-2010**

High levels of student achievement

- *Going deeper and wider on literacy and numeracy, including reaching the targets of 75 per cent of students achieving at the provincial standard in Grade 6*

- *Continuing innovation in secondary schools in reaching the 85 per cent graduation rate.*

Reduced gaps in student achievement

- *Reducing the gap in achievement for those groups of students who, for whatever reason, need extra help.*

Increased public confidence in publicly funded education

- *Fostering greater two-way engagement with the public to inform the implementation of the mandate and to foster public confidence*

- *Strengthening the role of schools as the heart of communities*

- *Recognizing the pivotal role of schools in developing the workforce and citizens of tomorrow.*

Budget Motion “C” deals with all non-human resource costs for the operational budget. Areas include transportation contracts, heat, hydro, maintenance projects, cleaning supplies, school budgets and supplies and services for instructional purposes. Professional development costs are normally reflected in the Human Resource salary and benefits portion of the budget [Motion “B”]. When professional development is delivered for teachers during the school day, supply teachers are brought in to cover for the teacher receiving the professional development -- making the cost a human resource cost.

Budget Motion “D” deals with the capital portion of the budget; that is, funds spent on building additions, new buildings et cetera.

Budget Motion “E” summarizes the previous budget motions as approved and directs administration to file the approved budget with the Ministry of Education.

BUDGET INTERPRETATION

On April 28, 2008 the Board of Trustees approved a new budget policy, **IV 007, Financial Planning/Budgeting**. The Board’s governance process requires administration to provide an interpretation of the budget policy to the Board of Trustees at the time the budget is presented. Consequently, each section of the policy is highlighted and followed by our interpretation.

Policy Statement: Financial Planning for any fiscal year or the remaining part of any fiscal year shall not deviate materially from board’s Ends priorities, risk fiscal jeopardy, violate the Education Act or Ministry of Education Guidelines, or fail to be derived from a multi-year plan.

The budget policy indicates that the budget “shall not deviate materially from board’s Ends priorities”. Oxford defines *materially* as: “important, essential, hence materially.”

The 2008-2009 school year budget is based upon the Board of Trustees’ nine goals as flowing from the strategic plan, *Sharing Our Journey*. Nothing in the proposed budget deviates materially from the Board’s *Ends* priorities.

WCDSB BUDGET POLICY:

“Financial Planning for any fiscal year or the remaining part of any fiscal year shall not deviate materially from board’s *Ends* priorities, risk fiscal jeopardy, violate the *Education Act* or Ministry of Education Guidelines, or fail to be derived from a multi-year plan.

Further, without limiting the scope of the foregoing, **the CEO shall not:**

~ Develop a budget without conducting a formal process for soliciting input on the needs and priorities of the system;

~ Develop a budget without employing credible projection of revenues and expenses, separation of capital and operational items, cash flow, and disclosing planning assumptions;

~ Plan the expenditure in any fiscal year of more funds than are conservatively projected to be received in that period;

~ Plan in a manner that risks unacceptable financial conditions enumerated in the Financial Condition and Activities policy;

~ Provide less for board prerogatives during the year than is set forth in the Cost of Governance policy;

Furthermore, the budget is based on the [Ministry Direction](#) from 2008 to 2010. As well, the Ontario Catholic School Graduate Expectations – which are the basis of all curriculum in Catholic schools and are our Board’s second “*Ends*” statement, [Board Policy I 002](#) -- are also reflected through the curricular initiatives outlined in this budget.

“Risking fiscal jeopardy” is interpreted as meaning not placing the board in a position where expenses exceed revenues nor entering into circumstances that an analysis of recent trends would suggest cannot be maintained. For example, an examination of the Waterloo Catholic District [school board workbook](#) identifies cost pressures. To avoid fiscal jeopardy budgeting should address cost pressures while honouring the need to have a balanced budget.

Our interpretation of the policy direction stating financial planning “shall not...violate the *Education Act* or Ministry of Education Guidelines” dictates the 2008-2009 school year budget must not only be balanced but must follow the government’s instructions to allocate funds only for the purposes for which they are intended.

Compliance with these requirements is automatically confirmed each year because the Ministry will not accept the electronic version of the budget if it is in violation of the *Education Act* and Ministry of Education Guidelines. The electronic version of the budget reporting template is pre-populated with criteria and measurements with which the board must comply. If these criteria and measurements are not met, the Ministry of Education will deny electronic filing of the budget until the compliance measures are rectified. Missing the filing deadline would result in a disruption in the flow of revenue from the Ministry to the board -- thus potentially placing the board in fiscal jeopardy.

The policy statement also requires the budget be derived from a multi-year plan. For 2008-2009, the school year budget is based on a multi-year plan that – as explained later in this budget letter under the title “Budget Direction” -- refers to a plan initiated three years ago to develop a budget by the 2008-2009 school year that does not depend upon reserves to balance.

As will also be noted, we are aware that the provincial government, various teacher and support staff organizations and trustee associations are currently developing provincial frameworks to guide local contract negotiations. Currently a provincial framework has been agreed upon between the government, Catholic trustees

~ Present a budget that has not met the criteria of timely, open, two-way sharing, and allowing sufficient time for decision-making;

~ Present a budget that:

- a. Can not be readily understood by persons without a financial/education background;
- b. Is not clear, transparent, and understandable;
- c. Does not include trend analysis and historical comparators”.

(OCSTA) and Catholic teachers (OECTA). Once the local negotiations are complete for not only for OECTA but for our other employee groups, we will know our human resource costs up to 2011-12. Since roughly 83% of our costs are human resource costs, having a four-year agreement for all employee groups will enable staff to use the 2008-2009 budget as a base budget and develop a four-year budget plan out to 2011-2012.

We also interpret multi-year planning to mean that when staff do develop budget items they are looking at trends and analysis of previous spending or factors such as the number of retirements over a five year period, or, that staff are beginning in some budget areas from a zero base and eliminating those activities that should no longer be carried on. This approach ensures that we don't simply introduce an activity one year and never re-visit it in terms of its applicability to the system in subsequent years. A zero-based approach to budgeting in areas where there are no fixed costs generates a review of programs with respect to their year over year applicability.

BUDGET POLICY CRITERIA

These criteria are stated following the board's budget policy statement. It is important to note the criteria are all phrased so as to indicate what staff MUST NOT DO:

Criterion 1: (Must not...) develop a budget without conducting a formal process for soliciting input on the needs and priorities of the system.

The following process was used to solicit input:

March 31 -- The Board of Trustees Committee of the Whole in-camera received an update on teacher staffing levels for 2008-2009 including the number of potential teaching layoffs due to declining enrolment;

April 2 -- The Special Education Advisory Committee received an in-camera presentation on teacher staffing levels for 2008-2009 including the number of potential teaching layoffs and adjusted Special Education priorities;

April 9 -- The Director of Education and senior staff presented an interpretation of Board Policy IV 005 "Budgeting/Forecasting" to the Board of Trustees. All trustees attended this session. It was indicated that all Budget Advisory Committee meetings are open to all trustees and the public to attend and are opportunities for input;

April 14 -- The Director of Education invited Employee Group representatives to make presentations to the Budget Advisory Committee on May 14th (and later on May 28th);

April 28 – The Board of Trustees approved a new budget policy -- policy IV 007, “Financial Planning/Budgeting”;

May 5 -- Memo from the Director of Education to the Board of Trustees and Employee Group Representatives outlining understood budget priorities and requesting comments re: additions, changes, deletions;

May 4 and May 11 -- Advertisement in local Church bulletins inviting presentations/ delegations to the Budget Advisory Committee meetings of May 14th and 28th;

May 7 -- Advertisement in *The Record* newspaper inviting presentations / delegations to the Budget Advisory Committee meetings May 14th and 28th;

May 7 -- Consultation on Special Education budget with Special Education Advisory Committee;

May 14 -- Budget Advisory Committee meeting: receipt of delegations and presentation of initial budgets for capital, school operations, governance and board administration, and transportation. The May 14th Budget Advisory Committee received presentations from Deb Schlichter of the House of Friendship and by our Association of Professional Student Services Personnel (APSSP). These presentations are contained in the **board materials** and **Adult and Continuing Education** sections of the CD.

