

Regular Board Meeting
June 17, 2025
<i>PROPOSED 2025-2026 OPERATING BUDGET</i>
Multi Year Strategic Plan Value: Believe, Excel, Respect, Thrive & Trust

“At the end of every seven years you shall grant a remission of debts.”
Deuteronomy 15:1

BACKGROUND

On May 23, 2025, the Ministry of Education released the *2025: B02 2025-26 Education Funding* memorandum. For 2025-2026, sector-wide Core Education (Core Ed) Funding is expected to be \$30.3 billion, a 3.3% increase from prior year. The average sector per-pupil funding is projected to be \$14,560 (2024-2025, \$14,186).

A preliminary report on Core Ed Funding and summary information from the public budget information webcast was presented at the regular meeting of the Board of Trustees on May 27, 2025. The *Proposed 2025-2026 Capital Budget* was also presented and recommended for approval at the Administration and Finance Committee meeting on June 10, 2025.

The Dufferin-Peel Catholic District School Board (DPCDSB) continues to operate under a *Multi-Year Financial Recovery Plan* (MYFRP) with the Ministry of Education. The financial position of DPCDSB will remain in deficit for the 2025-2026 fiscal year.

The DPCDSB is committed to transparency and accountability and ensuring all stakeholders are aware of the accumulated deficit position and the ongoing efforts to manage the financial situation while continuing to work with the Ministry of Education.

DISCUSSION

The development of the 2025-2026 operating budget started before the release of the Core Ed Funding. The process involves continual review of in-year financial results, prior year experience, enrolment projections, and forecasting.

Several expenditure areas require ongoing monitoring and control. These higher risk items include:

- The employer-paid LTD plan continues to be a significant burden and has impacted DPCDSB’s ability to move forward with services and resources that are needed across the system. Premiums are paid by DPCDSB based on a percentage of employee salaries. The Bill 124 remedy and contractual salary increases have increased LTD premiums which has mitigated savings from the phase-out process. Costs associated with LTD are projected at \$27.7 million for 2025-2026.
- Statutory benefit costs have increased related to the Canada Pension Plan (CPP and Enhanced CPP) and Employment Insurance (EI), without corresponding funding increases. The unfunded component of statutory benefits is expected to be \$3.3 million in 2025-2026.

- Special Education Funding (SEF) continues to be insufficient to meet the diverse learning needs of DPCDSB students. The gap between funding and expenditures has grown over the last several years given that a large portion of the SEF is based on total enrolment, which has been decreasing.
- The Student Transportation Funding (STF) model changed significantly in 2023-2024, with enhancements announced in the 2025-2026 Core Ed Funding to address certain cost pressures. As DPCDSB enters the final year of the contracts with our bus operators, funding for student transportation remains a concern given the inflationary pressures and potential contractual cost increases.
- Underutilized pupil spaces have increased to over 17,500, requiring an operational need to support cleaning, utilities, insurance, and security. Small enrolment schools also face programming challenges that limit student pathways and extra-curricular choices. Currently, the DPCDSB cannot address this issue until the Ministry of Education lifts the moratorium on school closures.

PROPOSED OPERATING BUDGET

The proposed 2025-2026 operating budget deficit is \$32.9 million. DPCDSB has no accumulated surplus funds to mitigate this position. While resources have been directed toward achieving strategic priorities as outlined in the *Multi Year Strategic Plan (MYSP)*, it is important to recognize the difficult financial position of DPCDSB and limitations in resources available.

The following table summarizes the net financial position by impact:

<i>\$ millions</i>	Core Ed and Enrolment Impact	Transportation Impact	CPP/EI Impact	LTD Impact	Other Impact	Total Compliance Deficit
Revenues	\$1,053.2					\$1,053.2
Expenditures	\$1,053.2	\$0.5	\$3.3	\$27.7	\$1.4	\$1,086.1
In-Year Surplus / (Deficit)	\$0.0	(\$0.5)	(\$3.3)	(\$27.7)	(\$1.4)	(\$32.9)

The growing accumulated deficit position has put tremendous strain on cash flow. Managing cash flow and borrowing needs is a daily occurrence, adding significant interest expense to the budget. This is yet another cost impact attributed to the LTD plan.

