

Report Title: **2025/2026 Operating and Capital Budget**

Submitted by: Roxana Negoï, Superintendent of Business Services and Treasurer
Ian Gaudet, Superintendent of Facilities and Planning Services
Jay Chanthavong, Controller of Financial Services
Curtis Ennis, Director of Education

Meeting Date: June 23, 2025

Recommendation

Be it resolved that the Board of Trustees approve the 2025/2026 Halton District School Board PSAB Operating Budget in the amount of \$970,488,131 and that the Superintendent of Business Services and Treasurer be authorized to proceed with the expenditure of funds as outlined in Appendix B.

Be it resolved that the Board of Trustees approve the 2025/2026 Halton District School Board PSAB Capital Budget in the amount of \$90,566,310 and that the Superintendent of Business Services and Treasurer be authorized to proceed with the expenditure of funds as outlined in Appendix C.

Be it resolved that the Board of Trustees approve the 2025/2026 In-Year Deficit Elimination Plan in the amount of \$7,093,000, and that the Superintendent of Business Services and Treasurer be authorized to action the plan, as outlined in Appendix E.

Be it resolved that the Halton District School Board authorize staff to tender and award the 2025/2026 Facility Services Projects, Operations and Maintenance, either individually or combined, as outlined in Appendix F.

1. Analysis

This report provides the Board of Trustees with the 2025/2026 Operating and Capital Budget containing an in-year deficit of (\$7.1) million which requires Minister approval. A school board may incur an in-year deficit up to the lower of 1% of the school board's operating revenue or the accumulated surplus from the preceding school year, consistent with the requirements set out in Ontario Regulation 280/19. If a school board anticipates an in-year deficit greater than this, or has incurred a deficit for two years in a row, Minister's approval is required. A requirement introduced in 2019 requires the Board of Trustees to approve an In-Year Deficit Elimination Plan for any in-year deficit, even within the 1% compliance limitations. This In-Year Deficit Elimination Plan should identify the reasons for the deficit and the plan to address it

within a two-year period. The main reasons for the deficit are the increasing sick leave replacement costs and Workplace Safety and Insurance Board (WSIB) claims cost, unfunded statutory benefits (enhancement of CPP contribution) and inflation costs related to learning resources and technology. These, coupled with declining enrolment, have limited the availability of funds to balance the budget while maintaining the student supports and programs currently in place. The detailed breakdown of the 2025/2026 Operating and Capital Budget, including enveloping and compliance provisions can be found in [the 2025/2026 Budget workbook](#).

In 2025/2026, the Halton District School Board will welcome approximately 65,215 students in 92 elementary, 16 secondary schools and 5 continuing education centres. This enrolment projection results in an overall decrease of 1.5% as compared to the 2024/2025 school year. Enrolment decline is projected in all four municipalities for the 2025/2026 school year, as outlined in Appendix A. As we move forward, overall enrolment is projected to continue to decline before increasing into the 2027/2028 school year. This will be primarily due to new residential development in Milton and Oakville, and increasing newcomers settling in the Region of Halton.

The Ministry of Education allocates funding to School Boards using a model that is based on enrolment and the local needs of students in each board. For 2025/2026, the HDSB expects to receive 88.4% (approximately \$875.8 million) of total operating revenue from the Ministry of Education, which includes Core Education Funding (CoreEd funding) and Responsive Education Programs (REPs).

The 2025/2026 fiscal year poses significant challenges to a system experiencing declining enrolment such as HDSB. The Core Ed funding, while providing additional investments into student transportation and temporary accommodations, still contains some significant shortfalls. The funding allocation has not changed for the supply staff allocation to cover increasing cost of absenteeism, nor has it changed for benefits, to address the increase in CPP contributions and significant increases in WSIB claim costs. Further, the HDSB alongside other school boards in the province, is experiencing significant cost pressures on contractual services and licensing fees, while the funding parameters do not reflect an increase to respond to inflation.

The budget development process during a declining enrolment year is a difficult one. To respond to the decrease in enrolment and the decrease in funding, the HDSB is reducing \$9 million and 90.2 positions (detailed in Appendix D). Even after these reductions are made, the proposed budget for the 2025/2026 school year is a deficit budget of (\$7.1) million, with a further deficit elimination plan outlined in Appendix E.

Facility Services projects funded from School Renewal Allocation and School Condition Improvement funding are listed in Appendix F.

HDSB's total preliminary staffing complement is projected to be 6,664.1 Full-Time Equivalent (FTE), which is a decrease of 90.2 FTE compared to the 2024/2025 year. The main reasons for the decrease are enrolment decline and removal of one-time positions. Details are further provided in Appendix D, outlining the summary of restraints and investment.

The 2025/2026 budget development process is aligned to the risk appetite approved by the Board of Trustees, and focuses the allocation of resources to support the priorities listed in the [2024-2028 Multi-Year Strategic Plan](#), within the constraints of available funding. The Halton District School Board (HDSB) has made many reductions over the past two years in order to address the deficit and impact of declining enrolment, while accessing accumulated surplus to ensure all students have the resources they need to thrive academically, physically, socially and emotionally. To ensure we remain committed to MYSP goals and remain fiscally responsible a measured approach to systemic reductions is necessary, spanning multiple years.

The following appendices provide information regarding the 2025/2026 Budget:

Appendix A – 2025/2026 Enrolment Statistics

Appendix B – 2025/2026 Operating Budget: Summary of Revenues and Expenditures

Appendix C – 2025/2026 Capital Budget: Summary of Revenues and Expenditures

Appendix D – 2025/2026 Summary of Restraints and Investments

Appendix E – 2025/2026 In-Year Deficit Elimination Plan

Appendix F – 2025/2026 Facility Services School Renewal Program

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.

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](#). The draft 2025/2026 Operating and Capital budget was discussed with the Board of Trustees at the Committee of the Whole meeting on June 11, 2025 and presented again at the Board of Trustees meeting on June 17, 2025.

3. Financial Impact

The 2025-/2026 Budget is a non-compliant (deficit) budget of (\$7.1) million until both Board approval and Ministry approval is received. In addition, a deficit budget requires the development of an In-Year Deficit Elimination Plan that outlines the elimination of the deficit within two years. The Summary of Restraints and Investments are detailed in Appendix D and the In-Year Deficit Elimination Plan is provided in Appendix E.

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. Budget consultation and feedback is an important part of the budget development process, providing input into the decision-making process.

5. Attachment(s):

- 5.1. [Appendix A – 2025/2026 Enrolment Statistics](#)
- 5.2. [Appendix B – 2025/2026 Operating Budget: Summary of Revenues and Expenditures](#)
- 5.3. [Appendix C – 2025/2026 Capital Budget: Summary of Revenues and Expenditures](#)
- 5.4. [Appendix D – 2025/2026 Summary of Restraints and Investments](#)
- 5.5. [Appendix E – 2025/2026 In-Year Deficit Elimination Plan](#)
- 5.6. [Appendix F – 2025/2026 Facility Services School Renewal Program](#)

Respectfully submitted,

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