It is also noted that each supervisory officer conducted an internal process with their departmental staff to determine priorities and needs as well as ensure we address the Ministry’s pre-determined budget priorities. For example, Bryan Mahn, Superintendent of Human Resource and Facility Services held focus groups of custodians and principals to determine school and system needs with reference to our School Operations budget. Heather Cullen, Superintendent of Instruction and Assessment and Bruce Rodrigues, Superintendent of Successful Students worked through the Program Consultants and results from school achievement data to determine budget needs and priorities. Similar activities were carried out for Student Services, Information Technology, Business Services, Public Affairs, et cetera;

May 14 -- A presentation of the provincial framework and local collective bargaining was made to an in-camera meeting of the Budget Advisory Committee;

May 28 -- Budget Advisory Committee meeting: receipt of delegations and presentation of initial budgets for Adult & Continuing Education, school administration, day school, information technology, and student services. A delegation from St. Boniface Catholic Elementary School presented to the Budget Advisory Committee on primary class size requesting an exemption from the Regulation;

May 28 -- A presentation of the human resource costs was made to an in-camera meeting of the Budget Advisory Committee;

June 4 -- Consultation with the Special Education Advisory Committee (SEAC) on revisions to the Special Education budget;

June 11 -- Trustees and the general public received the 2008-2009 School Year Budget as information;

June 16 -- The Board of Trustees have an opportunity to ask questions of clarification on the 2008-2009 School Year budget;

June 23 -- The Board of Trustees will consider approval of the 2008-09 budget.

Criterion 2: (Must not...) develop a budget without employing credible projection of revenues and expenses, separation of capital and operational items, cash flow, and disclosing planning assumptions.

Employment of credible projection of revenues and expenses is interpreted to mean using **enrolment projections** that are realistic and based upon a review of previous years and the projections of at least the next five years (enrolment drives revenue). Credible and realistic enrolment projections will be within 2% +/- when the June projection is compared to the actual October 31st enrolment. Explanations are provided for deviations between the projected and actual enrolment.

Projection of credible expenses is interpreted to mean understanding year-to-year known fixed costs, for example, computer leases or fixed human resources costs (e.g. the cost of the number of teaching staff to be compliant with average class size requirements). Other costs that are not fixed are derived from beginning the budget process from a zero base. Thus, these costs are referenced only to the school year budget in question and are based on the needs for the budget year under development. This budget does separate out capital items from operational items.

Within the context of the budget statement noted above, a projection of cash flow compares expected revenues to budgeted expenses over the school year. Cash flow is managed to ensure the board has sufficient funds available to fulfill its obligations throughout the upcoming school year. Revenues are defined as those received from the Province (Grants for Student Needs and other operating grants), municipalities and townships (property tax revenues), the federal government, loans and long term debt, student fees, outside agencies, and other funding sources. Expenditures are those prepared by senior administration to meet payroll, contractual obligations, obligations to financial institutions, and to purchase supplies and services to carry out the Board's mandate.

The following planning assumptions were used to develop the 2008-2009 School Year budget:

- √ The Waterloo Catholic District School Board is currently experiencing enrolment decline and this will continue for the next number of years;
- √ Enrolment decline necessitates bringing down expenditures to be in line with revenue loss;
- √ The Waterloo Catholic District School Board has relied on the use of operating reserves to balance previous budgets. The use of reserves has reduced the operating (working) reserve fund to the level of what one might term an emergency fund -- that is less than 1% of the operating budget. [To be confirmed at 2007-2008 year-end]. A prudent working reserve fund should be at 1% of operating or, in our case, \$1.9 million.

The following outcomes result from these assumptions:

- √ According to the Ministry of Education analysis of expenditures by the Waterloo Catholic District School Board, the most significant cost pressure is teacher costs. (See [WCDSB workbook](#) page 9);
- √ According to the Ministry of Education analysis of allocation and spending, total Special Education spending since 2002-2003 has increased by **\$7 million or 40%** while the Special Education allocation has increased by **\$4 million or 20%**. (See [WCDSB workbook](#) page 15);
- √ Once the current round of collective agreements and terms and conditions of employment are settled, school boards will know their human resource expenditures through to 2012. The Waterloo Catholic District School Board will be in a position to engage in a four-year budget planning process using the 2008-2009 school year budget as year one of the planning cycle;
- √ The current accountability framework of the Ministry of Education with respect to student achievement will continue as the school system and Ministry pursue the province's goals of:
 - a) High levels of student achievement;
 - b) Reduced gaps in student achievement;
 - c) Increased public confidence in publicly funded education.

Criterion 3: (Must not...) plan the expenditure in any fiscal year of more funds than are conservatively projected to be received in that period.

This budget does not plan to spend more in the 2008-2009 school year than is conservatively projected to be received. Because enrolment drives revenue, we take the cautious, conservative approach of budgeting to meet the needs of those students who have actually registered for next September. These conservative projections result in a conservative revenue stream. The budget is balanced without the use of operating reserves.

Criterion 4: (Must not...) plan in a manner that risks unacceptable financial conditions enumerated in the Financial Condition and Activities policy.

In examining policy ***IV 008 -- Financial Conditions and Activities*** our interpretation is that the following criteria from policy IV 008 are applicable to this section of policy IV 007:

- #4 -- Use any reserves;
- #9 -- Acquire, encumber or dispose of real property;
- #10 -- Enter into any financial agreements over 5 years;
- #11 -- Enter into any grant or contract arrangements unless it primarily emphasizes the production of *Ends* and secondarily, the avoidance of unacceptable means;
- #12 -- Permit fundraising/sponsorship activities without procedures in place.

Our interpretation further holds that the other criteria for policy IV 008 -- that is, numbers 1, 2, 3, 5, 6, 7 and 8 -- can only be operational once the Board of Trustees approves the 2008-2009 School Year budget and thus are not applicable to this interpretation of preparing and presenting the budget.

With reference to the proposed 2008-2009 School Year budget, the following sections of policy IV 008 mean:

- √ # 4 -- Use any reserves: We do use capital reserves to make the principal and interest payments on capital debt. This budget does not use operating reserves to reach a balanced budget.

The table shown as part of the Capital budget portion of this transmittal letter demonstrates what the draw on capital reserves will be for the year. In approving the Capital portion of the budget, the Board of Trustees will be granting permission

to use the capital reserve funds to pay the principal and interest payments of the board's capital debt. Any use of the operating reserve or any further use of the capital reserve beyond paying for current capital debt has to come for Board of Trustees approval to an appropriate meeting of the board during the 2008-2009 school year;

- √ # 9 -- Does not acquire, encumber or dispose of real property: This budget does not acquire, encumber or dispose of real property. These matters would come to the board under a separate report;
- √ # 10 -- Does not enter into any financial agreements over five years: This budget does not contain any financial agreement for a period greater than five years;
- √ # 11 -- Does not permit fundraising/sponsorship activities without procedures in place: This budget does not deal with fundraising/sponsorship activities. However, there are administrative procedures in place that do deal with fundraising/sponsorship activities. (See ***APB004 School Generated Funds***);
- √ # 12 -- Enters into grants and contracts only when they meet the board's *Ends* statements and do avoid unacceptable means: This budget does not enter into grants and contracts. However, during the school year there may be occasions where the receipt of a grant or entering into a contract may necessarily occur. Adherence to the criteria of policy IV008 will occur at the time of assessing the grant or forming the details of the contract. This activity would also form part of the monitoring of policy IV 008.

Criterion 5: (Must not...) provide less for board prerogatives during the year than is set forth in the Cost of Governance policy.

This budget – as will be noted in the ***School Board Administration and Governance*** section -- does provide for board prerogatives at a rate equal to 2007-2008 adjusted for the OCSTA fee increase that trustees approved at the April 2008 OCSTA AGM.

It is noted that the *Cost of Governance Policy* has yet to be written and a reasonable interpretation would be to meet at least last year's costs.

Criterion 6: (Must not...) present a budget that has not met the criteria of timely, open, two-way sharing, and allowing sufficient time for decision-making.

As per the schedule outlined in Criterion 1 above (see pages 6 – 8 of this budget letter), there are eleven opportunities for timely, open, two-way sharing and sufficient

time for decision-making. Invitations were circulated to trustees, employee groups and the general public to provide input/reaction to the budget in its draft form. Similarly, opportunities were provided to add to or change the budget priorities. In essence, the time from the government's release of information on the budget (March 31st) to the date of the board's decision on the budget (June 23rd) is 60 working days. This time frame is perhaps the most generous period for information-sharing and decision-making we have seen in years.

Criterion 7: (Must not...) present a budget that a) Can not be readily understood by persons without a financial/education background b) is not clear, transparent, and understandable c) does not include trend analysis and historical comparators.

The trend analysis is included in the [school board workbook](#) that can be found in the back-up materials for the budget. This analysis covers the past six years of the Waterloo Catholic District School Board.