Operating under a deficit position does not allow for increases in operating budgets for learning materials, school supplies and technology needs. This creates an in-year challenge for schools and departments to manage the increasing costs associated with these goods and services.

Enrolment

Enrolment is the main driver for DPCDSB's funding. Core Ed Funding is primarily based on the average daily enrolment (ADE) using the full-time equivalent (FTE) of students enrolled at each school on October 31 and March 31 of the fiscal year. ADE for 2025-2026 is projected to decline by 505 in the elementary panel, offset by an increase of 515 in the secondary panel. This represents a net increase of 10 ADE students or a 0.01% increase from 2024-25 revised estimates.

Core Education Funding

The Core Ed Funding model focuses on six pillars and includes updates to salary and benefit benchmarks for negotiated increases, continued phase-in of the 2021 Statistics Canada census updates, updated benchmarks for online and in-person credit loads, an increase to the non-staff portion of the school operations allocation, and updates and enhancements within the Student Transportation Fund.

DPCDSB is expected to see a decrease in English as Second Language (ESL) funding related to the impacts of the revised Canadian immigration policy and a decrease in the declining enrolment adjustment grant as DPCDSB's enrolment stabilizes.

Responsive Education Programs (REP)

2025-2026 REPs are similar to 2024-2025. The Ministry of Education REP investments focus on learning and well-being to support students for success now and in the future.

Salary and Benefits

Salary and benefit expenditures account for approximately 90% of the operating budget of DPCDSB and reflect the final year of all 2022-2026 negotiated collective agreements and the third year of the 2023-2027 principal and vice-principal agreement. No adjustment to executives. Employee Life and Health Trust (ELHT) benefits funding amounts have also been adjusted to reflect centrally negotiated agreements.

Operating under the MYFRP requires DPCDSB to make specific reductions that would right size operations aligned with enrolment changes. For the 2025-2026 year, the proposed operating budget includes reductions to the special education envelope expenditures and custodial operations.

The Ministry of Education has continued the *Supports for Students Fund* (SSF) in 2025-2026 which allows the existing staff positions to remain in place; approximately 90 FTE positions across all employee groups.

Funding to support occasional teacher coverage for absences remains unchanged; however, costs continue to increase in this area. DPCDSB has a decentralized model for tracking supply costs which has resulted in some cost containment as compared to other school boards across the province.

Student Transportation

DPCDSB and the Peel District School Board (PDSB) collectively operate the *Student Transportation of Peel Region (STOPR) Consortium*. Every year, STOPR adjusts routing and school bell times for efficiencies and ridership. For 2025-2026, DPCDSB has seen its share of ridership decrease as a result of changing enrolment.

Funding now covers costs associated with the non-refundable portion of HST (2.16%) for all amounts related to buses and contracted special-purpose vehicles (CSPVs), support for continuous optimization of transportation routes, and top-up funding to ensure that each school board receives an increase of at least 2.5% over 2024-2025. Combined with the changes in the transportation funding formula and changes in expenditures, DPCDSB has been able to reduce the over-expenditure position to \$0.5 million.

Special Education

The special education envelope of expenditures exceeds the revenue for special education. Expenditures are targeted to provide direct services to students, including special education and resource-based teaching staff, educational resource workers and student support services staff.

A significant portion of the special education funding is based on total enrolment, not incidence rate. Thus, with DPCDSB's enrolment decline over the last ten years, the special education funding has decreased and an associated decrease in expenditures has been initiated. DPCDSB has experienced an increase in the number of students requiring additional supports and attempts to meet these needs within the existing complement of staff.

