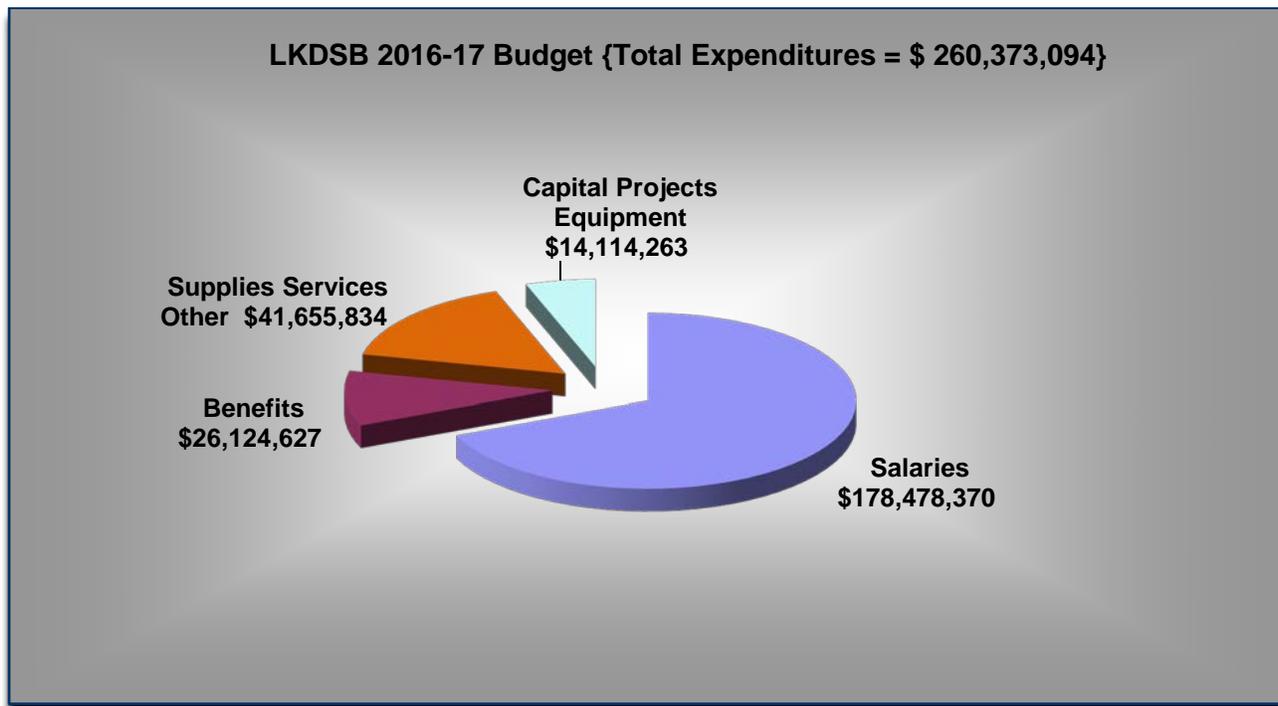


For the 2016-17 School Year, the Lambton Kent District School Board will have a total combined Operating and Capital budget of \$260.37 Million dollars. This budget is based on the Ministry Grants for Education Funding 2016-17 as released on March 24, 2016. Total Provincial Education funding for this new budget year is projected to be \$22.9 Billion dollars, an average of \$11,709 per pupil. While this Provincial funding amount is stable year-over-year, about two-thirds of GSN funding is enrolment based. The declining enrolment in our board has a significant impact on GSN funding requiring cost saving measures to be implemented.

BUDGET HIGHLIGHTS:

The 2016-2017 school year budget for the Lambton Kent DSB totals **\$260.37 Million**. The following chart summarizes all expenditures into the four major categories:



The budget is in compliance with Ministry enveloping requirements and Ministry class size regulations and includes \$1.6M of Board Reserves.

REVENUE BUDGET for 2015-16:

This revenue forecast is based on the Grants for Student Needs (GSN) education funding model, which determines the board's operating grants and school renewal grants provided by the Ministry of Education. There are four (4) major categories of grants to the GSN funding model, these are: Pupil Foundation Grant, School Foundation Grant, Special Purpose Grants and the Pupil Accommodation Grant.

Total revenues from the province are estimated at \$252.96 M. The budget estimates also include other sources of revenue in the amount of \$5.81 M. which is comprised of fees from our Native student population, Visa students, earned interest and rental revenue and earned interest. Finally there is a one-time draw on reserves in the amount of \$1,600,000 to provide assistance for Board priority student and project supports.