There are also historical comparators through the financial information provided in the detailed budget. There is, however, a caution around historical comparators. From time to time the Ministry of Education changes the Code of Accounts -- that is, the budget areas denoting where a particular expense must be charged. When this occurs it may appear that an expenditure one year is not being made the next year. In reality, the expense is shown in another section of the budget. The annual changes are pointed out through the [Uniform Code of Accounts](#). This document indicates to which envelopes school boards are to charge various expenses. For 2008-09, property and general liability insurance is now charged to school operations and maintenance rather than board administration. Similarly, the salary and benefits for administrative staff supporting Program and Student Services personnel at the Catholic Education Centre are now charged to the day school professional/paraprofessional line instead of board administration. In reality, the Uniform Code of Accounts is the mechanism the Ministry uses so that funds are expended on the government's priorities for education.

Another caution around historical comparators is the reality that an activity may occur one year or over a number of years and then come to an end. This occurs more and more when staff employ zero based budgeting. The reason for a decrease or no expenditure in an area may be simply because the activity will no longer occur.

With reference to the final section of Criterion 7 -- that the budget should be understandable to individuals without a financial background or understanding of

education issues and that the budget presentation is clear, transparent and understandable -- the Board of Trustees will have to assess whether or not this criteria has been met. Back-up materials to support budget allocations are provided to assist transparency and understanding. An attempt is made in the following pages to clearly explain:

- √ The budget cycle;
- √ The role of enrolment in the budget process;
- √ The Ministry Budget Workbooks; and,
- √ Budget direction.

WHAT IS THE BUDGET PROCESS?

When individuals or government talk about school board budgets, they use three terms -- terms that are distinct and have special meaning. These terms are: *Estimates*, *Revised Estimates* and *Year-end*. Together these three terms represent the budget cycle. This cycle unfolds as follows:

The Estimates (a.k.a. estimates of expenditures and revenues) are essentially the budget approved by the board in June of each year. The estimates project an expectation of what will occur based on the student population we think will show up in our schools in September and will be in our schools the following March. In other words, the budget is based on *estimating*.

The June budget is usually cautious and based on conservative projections. For example, if we were to pass a budget based on a projection that 20,500 students were going to show up in September and only 20,000 arrived, we would lose revenue for the 500 students that did not arrive. In reality, this would mean we would have to cut some \$4.5 million out of the budget in September. In this scenario the system would be responsible for maintaining the employment of the teachers hired based on the incorrect enrolment projection and would have to find other ways to reduce the budget by \$4.5 million. Since 83% of the school year budget involves human resources, it would be a near impossibility to cut \$4.5 million out of the budget's remaining 17%.

The Revised Estimates are completed in November of each year. By this time, the actual enrolment for October can be used for revenue calculations. However, we still project ahead and estimate how many students we think we will have by the following March. We receive our revenue based on the actual number of students in our schools

on October 31st and March 31st.

The Revised Estimates are a clearer indication of what the school year will look like. By November, staff have had a chance to make any adjustments to the previous June's projections using the October actual enrolment information and an informed estimate of what the enrolment for the following March will look like.

The Year-end budget provides the final picture of how the school year ended up. This part of the budget cycle is based on the actual enrolment from the previous October and March. These enrolment numbers are used to calculate the actual revenue for the school year just ended and thus becomes the "year-end" budget.

At year end, the revenues and expenditures are assessed and a determination is made by the board's auditor as to whether or not the system ended the year in a balanced position or not. The report, entitled the *School Year Financials*, is filed with the Ministry of Education for review and, if necessary, for comment.

In each of the three steps of the budget cycle, it is critical to point out that much of the work is based on examining what has occurred in the past, what we expect will happen and then monitoring as the year progresses to aim to end the school year in a balanced position.

With reference to expenditures, many of the expenditures are pre-determined as outlined in the **Technical Paper**, **B Memos** or **Uniform Code of Accounts** that accompany the Grants for Student Needs from the Ministry of Education. The overall compliance framework that school boards follow is outlined through a Ministry memo entitled **2001: B18 Compliance Guidelines Framework**. Many, many expenditures are pre-determined by government to meet their priorities. Thus, in reality, there is very little local flexibility in determining where funds can be spent.

THE ROLE OF ENROLMENT IN THE BUDGET PROCESS

Enrolment has a significant impact on the board's budget process. Indeed, many (if not all) of the calculations for the board's revenue are based on:

- 50% of the enrolment on October 31st, plus,
- 50% of the enrolment on March 31st of each year.

This calculation means we take half of the enrolment as at October 31st and add to it 50% of the March 31st enrolment and then multiply it by whatever factors are outlined in the Grants for Student Needs in order to arrive at whatever the revenue is for a particular area.

Accuracy with respect to the board's enrolment is critical. The enrolment projection in June is compared to the number of students who actually show up in the autumn. When we underestimate in June we receive more revenue in the autumn and this is good news when the Revised Estimates are completed. If, however, we overestimate in June we end up losing revenue in the autumn. Budget cuts during the school year are problematic particularly in the area of human resources. Staff on contract in June cannot be laid off in the autumn. Consequently, it is far more prudent to be cautious in staffing in the May-June period than to end up over-hiring and not being able to release staff. Since enrolment determines revenue and revenue and enrolment determine staffing, it is critical to be cautious and accurate with enrolment projections.

Our enrolment trend report can be found in the ***board materials*** folder that accompanies this budget letter. The report shows that our enrolment over the past seven years has declined. An examination of the chart for 2007-2008 demonstrates that we received 42 (or 0.55%) more students in our secondary schools in the autumn than we projected for last year's June budget. We know from examining the data that over the summer months 32 students came from outside of the board. Seventeen came from Catholic school boards in Ontario. Three came from French Catholic school boards in Ontario. Six came from English Public school boards outside of Waterloo Region and six came from Private schools in Ontario.

With reference to junior and senior kindergarten for 2007-2008 we witnessed 123 (or 2.47%) additional JK students and another 56 (or 3.9%) SK students than we had anticipated in June, 2007. Contact was made with our elementary schools to analyze why student increases occurred. The good news is that the majority of new junior and senior kindergarten students are as a result of new families moving to the Region over the summer months and the Board's year-round marketing efforts to recruit new students.

In Grades one to eight we were within 0.16% of our projection. For Grades nine to 12 we were 0.55% within our projection. That being said, we are still declining and we believe we will not begin to see enrolment growth again until 2012. This growth will primarily result from new immigration to Canada or migration from other areas of

Canada to Waterloo Region. Our long term prospects may be found in the [board materials](#) and in the [capital budget](#) folders in the CD that accompanies this budget.

For 2008-2009, we are projecting:

Area	2008-2009 Enrolment Projections	2008-2009 Full Time Equivalent (FTE)	2007-2008 October Enrolment (FTE)	Difference + / - (FTE)
Junior Kindergarten	1,340	670	690	-20
Senior Kindergarten	1,510	755	745.5	+9.5
Grades 1 to 8	12,952	12,952	13,202	-250
Total Elementary	15,802	14,377	14,637.5	-260.5
Total Secondary	7,450	7,450	7,560	-110
Total System	23,252	21,827	22,197.5	-370.5

The elementary projection is for the full school year. The secondary projection is a blending of semester I and semester II. Our total board enrolment for 2008-2009 is projected to be **21,827** full time equivalent students. This represents a decrease of **370.5** over 07-08. It is also noted that if you examine the enrolment projections submitted to the Ministry in December 2007 for [2008 to 2012](#), our secondary school projection for 2008-2009 is six less than we projected in December 2007. Our elementary projection is 130 below our December 2007 projection. The difference is accounted for through growth that normally occurs during the summer months. It is prudent, however, to plan for only those students who have registered to date. It is easier to add staff in September when additional students arrive than to cut staff and budgets because students did not appear.

It is also critical to examine the relationship between enrolment and staffing. Our data for the past ten years is contained in the chart entitled: [Total Staffing and Enrolment Waterloo Catholic District School Board 1998 to 2008](#). The chart demonstrates the impact of mandated class size reductions by the Ministry of Education in both elementary and secondary schools.

It is interesting to compare 2008/09 with 1998/99. With an elementary enrolment in 1998/99 of 15,564 we required 659.9 classroom teachers to staff the class sizes of the day. Today, with the impact of mandated class sizes in JK to Grade 3 and Grades 4 to

8, we require approximately 756.4 elementary school teachers (or 96.2 more than employed in 1998/99) to serve a student population that is 1,187 students smaller than our 1998/99 enrolment.