The following appendices provide further information regarding the 2025-2026 proposed operating budget:

- Appendix A – Operating Expenditure Descriptions
- Appendix B – Projected and Historical Enrolment
- Appendix C – Core Education Revenue Summary
- Appendix D – Revenue and Expense Summary by Funding Pillar
- Appendix E – Expense Comparison by Category
- Appendix F – Budget Expense Detail Category Report

CONCLUSION

The proposed 2025-2026 operating budget position is a deficit. The challenges for DPCDSB continue to be the employer-paid LTD plan, unfunded statutory benefits, increasing special education needs and underutilized pupil spaces. Operating under the Minister of Education approved MYFRP allows DPCDSB to submit a proposed deficit budget position for 2025-2026.

THE FOLLOWING RECOMMENDATION IS PROVIDED FOR CONSIDERATION:

- 1. THAT THE BOARD OF TRUSTEES APPROVE THE PROPOSED 2025-2026 TOTAL OPERATING BUDGET OF \$1.086 BILLION WHICH RESULTS IN A DEFICIT POSITION OF \$32.9 MILLION AND AN ESTIMATED ACCUMULATED DEFICIT POSITION OF \$145.3 MILLION, UNDER CONDITIONS OF THE MULTI YEAR FINANCIAL RECOVERY PLAN.**

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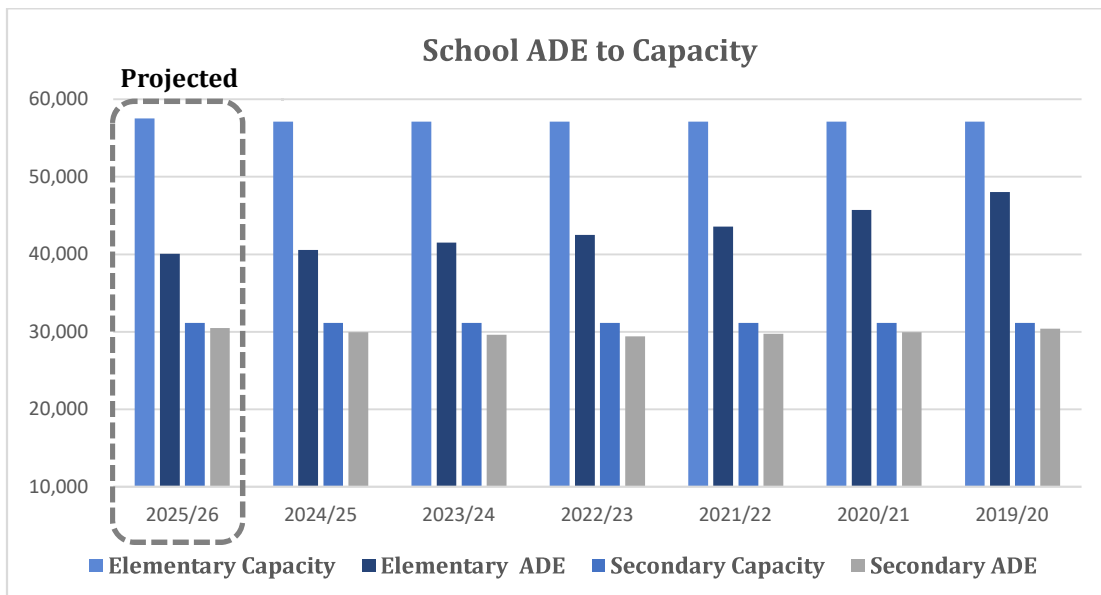
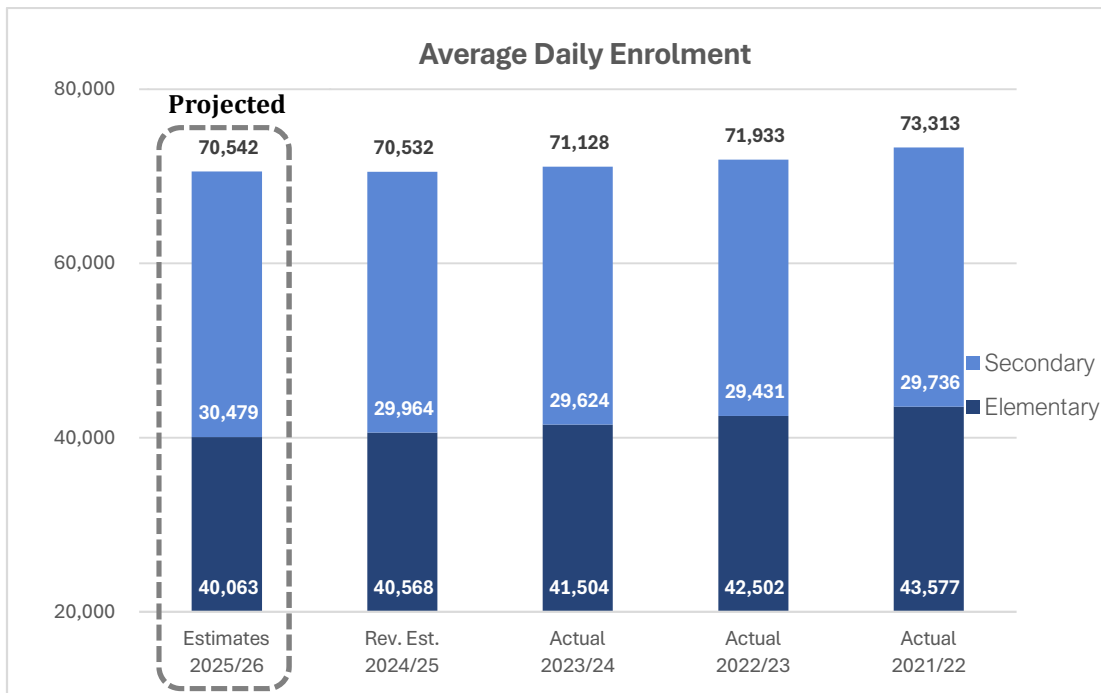
Submitted by: Marianne Mazzorato, Ed.D., Director of Education