EXPENDITURE BUDGET FOR 2016-17:

2016 – 17 BUDGET SUMMARY (MILLIONS)	
TOTAL EXPENDITURES = \$ 260.37 M	
<u>Classroom Categories:</u>	
Classroom Teachers	\$ 135.42
Supply Teachers	4.18
Teacher Assistants & ECE's	18.57
Textbooks & Classroom Supplies	7.15
Computers	2.82
Professionals & Paraprofessionals	5.87
Library & Guidance	4.20
Staff Development	0.46
Department Heads	0.44
<u>Non-Classroom Categories:</u>	
Principals, & Vice-principals	11.52
School Office	6.19
Consultants & Co-ordinators	2.37
Board Administration & Trustees	6.73
School Operations	23.97
Continuing Education	.81
Transportation	12.36
School Renewal	12.32
Approved Debt	4.32
Ministry EPO funding Outside GSN	.67

THE LAMBTON KENT DISTRICT SCHOOL BOARD
REVENUE FORECAST SUMMARY BY GRANT CATEGORY

GRANT CATEGORY	2016/17 ESTIMATES	2015/16 REVISED BUDGET ESTIMATES	VARIANCE to 15-16 Revised Grants
Operating Grants			
Pupil Foundation Grant - Elementary JK - SK	15,601,587	16,324,589	-723,002
Pupil Foundation Grant - Elementary Gr. 1 to 3	23,650,191	23,885,702	-235,511
Pupil Foundation Grant - Elementary Gr. 4 to 8	33,952,538	33,213,875	738,663
Pupil Foundation Grant - Secondary	40,487,688	41,130,232	-642,544
School Foundation - Elementary	11,381,306	11,305,835	75,471
School Foundation - Secondary	5,632,386	5,738,575	-106,189
Special Education	29,126,030	28,152,928	973,102
Language Grants - French as 2nd Language	2,767,459	2,747,851	19,608
Language Grants - ESL/ESD	423,448	514,377	-90,929
Distant & Supported Schools (Learning Resources)	18,452	9,865	8,587
Remote and Rural	282,510	361,610	-79,100
Continuing Education and Summer School	811,937	823,466	-11,529
Teachers Qualifications & Experience	21,305,401	19,591,338	1,714,063
ECE Qualifications & Experience	1,389,809	1,170,822	218,987
Transportation	12,335,199	12,123,584	211,615
Governance & Administration	6,405,201	6,068,550	336,651
Pupil Accommodation - School Operations	19,980,739	19,816,268	164,471
Learning Opportunities (LOG) - Base Amount	1,488,333	1,475,092	13,241
Literacy and Numeracy Assistance (LOG)	13,122	13,006	116
Student Success Assistance (LOG)	1,980,167	1,706,191	273,976
First Nation, Metis & Inuit Education (Pupils of the Board)	1,567,568	992,088	575,480
New Teacher Induction Program	97,082	100,400	-3,318
Safe Schools	436,862	440,296	-3,434
1. Sub-Total =	231,135,015	227,706,540	3,428,475
Flexibility Amount: Local Priorities - Foundation Allocation	0	0	0
Declining Enrolment Allocation	1,121,925	1,170,552	-48,627
Top Up Allocation for School Operations	3,465,277	4,770,710	-1,305,433
Community Use of Schools Compensation	341,428	354,412	-12,984
2. Sub-Total =	4,928,630	6,295,674	-1,367,044
Sub-Total OPERATING GRANTS (1 + 2) from Student Focused Funding Model =	236,063,645	234,002,214	2,061,431
School Facilities Renewal	2,858,595	2,871,281	-12,686
Top Up Allocation for School Renewal including Rural	497,701	696,839	-199,138
School Renewal Enhancement	756,817	756,817	0
School Condition Improvement	8,044,460	8,262,449	-217,989
Ministry Temporary Accommodations	67,735	0	67,735
Prior Capital Commitments	744,654	744,654	0
Financing Costs (\$13.9M Stage 1, \$6.9M Stage 2, Stage 3, PTR & Capital Priority)	3,173,260	3,185,385	-12,125
3. Sub-Total (Renewal grants) =	16,143,222	16,517,425	-374,203
Sub-Total ALL GRANT CATEGORIES from Student Focused Funding Model =	252,206,867	250,519,639	1,687,228
Other Revenue			
Tuition (based on 382 students (First Nations, Visa)	4,365,783	4,446,935	-81,152
EPO Funding	757,833	2,399,552	-1,641,719
Ministry Grants Capital Building Projects	0	1,308,584	-1,308,584
Misc other revenue (OYAP, Interest, Rentals, energy & Deferred Revenues)	966,552	996,989	-30,437
Best Start - Operating Rent	476,058	448,000	28,058
A. TOTAL MINISTRY + FEES REVENUE =	258,773,093	260,119,699	-1,346,606
OTHER FUNDING SOURCES:			
Estimated revenue for half of cat/exp and 1% salary increase	0	2,785,277	-2,785,277
Transfer in from Accumulated Surplus - for priority projects	1,600,000	2,300,000	-700,000
B. Sub-Total =	1,600,000	5,085,277	-3,485,277
GRAND TOTAL A + B =	260,373,093	265,204,976	-4,831,883