As will be noted later in the budget letter and support materials, the Ministry funds classroom teachers. The board – to maintain compliance with the *Education Act* and Regulations – then staffs the schools with the appropriate numbers of teachers to support the class size averages. When reductions are necessary because of declining enrolment, there will be some teaching staff reductions because the number of students has declined. As noted earlier, we project twenty-five fewer elementary classroom teachers and nine and one half fewer secondary classroom teachers because of declining enrolment. (See [Total Staffing and Enrolment](#)),

With reference to other areas such as Special Education or Guidance, the number of staff assigned to these areas is at the board's discretion and not enrolment dependent. When there is an enrolment decline there can be fewer Special Education teachers. In point of fact, the Ministry allocates revenue to school boards for Special Education and the board determines the number of Special Education teachers, educational assistants, and child and youth care workers that are necessary to fit the model of delivery. We also know from the Ministry's analysis of Special Education that we have been overspending significantly in Special Education – (see [WCDSB Workbook](#)). This particular budget, therefore, witnesses a reduction of 23.5 Special Education teachers over last year. Some of the money saved from the reduction in teachers has been re-invested in Special Education via an increase of 21 Educational Assistants and four Child and Youth Care Workers.

BUDGET WORKBOOK

Prior to last year's budget process, the Ministry of Education released a [Board Budget Workbook](#). This workbook demonstrates the trends in the various components of the board budget process – student achievement, staffing, and expenditures for learning materials as well as identifying cost pressures. An analysis of our [workbook](#) demonstrates the following trends:

- √ Our [student achievement](#) in Grades 3, 6 and 9 as well as the results for the Secondary School Literacy Test, credit accumulation by the end of Grade 10 and our graduation rate continues upward. We can be very proud of our achievement data;
- √ Our [Primary Class Size](#) (See WCDSB workbook) meets or exceeds provincial expectations;

- √ Our Grade 4 to 8 class size did rise in 2006-2007 but has since declined;
- √ Our greatest under-spending occurs in the area of textbooks and supplies. However, much of this under-spending is transferred to computers where we over-spend. In the end, we do make local decisions to provide the best learning resources – both text and digital – to learners;
- √ Our greatest cost pressure is in the area of classroom teachers where we over-spend by close to \$2 million;
- √ Since 2002-03 spending has increased 27.5% while grants have increased by 26.8%. At the same time, enrolment has fallen by 2.2% while staffing has increased by 6.2%. Just over 40% of the staff increase is due to the Ministry's declining class size caps. Twenty percent can be attributed to classroom support at schools. Another 20% is attributed to school administration. Just over 17% of the staff increase is attributed to school operations – cleaning and maintaining schools. Board administration accounts for just 1.5% of the staff increase;
- √ Over time, however, our spending is beginning to be kept in line with revenues – a trend we will need to maintain.

The staffing trends are broken down further in the [Board Budget Workbook](#). For the most part, the trends indicate a decrease in staffing levels as enrolment declines. It is worth noting the ratio of total board staff per thousand students is 101.4 while the provincial average is 102.8.

With respect to utilization of space, it is critical to examine space use from 2006-07 to 2007-08. In 2006-07, 19.6% of our schools used less than 80% of the available space. In 2007-08 this percentage increased to 29.4% of our schools. (Provincially, 41.9% of schools are using less than 80% of their space). Most of this under-use of space is the result of declining enrolment. The following chart outlines our reality:

Type of School	Number in 06/07	Number in 07/08	Change
At 100% capacity	23	19	-4
80 to 100% capacity	13	12	-1
50 to 80% capacity	10	15	+5

The trend toward increased capacity will continue as long as school boards experience enrolment decline while maintaining a static number of facilities. The math is obvious: since enrolment drives revenue it becomes harder and harder to run a static number of facilities. Board administration estimates every facility closed yields an operational savings of approximately \$200,000. A goal over time is to ensure that we have the proper number of facilities spread throughout the Region in the correct locations. This will ensure we minimize transportation costs while ensuring Catholic schools remain available to our ratepayers in a

manner that affirms the tradition of the past decades.

BUDGET DIRECTION

When the Board of Trustees approved the 2006-2007 School Year Budget, the board approved the following motion:

Moved by: Manuel da Silva and Seconded by Christopher Gehan:

“THAT, the Chair of the Board appoint three Trustees who represent the geographic areas of the Region and who have no direct or indirect pecuniary conflict of interest with the school year budget to sit on a Budget Advisory Committee to provide advice to the Director of Education on strategies to achieve a balanced budget without dependence upon the use of reserve funds for the 2007/2008 and 2008/2009 budget years and to provide advice on budget process and presentation.”

Trustees Manuel da Silva, Joseph Gowing and Fr. Robert Héту were appointed to the Budget Advisory Committee. The Director of Education, the Superintendent of Business and Financial Services, the Senior Manager of Financial Services and the Superintendent of Human Resource and Facility Services are members of the Budget Advisory Committee as well. The committee meets every other month in the autumn and monthly from March to June of each year.

Our 2007-2008 Revised Estimates (November 2007) demonstrate that the system projected a reliance on reserves of \$3,125,189 to balance the budget. A Ministry of Education examination of where school boards under-spent and over-spent by area demonstrates that for 2007/2008 the Waterloo Catholic District School Board spent:

Area	(Under) Over-spending
Classroom Teacher	1,480,415
Supply Teachers	196,740
Teacher Assistants	449,787
Textbooks and Supplies	(2,255,707)
Computers	1,112,682
Professionals/Paraprofessionals	767,531
Library and Guidance	(45,887)
Staff Development	433,782
Program Heads	28,996
Principals and Vice-Principals	(551,239)
School Offices	671,003
Consultants	362,236
Board Administration	18,130
School Operations	(2,638)

Continuing Education	(4,158)
Transportation	463,416
Total Allocation	3,125,189

The funding model provides for transferring funds between some envelopes. Accordingly, we transfer funds from textbooks and supplies to computers in order to provide the type of information technology resources we believe are necessary. Unfortunately, the computer grant provides for computers only and not for the connectivity charges for a wide area network/Internet. These costs are, therefore, covered by other budget areas.

Beyond this strategy – in order to support and enhance literacy – we are moving toward a rich mixture of both information technology and print resources. Similarly, we treat the school administration envelope as one funding source. We under-spend in the area of Principal and Vice-Principal in order to have more secretarial staff in our schools.

The chart (above) identifies some of the cost pressure areas that were addressed through the use of the reserve fund in the past.

Aside from recognizing the need to reduce spending by \$3.1 million to cover off the prior use of reserves, we also have to face the fact that declining by some 370 students will also mean a loss of grant revenue. For example, if we had the same enrolment as last year (See Column A below), we would have received the following Foundation Grant:

	Column A	Column B	
Grant	Based on last November's elementary enrolment of 14,526 @ \$3970 per student elementary & secondary enrolment of 7518 @ \$5,190 secondary	Based on the projected enrolment June 08 of 14,377 @ \$3970 per student elementary & secondary enrolment of 7432 @ \$5,190 secondary	Difference
Elementary Foundation	\$57,668,220	\$57,088,623	(\$595,597)
Secondary Foundation	\$38,409,462	\$37,970,088	(\$439,374)
Difference	\$96,077,682	\$95,058,711	(\$1,018,971)

Declining by 370 students means we lost another \$1 million in revenue in the Foundation Grant alone. Having 370 fewer students also means a corresponding loss in Special Education, FSL, board administration and school administration funding. It is important to realize that 370 students constitute one good-sized school.

As staff prepared their respective budgets, therefore, they were directed to stay within the revenue envelope for each department. Further, staff knew reserve funds could not be used to balance the budget. Given this direction, we developed the 2008-2009 school year budget in large part from a zero base.

The approach we took was to identify savings in both human resource and non-human resource cost areas to reduce our dependency on reserves to zero and then to focus on the loss of revenue due to declining enrolment. Thus, the following chart outlines the combined savings from reducing expenditures and accounting for enrolment loss.