Operating Expenditure Descriptions

Teachers	Salaries and benefits for classroom teachers, special education teachers, literacy and numeracy teachers, teacher related travel, home instruction.
Supply Staff	Salaries and benefits for supply teachers, ERW and DECE supply costs.
Educational Resource Workers	Salaries and benefits for educational resource workers who support students in the classroom and ERW related travel.
Early Childhood Educators	Salaries and benefits for early childhood educators to support the full-day kindergarten program.
Computers	Instructional and school-based technology and associated network and security costs, maintenance and repair costs, special education equipment.
Textbooks/Supplies	Textbooks (digital and print), learning and resource materials, assessment kits, teacher workbooks, supplies and materials, application software fees/licenses, field trips, printing costs, Cancopy license, course specific materials (SHSM, Hospitality, Construction, etc.).
Professional/ Paraprofessional/ Technicians	Salaries and benefits for staff who provide support services to students and teachers, such as psychologists, psychometrists, speech and language pathologists, interpreters, social workers, child and youth workers, technicians, student monitors. Chaplaincy and Mental Health workers. Also includes office supplies and resources, etc.
Library/Guidance	Salaries and benefits for teacher librarians, library technicians, floaters and guidance teachers.
Staff Development	Expenditures to support instructional leadership and ongoing professional development of instructional staff, including release time and coverage.
Principals and Vice-Principals	Salaries and benefits for principals and vice-principals, travel expense and professional development expenditures.
School Office	Salaries and benefits for clerical support staff, temporary replacement staff, school office supplies and equipment.
Coordinators and Consultants	Salaries and benefits for leads, coordinators and consultants, secretarial support staff for program and learning services, office supplies.
Continuing Education	Salaries and benefits for continuing education principal, vice-principal, teachers, instructors, adult education and summer school expenditures, support staff and required supplies, resource materials and equipment.
Board Administration	Costs for trustee governance and administration at board offices and central facilities, including superintendents, executive assistants, human resources, financial services, audit, legal, planning, communications, ICT, etc. Professional development, office supplies and resources.
Transportation	Costs to transport students to and from home and school and transportation to provincial schools and all systems and equipment needs.
School Operations and Maintenance	Salaries and benefits for custodial and maintenance staff. Costs of operating school facilities (heating, lighting, cleaning supplies and maintenance). Security staff costs, permits and community outreach, mail services, courier, utilities, snow plowing, salting and sanding, equipment and fleet management.