Provincial Education Funding

The government has committed \$22.9 Billion dollars to public education to be allocated to school boards through the Grants for Student Needs (GSN) funding formula. This budget supports Ontario's public educational policies and programs including: the success and well-being of every student, achieving excellence, ensuring equity and enhancing public confidence. There is renewed focus on funding that supports equity in education which is an important goal of Ontario's Renewed Vision for Education.

There are key changes being phased-in to some of the GSN funding formulas that are designed to require boards to assess their underutilized surplus school space and plan accordingly. These changes are being made to: Top-up funding and School Operation benchmarks; the School Foundation Grant; the Geographic Circumstance Grant; and the Declining Enrolment Adjustment Grant.

A. Key Budget Initiatives:

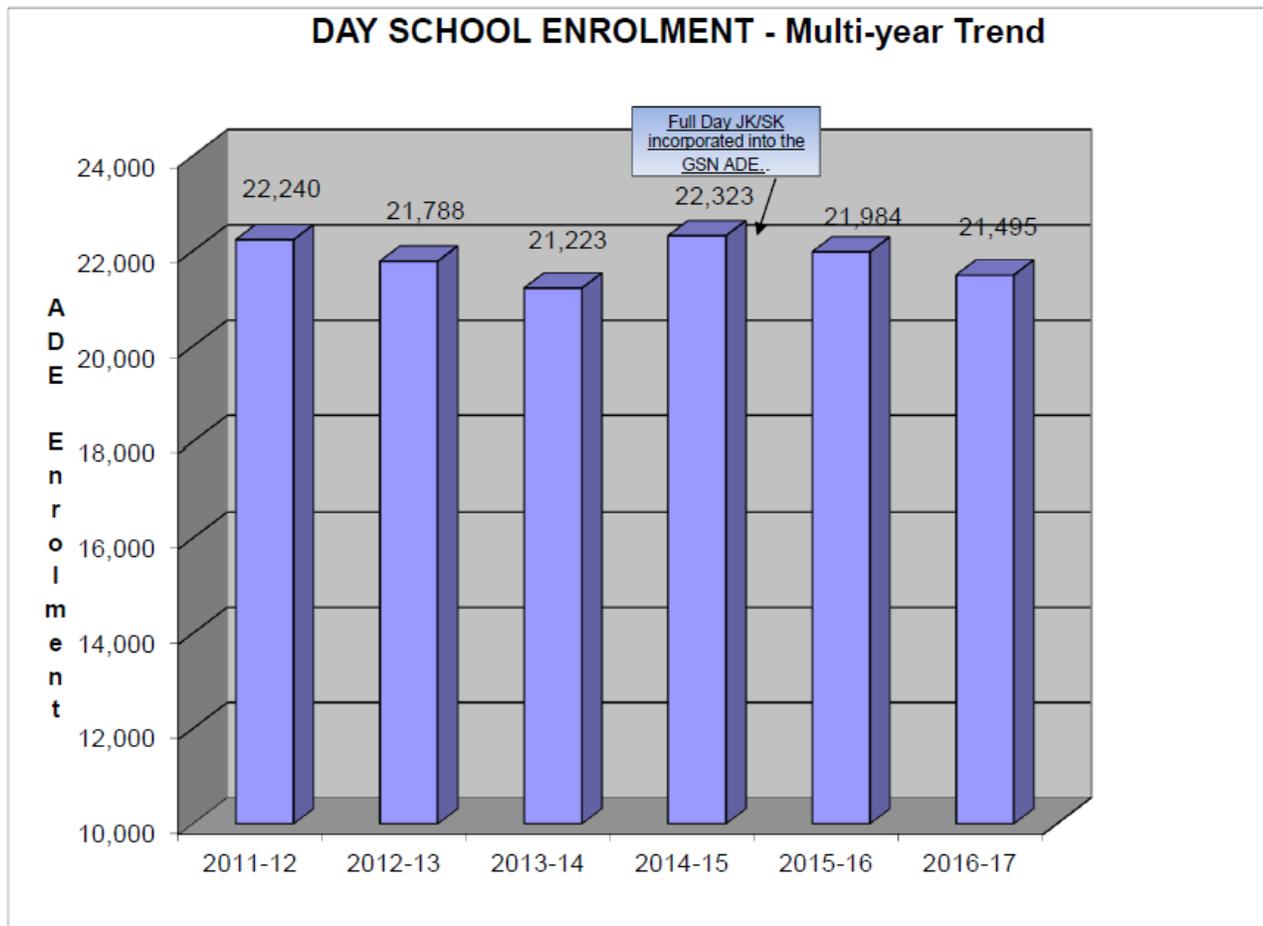
- Top-up funding changes under the School Facility Operation & Renewal Grant continue under the three year phase in. Base Top-up funding will be completely eliminated over three years. The Enhanced Top-up will continue however new eligibility criteria will apply and schools that are eligible will receive top-up to 100% of capacity. Eligible school criteria are as follows: elementary school that is at least 20 km away from the next closest secondary school of the board.
- School Foundation Grant – A new allocation model to fund principals, vice-principals and office support staff. This method will shift funding away from very small schools that are not isolated. (3 year phase in).
- Geographic Circumstances Grant – The Rural and Small Communities allocation part is being phased out over three-years.
- Declining Enrolment Grant is being reduced to require school boards to adjust more quickly to declining enrolment.
- Central labour agreements are included in the 2016-17 GSN, which also includes 2015-16 GSN amendments..
- Transformation of employee health, life and dental benefits through the formation and management of provincial benefit trusts.
- Updates for equity in education, including investment in First Nation, Metis, and Inuit education leads in every school board.
- Transfer of several existing Ministry of Education programs, previously funded through EPO (Education Program Other), into the 2016-17 GSN. Impacted programs include funding for library staff, outdoor education, Managing Information for Student Achievement (MISA) Local Capacity Initiative and Technology Enable Learning and Teaching Contacts.
- \$1.25B over three years (\$500M in 2016-17) to continue and expand the School Condition and Improvement (SCI) funding. This program supports school renewal projects in order to provide safe and healthy learning environments. There have been changes in how this funding is provided to school board which has seen a re-allocation occur, resulting in a reduced funding level for the LKDSB.