Area – Comparisons are to the Nov 2007 Revised Estimates	Savings	Total for Area
Transportation (a 7.72% reduction from \$6.9 million in 2007/08)		538,816
Elimination of Noon Hour Transportation for JK/K	390,000	
Adjustments to transportation because of increased safety measures re: St. Mary's High School and St. Timothy CES	148,816	
Board Administration (a 7.69% reduction from \$6.6 million in 2007/08)		509,009
Reduction in supervisory officer costs, elimination of Principal of Student Services role, one fewer Executive Administrative Assistant and one fewer Co-op Office Assistant.	509,009	
Student Services (a 3.56% reduction from \$24.8 million in spending in this area in 2007/08).		\$885,350
Non replacement of a Speech & Language Pathologist; reduction in Special Education teachers, elementary by 16.5; and reduction in Special Education teachers, secondary by 7.	1,827,656	
Hiring 21 Educational Assistants and four Child and Youth Care Workers for \$777,306 plus setting aside \$165,000 in staffing – positions to be determined in September.	(942,306)	
Day School (a 2.23% reduction from \$119 million in spending in this area in 2007-2008).		\$2,683,237
Reduction in 34.5 classroom teachers due to declining enrolment and covering three consultant salaries through grants.	2,102,159	
Information Technology Savings	414,430	
Program Services Budget Reductions	107,784	
Reduction in school budgets because of fewer students	58,864	
Total	\$4,616,412	\$4,616,412

From these savings we did reinvest by hiring 21 Education Assistants and four Child and Youth Care Workers and committed an additional \$165,000 in Special Education staffing to be determined in September based on needs identified at that time.

The 2008-2009 school year budget is a combination of fixed costs because of government-mandated criteria – class size or fixed costs such as the cost of heat and hydro. The remaining budget categories were built from a zero base to reflect the budget priorities as expressed through the nine goals that flow from *[Sharing Our Journey](#)*.

OVERALL BUDGET

The overall budget is **\$211,847,466** and is broken down as demonstrated through the following chart:

Area	% of Operating Budget	Amount
Day School	73.09%	\$143,812,625
School Operations and Maintenance	9.65%	\$18,995,138
School Administration	6.85%	\$13,484,284
Adult & Continuing Education	3.82%	\$7,532,306
Transportation Consortium	3.40%	\$6,696,770
Board Administration & Governance	3.16%	\$6,222,599
Total Operating Budget	100%	\$196,743,712
Total Capital Budget	100%	\$14,936,210
Total Budget	100%	\$211,679,922

The operating revenue is outlined through the document Summary of [2008-09 Summary of Operating Revenues and Expenditures](#). You will note that the Grants for Student Needs provided by the Province of Ontario amount to \$190,452,994. This amount is based on the enrolment we project will be in our schools in 2008-2009.

The second source of revenue is derived from various grants outside the Grants for Student Needs. For example, our Adult and Continuing Education program receives approximately \$3,987,067 from the Federal Government and from the provincial Ministry of Citizenship and Immigration.

Other revenue is derived from the Ministry of Education through what are called EPO grants; that is *Educational Programs – Other* (hence EPO). These grants are targeted to address government priorities such as literacy and numeracy, school-to-workplace initiatives, new teacher induction and community use of schools. These EPO grants account for approximately \$1,313,243 of our other revenue.

The balance of “other” revenue is derived from the work of the Resource Development Office -- approximately \$335,000. RDO co-ordinates the School-College-Workplace Initiative for several southwestern Ontario school boards. The balance of the RDO revenue, approximately \$529,500 is gained via our successful VISA student program. We project at least fifty VISA students will be in attendance in our secondary schools during 2008-2009.

The summary of revenues and expenditures is found in the [2008-2009 Estimates Cover page](#) for the detailed budget areas. Following this page the actual budget details are provided for Capital, day school, administration, et cetera. The lead staff for each area is identified and can respond to inquiries about their designated budget area.

CAPITAL BUDGET

Dave Bennett and Shesh Maharaj - Leads

The Capital budget of **\$14,936,210** represents 100% of the overall expenditures on capital projects and is treated differently than the rest of the school board budget – known as the operating budget. The following are the constraints on the use of capital funds:

- √ The capital portion of the Pupil Accommodation Grant deals with additions, renovations to schools, new school construction, school renewal and prior capital debt. These funds must be used for capital purposes. [[Technical Paper](#)]
- √ School boards may not use capital reserves for ANY new capital projects without prior approval of the Ministry of Education. [[Technical Paper](#)] and [[SB12 Memo](#)]

Area	HR Costs	Non-HR costs
Staffing	\$144,007 0.9% of this category	
Projects		\$14,792,203 99.1% of this category

The Capital budget funds the long-term care and renewal of our school sites and buildings. Some of the work related to capital projects, particularly school renewal, is carried out by our school operations and maintenance personnel. This portion of the Capital budget is known as School Renewal.

School Renewal

These are projects that are undertaken to address areas such as:

- *barrier free access/renovations/alterations
- *elevating devices
- *site improvement
- *landscaping/paving/signs/painting
- *in-school communication systems
- *building and fire code upgrades/alterations
- *roofing/window repairs, replacement
- *indoor air quality improvements
- *electrical and lighting system improvements
- *flooring and floor systems
- *HVAC/mechanical systems
- *plumbing & drinking water improvements
- *life safety systems and fire protection.

These projects address the board's priority of providing funding to maintain schools and administrative sites and to provide funding to meet safe school / health and safety legislation.

Annually, the facility and capital planning staff assess the needs of the system in consultation with administrators and prepare a list of projects for completion during the upcoming summer months. Consequently, in November 2007, a list of **projects** was developed for completion during the summer of 2008. These projects are funded by school renewal funds; funds that can only be used for this purpose. The projects are completed during the portion of the school year when our schools are most accessible to trades people. For 2008-2009, staff will develop a similar project list for completion during the summer of 2009. As stated earlier, the funding will be through the annual allocation of school renewal dollars which can only be used for this purpose.

Apart from the above, capital funds are used to construct new facilities. Currently, the system is undergoing two accommodation reviews (and may undergo two more in coming years). As has been stated earlier in this budget letter, we are witnessing more and more facilities in our elementary panel having less than 80% capacity. The Accommodation Review Committees have made recommendations to the Board of Trustees for decision on June 16, 2008. When part of the outcome of an accommodation review is an addition to an existing school or construction of a new one, a business case is submitted to the Ministry of Education for approval before the project goes ahead. Dave Bennett, Senior Manager of Capital Planning, has outlined in the support materials to the budget the likely incidence of activity in capital projects for the 2008-2009 school year (see: **Capital** in the attached documentation). These projects and timing follow the timeline stated in the Accommodation Master Plan brought to the

Board of Trustees last January (See [Capital Plan Report January 2008](#)).

REPORT ON USE OF CAPITAL RESERVE FUNDS

The Board has two reserve funds – one entitled the **Capital Reserve Fund** and the other titled **Operating Reserve Fund** [sometimes referred to as a “working reserve”]. Capital reserves are used to support building and site projects whereas the Operating Reserve Fund is used to support non-capital areas such as purchasing textbooks, buying additional computers, balancing the operating budget or addressing an unforeseen deficit caused by an outbreak of flu where staff who are ill are replaced by, for example, supply staff and this cost exceeds the overall approved budget.

Capital Reserve: Our capital debt is largely composed of the debentures for the schools we built between 1997 and today – six elementary schools and one secondary school, along with the renovations and additions to many more elementary and secondary schools over the years. In order to ensure that school boards have sufficient funds in their reserves to pay for current debt, the Ministry of Education has introduced a new requirement with this year’s funding announcement. Beginning this year the board requires the permission of the Ministry of Education to use reserve funds. Accordingly, as capital projects are identified and approved by the board there is a requirement that the Ministry be involved in the approval of the project before reserve funds are committed to the project.

Funds from the sale of property and funds derived from the Educational Development Charge Bylaw must be placed in the board’s capital reserve funds and used for additions, new schools et cetera as approved by the Ministry of Education. Similarly, funds received for *Good Places to Learn, School Renewal, Prohibitive to Repair* et cetera must be used for the purposes intended -- such as additions to schools, upgrades to schools or new school construction as approved by the Ministry. Any funds not used in one year must be placed in the capital reserve for subsequent use.

The Capital Reserve funds for 2008-2009 are projected as follows:

Area	Balance at Aug 31/07	Balance at Aug 31/08	Balance at Aug 31/09
Grant for Improved Access	\$190,230	\$160,200	\$165,000
Pupil Accommodation Reserve	\$8,133,696	\$7,026,256	\$6,251,229
Disposition of Property	\$8,959,379	\$9,032,250	\$9,100,000
Education Development Charges	\$191,526	\$391,526	\$600,000
Totals	\$17,474,831	\$16,102,232	\$16,116,229

As a matter of information, the current status of the Operating Reserve Fund is:

Area	Balance at Aug 31/07	Balance at Aug 31/08	Balance at Aug 31/09
Working funds	\$1,808,182	\$1,700,000	\$1,725,000
Classroom	\$2,974,205	\$0	\$0
WSIB	\$787,235	\$787,235	\$787,235
Continuing Education	\$178,462	\$180,000	\$185,000
Network Infrastructure	\$1,263,813	\$1,280,000	\$1,300,000
Totals	\$7,011,897	\$3,947,235	\$3,997,235

There is no anticipated use of the Operating Reserve Fund during 2008-2009. If there are reserves to be used from this fund, the Board of Trustees would need to provide approval.