Projected and Historical Enrolment

Average Daily Enrolment (ADE)	2025-26 Estimates	2024-25 Revised Estimates	Change from 2024-25 RevEst	
			#	%
Elementary				
JK/SK	6,429	6,648	(219)	-3.3%
Gr. 1 - 3	11,554	11,682	(128)	-1.1%
Gr. 4 - 8	22,081	22,238	(157)	-0.7%
Total Elementary	40,063	40,568	(505)	-1.3%
Secondary (Gr 9 – 12)	30,479	29,964	515	1.7%
Total ADE	70,542	70,532	10	0.0%



Core Education Revenue Summary

Core Education Fund	2025-26 Estimates	2024-25 Revised Estimates	Year Over Year Change	
			\$ Increase (Decrease)	% Increase (Decrease)
Classroom Staffing Fund (CSF)				
CSF - Per Pupil Allocation	407,959,257	397,158,559	10,800,699	2.7%
Language Classroom Staffing	29,875,880	31,335,398	(1,459,519)	-4.7%
Local Circumstances Staffing	105,063,240	104,191,163	872,077	0.8%
Indigenous Education Classroom Staffing	92,892	48,582	44,310	91.2%
Supplementary Staffing Allocation	11,394,259	12,326,676	(932,417)	-7.6%
Learning Resources Fund (LRF)				
LRF - Per Pupil Allocation	56,242,480	55,198,787	1,043,693	1.9%
Language Supports and Local Circumstances	9,466,549	9,979,809	(513,260)	-5.1%
Indigenous Education Supports	3,353,965	3,280,214	73,751	2.2%
Mental Health and Wellness	2,224,121	2,153,690	70,431	3.3%
Student Safety and Well-Being	2,036,098	2,002,050	34,048	1.7%
Continuing Education and Other Programs	8,332,637	8,212,017	120,621	1.5%
School Management	62,322,764	60,097,222	2,225,542	3.7%
Differentiated Supports	7,688,396	8,223,447	(535,051)	-6.5%
Special Education Fund (SEF)				
SEF - Per Pupil Allocation	61,321,928	59,977,435	1,344,493	2.2%
Differentiated Needs	41,938,413	39,686,958	2,251,455	5.7%
Complex Supports	7,530,575	7,408,286	122,289	1.7%
Specialized Equipment Allocation (SEA)	4,154,683	4,554,174	(399,491)	-8.8%
School Facilities Fund (SFF)				
School Operations Allocation	83,008,320	81,045,015	1,963,305	2.4%
Rural and Northern Education	117,203	111,541	5,662	5.1%
Student Transportation Fund (STF)				
Transportation Services	26,014,377	23,277,358	2,737,019	11.8%
School Bus Rider Training	59,840	59,400	440	0.7%
Transportation to Prov./Demonstration School	92,984	101,532	(8,548)	-8.4%
School Board Administration Fund (SBAF)				
Trustee and Parent Engagement	385,979	383,390	2,589	0.7%
Board-Based Staffing	20,488,220	20,715,868	(227,648)	-1.1%
Central Employer Bargaining Agency Fees	58,426	50,276	8,150	16.2%
Data Management and Audit Allocation	482,806	479,285	3,521	0.7%
Declining Enrolment Adjustment	471,352	2,333,565	(1,862,213)	-79.8%
Total Operating Allocation	952,177,644	934,391,699	17,785,945	1.9%

