

Report Title: **2025-2026 Budget Update: Education Funding
Announcement**

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1. Analysis

Education Funding: A Provincial Perspective

This report provides the Board of Trustees with an update on the 2025-2026 budget development process. With the provincial budget being tabled on May 15, 2025, the education sector received details about the Core Education Funding (Core Ed) on May 23, 2025. According to the Education Act, school boards must approve their annual budget by June 30th of every year. Given the delay in the release of Core Ed funding, the Ministry will allow for an extension up to July 31, 2025.

The Ministry released details about education funding, board by board projections and a guide for the public, parents and guardians on their [Education Funding webpage](#). The total provincial Core Ed funding for the sector is \$30.3 billion, or 3.3% higher than the prior year. In addition, the Ministry of Education released the details on the one time investments, named Responsive Education Programs (REP) funding, for a total of \$0.4 billion. Overall the REP funding is similar to the current year, with the addition of an investment in K-12 Cyber Security. The board by board allocation of the \$11.5 million invested in K-12 cyber security operating model is not yet available.

The Core Ed funding increase year over year is made up of mainly the following:

- Changes for centrally negotiated labour agreements (2.5% for teachers, principal/vice-principals and non-union staff salaries and \$1 per hour for education worker salaries, as well as respective Employee Life and Health Trust funding increases)
- Phase-in of the 2021 census data, impacting funding allocations for diversity of English Language Learners, Demographic Needs, Safe and Accepting Schools components, and portions of the Special Education funding
- Increased funding for student transportation (\$81.4 million or 6.3% increase year over year)
- Increased funding for temporary accommodations (an increase of \$30 million provincially or 75% higher)
- Increase to the regional internal audit funding component (\$2 million higher or 40%)
- 2% increase to non staffing allocations within the School Operations Allocation

The 2025-2026 Core Ed contains some good news for the sector, in particular with respect to increased funding for student transportation and temporary accommodations, as well as the continued phase-in of the 2021 census data. There still remain areas of the funding that will prove challenging, in particular the formula for supply staffing costs to address the increasing cost of absenteeism, the unfunded portion of the increase to the CPP/EI benefits, and the unchanged funding benchmarks for learning resources and technology in the classroom.

Education Funding: A Board Perspective

Staff are currently reviewing the board level funding and inputting all the information into the Ministry's Education Finance Information System (EFIS). This will contain updated enrolments and programming information, and thus will generate updated grants for the Halton District School Board (HDSB). These updates are tentatively scheduled to be provided to the Board on June 17, 2025 in draft and June 20, 2025 for final approval. Should additional time be required to finalize the budget, July 7 and 8, 2025 are reserved as alternate dates for budget approval. Therefore, the observations in this report are preliminary and based on the information released by the Ministry in their projections and memos.

HDSB's 2025-2026 Average Daily Enrolment (ADE) is projected to be 65,039.81, which is a decrease of 1,133.64 (or 1.7%) compared to the 2024-2025 Revised Estimates. This is an increase of 127.62 ADE compared to the preliminary enrolment projections submitted to the Ministry in November 2024.

The projected Core Ed funding for the HDSB is expected to increase by 1.6% (compared to 3.3% provincially) and the average per pupil funding will be \$13,413 which is 3.5% higher than the 2024-2025 Revised Estimates (compared to 2.6% provincially). It is important to note that the per pupil funding increase is higher than the provincial year over year increase, as a result of the Declining Enrolment Adjustment allocation, which is temporary. The provincial average per pupil funding increased to \$14,560.

Some preliminary highlights for HDSB funding projection, when compared to 2024-2025 Revised Estimates, are as follows:

- Core Ed funding projects an increase of \$13.5 million, or 1.6% higher
- Classroom staffing and learning resources funds contain a projected increase of \$9.4 million, mainly due to compensation benchmark increases, offset by enrolment decline
- Special Education funding increase projected at \$0.5 million, including compensation benchmark increases, offset by enrolment decline
- Student Transportation funding is \$2.1 million higher, as it includes increased benchmarks, updated routing simulation and compensation benchmark increases

- School renewal and school condition improvement funding is similar to the current year (\$10.2 million and \$21.5 million, respectively)
- Temporary accommodations funding has been increased by \$0.7 million
- School Facilities Fund remains flat, despite opening a new school and containing a 2% increase to non salary benchmarks. This is a direct result of declining enrolment
- With regards to REP funding, these are largely the same as the prior year. The K-12 Cyber Security grant is not yet known on a board by board allocation, and will be announced later in the year.

In summary, staff will focus on updating the Ministry forms with new enrolment information, programs and updated costs. At first glance, there seems to be a higher negative impact to funding as a result of enrollment decline, than the offsetting reduction in staffing proposed to date. Additional savings measures will be required, however the magnitude of those is not yet known.

1.1. Governance Alignment

Under the Education Act, section 232 (3) and (4) the Board of Trustees are required to approve a balanced budget, with some exceptions for a compliant budget, which would allow for an in-year deficit which could be the lesser of 1% of the provincial allocation calculation or the balance of the accumulated surplus available for compliance. This report is part of the budget development process.

2. Background

Annually, school boards are required to develop a budget that allocates available funding to address the diverse needs of the system. The key objective of the Budget Development Process is to align the allocation of resources with the Multi-Year Strategic Plan, the Special Education Plan and the School Renewal/Capital Plans; identify school-based staffing requirements; identify budget challenges and opportunities; and gather input from the various stakeholder groups.

Information about the budget process, including timelines, prior board reports and presentations are available on the public [website](#).

This report provides an update on the 2025-2026 Budget Development process and details regarding the recently announced education funding, as well as preliminary implications for the HDSB.

3. Financial Impact

The full financial impact for the 2025-2026 fiscal year is not yet known, however staff expect the overall budget to be in a deficit as a result of funding lost due to enrolment decline and that additional saving measures will be required.

Currently, a draft budget presentation is scheduled for the June 17, 2025 Board of Trustees Meeting, with a final budget report to be presented to the Board of Trustees at the June 20, 2025 meeting. The delay in Core Education Funding release may require that these dates be rescheduled later into June or early July.

4. Multi-Year Strategic Plan Alignment

Priority Alignment:

Environmental and Global Citizenship ▾ ; Human Rights, Equity and Inclusion ▾ ;
Indigenous Rights and Education ▾ ; Kindness, Connection and Community ▾ ;
Learning, Engagement and Achievement ▾ ; Mental Health and Well-Being ▾

The Board of Trustees have governance over the financial resources allocated to the Halton District School Board, and the strategic allocation to support the Multi-Year Strategic Plan in a manner that is fiscally responsible and compliant with appropriate statutes and regulations. The budget development indirectly supports all of HDSB commitments under the Multi-Year Strategic Plan, by facilitating the allocation of resources for a successful school and fiscal year for students and staff.

5. Attachment(s):

None.

Respectfully submitted,

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