Key Budget Initiatives (Cont'd):

- The Student Transportation grant has been increased provincially by 2% to help boards manage increased costs. The LKDSB will realize an increase of 1.75% in our Student Transportation grant.
- 2% increase to the Plant operations benchmark to support commodity price increases and a 3.5% increase in electricity funding component.
- Special education funding, beginning in 2016-17, will change with the High Needs Amount (HNA) allocation being renamed to the Differentiated Special Education Needs Amount (DSENA) allocation.

B. Funding Outside the Grants for Student Needs

- \$104.1M to be allocated to school boards for EPO funded priority education initiatives. From this amount, \$79.4M has been allocated on a board-by-board basis.
- Renewed Math Strategy – This strategy provides an early years to Grade 12 integrated approach that is responsive to the mathematics learning and teaching experiences of children, students and educators. The LKDSB is receiving \$656,647 under this strategy.



1. The Average Daily Enrolment (ADE) is the major factor used in the calculation of the Funding Allocations for all school boards.
2. The Ministry uses two count dates to determine the ADE, these will be on October 31, 2016 and March 31, 2017. Full Day JK/SK program was fully implemented in 2014-15.
3. Tuition Students: Provincial grants fund the education programs for students that are defined by the Ministry as pupils of the board. Other pupils attending LKDSB schools pay tuition fees based on the grant allocations and Board approved rate adjustments.

Other Budget Remarks:

The education funding model (Grants for Student Needs) generates a school board's funding for the most part based on student enrolment. Our district continues to experience declining enrolment with a projected reduction projected to be about 489 fewer students for the 2016-17 school year.

While the funding model includes a declining enrolment grant to provide some time to make expenditure adjustments, the impact of our region multi-year decline in school age children and the phase out of the declining enrolment grant has resulted in the need to reduce operating costs.