Revenue and Expense Summary by Category

Expense and Revenue Category (\$ thousands)	Revenue			Total Expenses	Increase / (Decrease) over Revenue
	Core Ed Allocation	Other Revenue	Total Revenue		
Core Education Funding					
Classroom Staffing	554,386	687	555,073	561,287	(6,214)
Learning Resources	151,667	7,674	159,341	163,288	(3,947)
Special Education	114,946	2,879	117,825	121,522	(3,697)
School Facilities	83,126	2,853	85,979	104,801	(18,822)
Student Transportation	26,167	-	26,167	26,689	(522)
School Board Administration	21,887	2,684	24,571	28,865	(4,294)
Subtotal - Core Education Funding	952,178	16,777	968,956	1,006,452	(37,496)
Other Operating					
Debt Servicing and Temporary Accommodation	7,343	3,311	10,654	6,380	4,274
Amortization	45,860	-	45,860	45,555	305
School Generated Funds	-	21,000	21,000	21,000	-
Other Non-Operating Expenses	3,369	3,331	6,700	6,663	37
Subtotal - Other Operating	56,572	27,642	84,214	79,598	4,616
Operating Surplus / (Deficit)	1,008,750	44,419	1,053,170	1,086,050	(32,880)

Expense Comparison by Category

Expense Category (\$ thousands)	2025-26 Estimates	2024-25 Revised Estimates	Year Over Year Change	
			\$ Increase (Decrease)	% Increase (Decrease)
<u>Classroom Instructional & Learning</u>				
Teachers	583,688	569,122	14,566	2.5%
Supply Staff (Teachers, ERW, ECE)	12,585	12,883	(298)	-2.4%
Educational Resource Workers	51,522	51,224	298	0.6%
Early Childcare Educators	14,002	14,388	(386)	-2.8%
Textbooks & Supplies	17,286	17,103	183	1.1%
Classroom Computers	5,049	6,524	(1,475)	-29.2%
Professionals and Paraprofessionals	46,885	46,532	353	0.8%
Library and Guidance	22,830	22,115	715	3.1%
Staff Development	4,615	4,925	(311)	-6.7%
Department Heads	1,825	1,774	50	2.8%
School Generated Funds	21,000	20,000	1,000	4.8%
Amortization and Write Downs	4,928	5,054	(125)	-2.5%
Total Classroom Instruction & Learning	786,214	771,643	14,571	1.9%
<u>School Administration</u>				
Principals & Vice Principals	41,765	40,197	1,568	3.8%
School Office	22,118	21,405	714	3.2%
Co-ordinators and Consultants	11,290	10,781	509	4.5%
Continuing Education	9,679	10,083	(404)	-4.2%
Total School Administration	84,852	82,465	2,386	2.8%
Student Transportation	26,696	29,360	(2,664)	-10.0%
<u>Board Administration & Governance</u>				
Trustees	297	297	0	0.0%
Director and Supervisory Officers	4,479	4,542	(63)	-1.4%
Board Administration	24,089	23,062	1,027	4.3%
Amortization and Write Downs	684	701	(17)	-2.5%
Total Board Administration & Governance	29,549	28,602	947	3.2%
<u>School Operations & Maintenance</u>				
School Operations and Maintenance	102,601	100,991	1,610	1.6%
School Renewal	2,200	2,200	-	0.0%
Interest on Capital Debt	6,380	8,043	(1,663)	-26.1%
Amortization	41,251	42,299	(1,048)	-2.5%
Total School Operations & Maintenance	152,432	153,533	(1,101)	-0.7%
<u>Other Expenses</u>				
Non-Operating Expenditures	6,308	6,228	(80)	-1.3.0%
Labour Provision (Bill 124)	-	2,838	(2,838)	-100.0%
Total Other Expenses	6,308	9,066	2,918	-32.2%
Total Expenditures	1,086,050	1,074,669	11,381	1.06%