ADULT AND CONTINUING EDUCATION

Bruce Rodrigues – Lead

The Adult and Continuing Education budget of **\$7,532,306** represents 3.82% of the school board *operating* budget. The following are the uses of Adult Education funds:

- √ Funding for Adult and Continuing Education programs can only be applied to programs where students are registered on Adult and Continuing Education registers and taking courses for students over the age of 21, international languages or summer school programs. Money can only be accessed if students are registered in these programs. Funds are not transferable to other areas of the budget. [**Regulation 285**]

Area	HR Costs	Non-HR costs
Staffing	\$6,541,061 86.8% of this category	
Supplies and Services		\$991,245 13.2% of this category

The St. Louis Adult Education and Continuing Education program is a hugely successful program with some 13,000 children and adult learners involved in everything from Saturday heritage language programs to individuals taking English-as-a-Second Language or secondary school credits as mature students.

It is noted that the highly successful heritage language program celebrated its 30th anniversary on May 10, 2008. There was a very impressive display at Kitchener City Hall of the twelve heritage languages that we teach on Saturdays at our various locations. Our longest-running heritage language school is our Polish school which traces its start back to 1894.

Through this budget our Adult and Continuing Education program continues to refine its strategic plan to ensure that it delivers appropriate programs and services yet operates within its means. During 2007-2008 the programs grew by an impressive 3,000 students. Among the successes of 2007-08 was utilizing more of our space in our Cambridge location than ever before.

The exponential growth of St. Louis prompted senior administration and the administration of St. Louis to step back and revisit the current operations of Adult and Continuing Education. This led to the beginning of a strategic planning process that should be complete as we enter 2008-2009.

It is also noted that during 2007-2008 our coterminous board, the Waterloo Region District School Board, discontinued adult ESL programs. Our program absorbed some 300+ students from the discontinued public school board programs. In the area of ESL alone, some thirteen new classes were created at our St. Joseph campus, St. Francis campus and at our St. Louis Main campus. Our Cambridge program benefited as well -- resulting now in a fully utilized Adult Education facility in Cambridge.

The Board of Trustees is aware that we were approached by the House of Friendship to have us reopen the discontinued WRDSB sites. (See [*House of Friendship presentation*](#)).

Our sites did absorb a large number of former public board ESL students at sites that are well within walking distance or a short bus ride from many of the former public board [ESL sites](#). We are currently examining and refining our own Adult Education infrastructure. It does not readily make sense at this-point-in-time to assume satellite sites that are well within a reasonable distance of our current Kitchener-Waterloo sites. We also have to complete our Adult Education strategic plan before expanding.

The delivery of ESL to new Canadians is a community concern – not just a concern of the Waterloo Catholic District School Board. ESL is as much an economic and social development issue as it is an education issue. Accordingly, the Director of Education has contacted the Director of Education for the Waterloo Region District School Board, the President of Conestoga College, the Regional Chair, the Mayors of Cambridge, Kitchener and Waterloo and the local MPPs and MPs to meet on June 16, 2008 to discuss the issue and hopefully move forward with a regional ESL strategy.

TRANSPORTATION

Helen Mitchell – Lead

The ***Transportation budget*** of **\$6,696,709** represents 3.40% of the school board *operating* budget. Transportation funds are provided in order to transport students from home to school, including transportation of students with special needs. Any excess revenues may be transferred to other areas of the operating budget.

In 2006-07 the Ministry of Education mandated that coterminous school boards form transportation consortia to enhance the delivery of transportation within the same geographic area. The transportation consortium operates as a third-party to each school board.

The Waterloo Catholic District School Board and the Waterloo Region District School Board have a history of co-operative transportation services going back to the early 1990's. However, this co-operative service did not meet the criteria of a formal consortium. Consequently a formal consortium entitled: ***Student Transportation Services of Waterloo Region*** has been established. Each board shares in the overhead costs and each board contracts with the consortium to purchase services to meet the individual board's transportation policy.

For 2008-2009 our payment to the STSWR consortium for transportation services is **\$6,686,709**. The summary of the costs is contained on the CD under ***transportation***.

SCHOOL OPERATIONS

Bryan Mahn – Lead

The school operations budget of **\$18,995,138** represents 9.65% of the school board *operating* budget. School operation revenues are provided to school boards to address the costs of operating schools, that is, lighting, heating, maintaining, and cleaning. Any excess revenue may be transferred to other areas of the operating budget.

There is a component of the school operations budget that is to be used for *community use of schools*. This funding is to make schools more accessible for community use – particularly youth groups. The community use of schools funds are not transferable to other areas of the operating budget.

Area	HR Costs	Non-HR costs
Staffing	\$10,260,003 or 54% of this category	
Supplies and Services		\$8,735,135 or 46% of this category

In the 2007-2008 school year, the Facility Services department underwent further restructuring including a budget application review process while facing a reduction in the School Operations Grant. They have continued to focus on their core business as outlined in the Education Funding Technical Paper.

Several key initiatives started last year are beginning to be reflected in the projected spending facilitating a budget projected to be within the calculated grant. By training and redirecting staff resources we are able to reduce our reliance on contract services and we will continue to build on this next year. For example, we are currently performing all grass cutting with in-house resources and will focus our preventative maintenance on heating systems with a filter replacement program and heating water treatment program as well as on door systems -- with a focus on security and weather stripping.

We anticipate the 50% of our operations sub category spent on snow plowing and removal to remain unchanged. We will continue to invest more than 72% of the maintenance allocation on repairs to our schools and developing quality/service standards.

We currently spend more than 23% of our overall grant on utilities. Summer air conditioning guidelines and School Renewal Projects on window replacements, lighting replacements and roofing replacements are expected to stabilize the usage in this time of rising energy costs. The modest increase in the custodial line reflects the need to begin replacing older custodial equipment with newer ergonomic equipment and hopefully reduce our current number of work related injuries. We have also allocated an average of \$175 per staff for safety, skills and awareness training.

We are also engaging in planning and action that will lead to education for sustainability and place us over time in the forefront of being a green school system. The initial plan under the leadership of John Shewchuk is found under the *school operations* section of the budget support materials. Our first project is the elimination of bottled water at the Catholic Education Centre. This should be implemented by September 1, 2008. Our second project will be the introduction of software that will automatically shut down any computer that has been left on after work hours. During 2008-2009 the sustainability committee will continue meeting and bringing forward recommendations to enhance environmental awareness and moving this awareness into action so that we can live out our gospel value responsibility of being good stewards of scarce resources. A key focus will be on developing ways to capture and re-use for school yard “greening” projects the water required for government-mandated daily flushing of school water systems.

SCHOOL ADMINISTRATION

Bryan Mahn – Lead

The school administration budget of **\$13,484,284** represents 6.85% of the school board *operating* budget. School administration funding provides for school leadership (Principal and Vice-Principal, and school secretaries) as well as for supplies to operate school offices. Any excess revenue in this area may be transferred to other areas of the operating budget.

Area	HR Costs	Non-HR costs
Staffing schools with Principals, Vice-Principals and school secretaries	\$13,154,764 or 97.5% of this category	
Supplies		\$329,520 or 2.5% of this category

The bulk of the school administration envelope is for staffing – Principals, Vice-Principals and secretaries. With respect to the supplies allocation, this amount covers school telephones, Internet fees, computers, and data lines to the schools.

DAY SCHOOL

Heather Cullen and Bruce Rodrigues – Leads

The Day School budget of **\$143,812,625** represents 73.09% of the school board *operating* budget. The following are the constraints on the use of Day School funds:

- √ Primary Class Size and Grade 4 to 8 class size targets must be met [[2008 B1 Memo](#)];
- √ Funds for specific *program enhancement grants* (such as Successful Students, Learning to 18, Literacy and Numeracy, English-As-A-Second Language, First Nations) must be spent on the areas for which the money is intended;
- √ Any excess revenue in this area may be transferred to other areas of the operating budget;
- √ The \$143 million stated above includes \$24.08 million in expenditures for Special Education programs and services. A report on the use of Special Education revenues is outlined following the “Day School” portion of the budget letter.