Budget Expense Detail by Category

Expense Categories	Salary and Wages	Employee Benefits	Staff Development	Supplies and Services	Interest on Capital	Rental Expense	Fees and Contracts	Other Expenses	Amortization	Total Expenses
INSTRUCTION										
51 Classroom Teachers	499,691,462	83,589,938		222,579		183,934				583,687,913
52 Supply Staff	11,493,896	1,091,123								12,585,019
53 Educational Resource Workers	38,778,091	12,743,934								51,522,025
53 Early Childhood Educators	10,344,434	3,657,537								14,001,971
55 Textbooks and Supplies				16,173,727		13,600	1,069,179	29,500		17,286,006
54 Classroom Computers				4,265,808	95,056	5,500	682,411			5,048,775
56 Professionals, ParaProf, Tech.				474,953		15,673	411,041	9,893		46,885,292
57 Library & Guidance	35,772,435	10,201,297					50,000			22,829,792
58 Staff Development	19,130,961	3,648,832								4,614,779
67 Department Heads	1,340,702	155,124	3,116,792					2,161		1,824,539
61 Principals / Vice-Principals	1,655,212	169,327								41,764,856
62 School Office	35,397,102	5,517,524	746,723	103,508		22,000	597,727			22,118,136
59 Coordinators & Consultants	14,508,609	4,740,812	31,000	2,217,988			264,538	18,265		11,289,755
63 Cont. Ed. Summer School, Int'l	9,113,388	1,663,394		230,170		322,569	249,251	2,000		9,678,805
72 Amortization and Write Downs	7,361,866	962,590	128,716	651,814					4,928,333	4,928,333
Total INSTRUCTION	684,588,158	128,141,429	4,023,232	24,340,546	95,056	563,276	3,324,147	61,819	4,928,333	850,065,996
ADMINISTRATION										
64 Trustees	211,397	10,291	45,586	29,700						296,974
65 Directors & Supervisory	3,420,500	644,904	162,778	112,800				137,518		4,478,500
66 Board Administration	12,923,742	3,740,377	134,931	2,423,828		69,286	3,007,062	1,789,796		24,089,022
73 Amortization and Write Downs									684,101	684,101
Total ADMINISTRATION	16,555,639	4,395,572	343,295	2,566,328	-	69,286	3,007,062	1,927,314	684,101	29,548,597
TRANSPORTATION										
68 Pupil Transportation	520,733	197,641	4,160	35,490		10,400	25,827,322	780		26,596,526
69 Provincial Schools							92,985			92,985
74 Amortization and Write Downs									6,544	6,544
Total TRANSPORTATION	520,733	197,641	4,160	35,490	-	10,400	25,920,307	780	6,544	26,696,055
PUPIL ACCOMMODATION										
70 Operations & Maintenance	49,449,482	15,272,519	14,191	28,381,961		304,729	9,157,132	20,770		102,600,783
71 School Renewal Expense							2,200,000			2,200,000
77 Other Pupil Accommodation					5,800,766	574,180		5,000		6,379,946
75 Amortization and Write Downs									41,251,022	41,251,022
Total PUPIL ACCOMMODATION	50,207,270	16,053,232	14,191	28,381,961	5,800,766	878,909	11,357,132	25,770	41,251,022	152,431,751
OTHER										
79 School Generated Funds				21,000,000						21,000,000
78 Other - Non-operating Expend.	2,803,712	527,682						2,976,602		6,307,996
Total OTHER	2,803,712	527,682		21,000,000	-	-	-	3,369,342	-	27,307,996
TOTAL OPERATING EXPENSES	754,675,512	149,315,556	4,384,878	76,324,325	5,895,822	1,521,871	43,608,647	5,385,025	46,870,000	1,086,050,394