Area	HR Costs	Non-HR costs
Staffing	\$134,245,044 93.2% of this category	
Services		\$9,724,599 6.8% of this category

The Day School budget represents the largest component of the board's budget and ranges from staffing our schools to providing for regular curriculum delivery from JK to Grade 12 to specific grant allocations covering safe schools, student success, new teacher induction and literacy and numeracy. We have also included on the supporting CD information on all of the matters related to our progress with respect to student achievement and planning for key areas such as Religious parish-school relations, exploring our faith life and the commitment of leaders to achieving excellence in Catholic education. These plans are found under the [day school](#) section of the support materials. Student achievement data is found in the file entitled [WCDSB Student Achievement Results](#).

STAFFING COSTS TO MEET AVERAGE CLASS SIZES

Out of our total staffing costs of **\$111,295,695** (which includes ESL, Numeracy / Literacy teachers, Special Education, Consultants, Co-ordinators and Guidance), approximately **\$98,292,567** or 88% is directly related to meeting the provincially-mandated average class sizes and our Section 23 programs and services. These costs are fixed and cannot be reduced.

Our other teacher costs are approximately:

- √ English-as-a-Second Language - elementary (\$838,003);
- √ Guidance (\$1,820,574);
- √ Consultants and Co-ordinators (\$1,906,735) [some are covered by specific grants];
- √ Special Education – elementary (\$4,769,142);
- √ Special Education – secondary (\$1,932,245);
- √ Special Education – itinerant teachers (\$1,211,662);
- √ Literacy & Numeracy teachers – elementary (\$524,767);
- √ **Total = \$13,003,128.**

The costs for non-Section 23 and non-average class size teachers are not fixed with the exception of English-as-a-Second Language and Literacy and Numeracy. The ESL must be spent to engage ESL teachers. The Literacy and Numeracy teachers are charged to the Learning Opportunities grant. This grant is used to enhance what the system does to respond to reducing the achievement gap in literacy and numeracy. Consequently, we have flexibility in the number of Special Education, Consultants, Co-ordinators and Guidance teachers we decide to have. Put another way, we have flexibility in how approximately \$12.1 million (just 10.8%) of our \$111.2 million for teachers is spent. The rest is pre-determined by the government.

FOCUS ON CATHOLIC EDUCATION, THE PARISH-SCHOOL RELATIONSHIP AND BUILDING CAPACITY

Over the past few months there have been discussions within the Waterloo Deanery and among school administrators and chaplains on how we can enhance the school-parish relationship as well as work over the next four years, for example, to build capacity for Catholic education. The plan that accompanies this budget is in draft form. It results from consultation with staff and the Waterloo Deanery. It represents the input from some thirty school

administrators, Fr. Con O'Mahony and Fr. Fred Scinto, CR, our Religious Education Consultant, several chaplains and three supervisory officers. Entitled [Nurturing Our Catholic Community](#), the draft document will be finalized over the next few months and will represent an alignment of school and parish-level thought on how to build capacity for Catholic education through the school-parish and parish-school relationship.

Beyond the parish-school relationship, [Nurturing Our Catholic Community](#) also addresses long-term capacity building at the administrator and school level in support of our mission, values and beliefs. There is a focus on identifying Catholic distinctiveness through the lens of five key components that are present to some degree in every Catholic school. These components would also be reflected in the work that we do in curriculum delivery through the Ontario Catholic School Graduate Expectations and through the recent work of the school effectiveness framework. How we implement our Religious Education program, interact with the parish and live out our faith commitment at the school level is all part of the mission, values and beliefs portion of the framework. Work in the area of nurturing our Catholic community will say a great deal about how we proclaim and celebrate who we are and the added value we bring to a diverse society.

LEARNING SERVICES

Heather Cullen - Lead

At the heart of all we do are the learners in our system. Those who have the greatest impact on student achievement are the teachers who interact with them daily. As we learn more and more about how children learn best and which teaching strategies have the greatest impact on their learning, teachers need support to stay abreast of these developments and receive professional training. Research in staff development clearly indicates that professional development delivered closest to the classroom has the greatest impact on improving student learning. This is commonly called "job-embedded" learning.

The budget for Learning Services 2008-2009 reflects this commitment to reduce the frequency of previously familiar large group in-services. Consultant and itinerant teaching staff will be devoting the majority of their time to working with staff directly in schools and with building the capacity of schools to work with each other in networked learning communities. With the development of new technologies such as webcasts, podcasts and video conferencing, PD can be accessed by staff at their worksite or at home, at a time and place most convenient for the staff member. This will be seen in an enhanced sector of the Learning Services portion of the board website in the "Teacher Toolbox", "Program Connections" newsletter and the "Administrator Toolbox".

Learning Services continues to be committed to enhancing core curriculum areas as well as the Arts, Healthy Active Living, French as a Second Language, English as a Second Language and Technology. The Religion and Family Life programs as well as Chaplaincy services for elementary schools are integral to all areas of the curriculum and culminate in support for the Grade 8 retreat program.

Through the Literacy and Numeracy Secretariat, grant funding supports targeted interventions for schools with a significant number of students struggling to achieve academic standards. The funding for the School Effectiveness Framework assists all schools in a self-assessment process to inform their school improvement planning process to continue to target high yield classroom instructional strategies. Part of this involves assisting school administrators to analyze student achievement data and using this to differentiate instruction to meet the needs of all students using strategies to engage all learners.

New teachers receive extra support in their first year in the profession through the New Teacher Induction Program. This grant funding provides job embedded and whole group learning opportunities as well as a trained mentor for each new teacher.

As new initiatives are announced by the Ministry of Education through the EPO grants (Educational Programs – Other), Learning Services will align these with the Board Improvement Plan and School Improvement Plans and known strategies to improve student learning.

STUDENT SUCCESS

Bruce Rodrigues – Lead

The Student Success initiative has gained momentum throughout the 2008-2009 school year in support of students at risk of not succeeding. This initiative will continue to grow and bear even more fruit during the 2009-2010 school year.

Student Success consists of four main pillars; literacy, mathematical literacy, pathways for students and support in the area of community, culture and caring.

From the inception of the Student Success initiative the Ministry identified twelve indicators that formed the basis of data collection and analysis by schools and Boards. These indicators are used to allocate resources and supports to schools. Over the past year these indicators have been refined to more appropriately reflect data that we can concentrate on that best enables us to respond to supporting student engagement and success

Each secondary school has a student success team that supports students at risk by ensuring five deliverables. Each school has developed and uses a system for monitoring and tracking students at risk. Each school executes a coordinated timeline that ensures there is a plan in place for students at risk. Each school spends time clarifying the roles and responsibilities within the team to provide seamless support for students as it is needed, including support for students on an IEP. Each school executes a staff development and communication plan that encourages shared responsibility within the staff. And, finally each school measures its team's effectiveness in improving student achievement.

Over the past few years many programs have been put into place to help students stay engaged in their learning and also to support their diverse learning styles. The student success teams and teachers at each of the schools are committed to ensuring success for all students.

SCHOOL BUDGETS

The school budgets appear under the "Day School" portion of the budget. The elementary school budget is \$1,516,243 which is an average of \$105.46 per full-time equivalent student. However, to recognize the differences in delivering programs and services between small and large schools, the elementary school budget is allocated as follows:

- √ schools below 300 full time equivalent students receive \$115 per student;
- √ schools between 300 and 399 full time equivalent students receive \$103 per student;
- √ schools over 400 full time equivalent students receive \$97 per student.

Beyond the above, the elementary schools receive \$67,909 to assist with the elementary retreat program and \$3.04 per student to assist with site-based supply teacher costs. The office budget is supported through \$5.00 per student.

The secondary school budget is \$1,298,139 or \$179 per full time equivalent student. Each secondary school sets aside \$5 per full time equivalent student for co-curricular activities. Secondary schools receive \$2.11 per student to support site-based supply teacher costs. Secondary schools also receive \$5 per student for the office budget.

REPLACEMENT OF EQUIPMENT

Over time, the school system needs to develop plans to replace vital and expensive equipment such as our performing arts equipment, our cafeteria equipment, surveillance cameras, and equipment used in our secondary school technology programs. There was a time when government provided funding for the replacement of some of this equipment. However, in recent years this funding has been inconsistent.

In the absence of such funding the Waterloo Catholic District School Board should not allow its equipment to go into a state of disrepair. Accordingly, beginning with the 2008-2009 School Year Budget and extending on for the next five years at a minimum there will be two annual allocations to address secondary school equipment needs. The funds will be as follows:

- a) Secondary performing arts equipment – an annual allocation of \$40,000;
- b) Secondary technology equipment – an annual allocation of \$160,000.

Access to the funding is dependent upon the development of a plan by the consultant staff responsible for each area. The plan will identify needs and recommend steps to address the needs including but not limited to a plan that recommends pre-purchase with an ability to use the annual funding to pay for the principal and interest of equipment over the five year period. At the conclusion of the initial phase of equipment replacement, administration will assess the impact and develop a plan so that equipment needs are kept up-to-date and replaced on a timely basis for the next five to ten year period.

STUDENT SERVICES

Rick Boisvert and Bernie Kowalczyk – Leads

The School Services (Special Education) budget of **\$24,080,876** represents 16.7% of the “day school” budget and 12.23% of the school board *operating* budget. Special Education funds must be spent on students who need special education programs, services and equipment. Any excess revenue in this area must be placed in a Special Education Reserve and used in subsequent years for special needs students. [[Technical Paper](#)]

Area	HR Costs	Non-HR costs
Staffing	\$22,973,111 95.4% of this category	
Services		\$1,107,565 or 4.6 % of this category

The Waterloo Catholic District School Board has an unequivocal belief in inclusion; that is, “a ‘faith that does justice’ as it promotes learning environments in which all persons – irrespective of gender, race, colour, culture, religion, social class, sexual orientation or ability – can realize their full potential.” [*Sharing Our Journey*, page 18]

To understand Special Education spending, it is appropriate to examine the [WCDSB workbook](#), page 15, which indicates Special Education allocations to our board over the past five years (since 2002-03) have risen by \$4 million. At the same time, expenditures have risen by \$7 million. To a large degree the over-expenditure in Special Education was covered either from other budget envelopes or from the board’s operating reserve fund.

When we examine the historical incidence of allocations versus expenditures for Special Education, the following is noted:

Revised Estimates	Nov 07-08	Nov 06-07	Nov 05-06	Nov 04-05	Nov 03-04
Revenues	23,843,287	23,080,557	22,649,454	20,615,476	20,040,724
Expenditures	24,807,799	25,119,792	23,434,631	22,128,123	21,444,212
Surplus (Deficit)	(964,512)	(2,039,235)	(785,177)	(1,512,647)	(1,403,488)

As we examine the Student Services area of the budget it is prudent to know and understand our reality and our plan to move forward. There is no doubt we are re-designing how we approach the delivery of Special Education programs and services; a process that needs to unfold over the next school year with appropriate monitoring by both SEAC – the Special Education Advisory Committee -- and school/board administration. As part of the SEAC monitoring it is noted that both secondary and elementary programs and services will be brought to SEAC during the course of the 2008-2009 school year for regular dialogue and update.

The emerging Special Education model – both provincially and locally – places a greater focus on the classroom teacher as the primary deliverer of programs and services. The role of the Special Education teacher is to support the classroom teacher. Our needs assessment calls for more Educational Assistants and Child & Youth Care Workers to support front line delivery.

Consequently, in 2008-2009, our focus will be on classroom teachers and building capacity to help them teach literacy and numeracy more effectively to students with diverse strengths and needs. Together with Learning Services we will be working with teachers to develop learning profiles of individual students and classrooms. We will also focus on building capacity in the areas of Universal Design and Differentiated Instruction to improve student outcomes and reduce the gap in achievement of our students with special education needs. The equivalent of one full system professional development day in 2008-2009 will be allocated to Special Education for this purpose. We will continually monitor and review our Special Education delivery and make any required adjustments as 2008-09 unfolds.

In September, we will begin implementing the web-based IEP, permitting classroom teachers and special education teachers greater ownership and access to individual students' IEPs. We also will continue to provide classroom teachers with professional development in the area of assistive technology, enabling all learners in the class to have access to technology.

Lastly, to help support the classroom teacher, we will also be providing support through differentiated staffing such as Child and Youth Care Workers, along with an increase in Educational Assistants.

BOARD ADMINISTRATION AND GOVERNANCE

Roger Lawler – Lead

The Board Administration and Governance budget of **\$6,222,599** represents 3.16% of the school board *operating* budget. Board Administration and Governance funding is provided to cover the costs of operating the board office, central office staff and the needs of trustees. The revenue for Board Administration and Governance is the maximum amount that a board may expend in administration and governance. The funding is divided into trustees, directors and supervisory officers, board administration.

- √ Trustee revenue is intended for honoraria, expenses, meeting costs and professional development;
- √ Director and supervisory officers revenue is intended to cover salaries and benefits;
- √ Board administration revenues are intended to cover the costs of operating the board office, board office business and administrative functions and the trustee association fees.

[Technical Paper](#)

Area	HR Costs	Non-HR costs
Staffing	\$5,129,329	
Services		\$1,093,270

For the 2008-2009 school year budget, revenues for Board Administration and Governance are \$6,374,908. Expenditures are \$6,222,599. This means a surplus of \$152,309 in board administration and governance is transferred to assist other pressured budget areas such as Special Education, transportation and day school.

The Board Administration and Governance budget reflects the costs to operate the Human Resource Services, Business and Finance, Planning and Director of Education offices as well as the Board of Trustees. The [Human Resource Services](#) and [Business and Finance](#) budget details are summarized through the documentation on the CD.

Human Resource Services continues to enhance our attendance management program, wellness initiative, and health and safety program as well as engage in collective bargaining and terms and conditions of employment for all employee groups. This year there are some 18 different contracts/terms and conditions up for discussion and renewal.

Business and Financial Services realizes a reduction in costs this year primarily because property and liability insurance of \$415,966 is now charged to school operations and maintenance instead of board administration. Beyond this transfer of costs, Business and Financial Services has engaged the services of a financial analyst. This new position – established through the 2007-2008 budget – will permit more detailed analysis of our revenues and expenditures and our cost pressures. Over time this will mean having a more detailed analysis of finances that will assist both in budget development and monitoring.

The board governance section of board administration and governance deals with trustees and the [cost of governance](#). The \$156,028 set aside for governance covers the following costs:

- √ Trustee honorarium (\$110,528);
- √ Trustee travel (\$15,000);
- √ Trustee professional development(\$30,000) – [trustees break this down for committee work, conferences, legal fees et cetera.];
- √ Phone for Board chair (\$500).

Beyond the above, administration sets aside \$75,500 for trustee association fees and \$65,000 for the annual audit. It is noted that the trustee association fee increased by \$5,000 this year due to a levy approved at the OCSTA AGM in April 2008.

CONCLUSION

The foregoing budget is balanced and operates within available resources to provide programs and services to students. The budget complies with the *Education Act* and Regulations and the Board of Trustees budget policy. It is the recommendation of the Director of Education on behalf of senior staff that the Board of Trustees consider the motions outlined below:

BUDGET MOTIONS

BUDGET MOTION 'A'

Moved by:

Seconded by:

THAT the Board of Trustees approve the Employee Assistance Program portion of the 2008-2009 school year budget in the amount of \$125,000.

BUDGET MOTION 'B'

Moved by:

Seconded by:

THAT the Board of Trustees approve the Human Resources salary and benefits portion of the 2008-2009 school year budget in the amount of \$161,759,053.

BUDGET MOTION 'C'

Moved by:

Seconded by:

THAT the Board of Trustees approve the non-Human Resource costs portion of the 2008-2009 school year budget in the amount of \$34,596,659.

BUDGET MOTION 'D'

Moved by:

Seconded by:

THAT the Board of Trustees approve the capital portion of the 2008-2009 school year budget in the amount of \$14,936,210.

BUDGET MOTION 'E'

Moved by:

Seconded by:

THAT the Board of Trustees direct administration to file a budget with the Ministry of Education in the amount of \$196,743,712 operating and \$14,936,210 capital for a total 2008-2009 school year budget of \$211,679,922.

**Respectfully
Submitted**

Roger D. Lawler -- *Director of Education & Secretary to the Board*

Helen Mitchell -- *Superintendent of Business & Financial Services & Treasurer of the Board*

Rick Boisvert -- *Superintendent of Community Development*

Gerry Clifford -- *Superintendent of Schools*

Heather Cullen -- *Superintendent of Instruction & Assessment*

Bernie Kowalczyk -- *Superintendent of Student Services*

Bryan Mahn -- *Superintendent of Human Resource & Facility Services*

Bruce Rodrigues -- *Superintendent of Student Success*

Glenn Sheculski -- *Superintendent of Leadership and Faith Development*

Dave Bennett -- *Senior Manager of Capital Planning*

Gytis Grabauskas -- *Senior Manager of Human Resources*

Shesh Maharaj -- *Senior Manager of Business & Financial Services*

Sandra Quehl -- *Chief Information Officer*

John Shewchuk -- *Senior Manager of Public Affairs / Executive Officer*