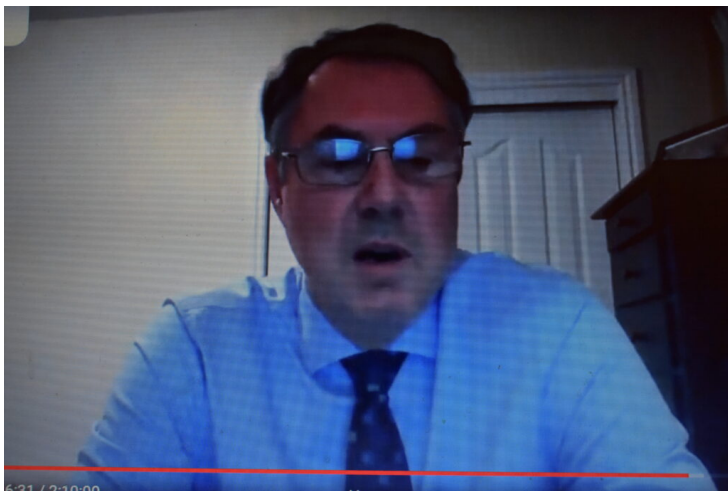


School board sees decrease in grant funding



By KRISTENA SCHUTT-MOORE

Staff

The Hastings Prince Edward District School Board is estimated to have an in-year deficit of about \$1.3 million. This was announced at the Monday, Jan. 24 meeting of the board by superintendent of business services Nick Pfeiffer. The cause of the deficit was when the elementary students were first consolidated at secondary schools. Errors were made in adjusting the On The Ground capacity of schools in the Ministry of Education's school facility database. During his report to the board Pfeiffer said that, "due to these errors the school board was over-funded for building operations and renewal at some secondary schools with elementary students, notably Prince Edward Collegiate Institute, for [schools years] 2017 to 2018, 2018 to 2019, 2019 to 2020, 2020 to 2021 and 2021 to 2022." The board had been notified during a committee of the whole meeting on Sept. 13, 2021 that the amounts of the 2021 to 2022 grant related to school operations and school renewal would be reduced. However, details on how the errors were made and how it would affect the final budget were unknown. Pfeiffer's update to the board on Jan. 24 was that management staff had conducted an internal review into what led up to the negative grant adjustments and the existing internal controls related to reported changes to the OTG. Currently the school board staff's internal controls have been changed to prevent future errors and the regional internal audit team is conducting an internal audit into the matter and a report will be brought forward to the board's audit committee in June.

"The OTG changes were incorporated into the revenue for the 2020-21 Financial Statements and into the revenue for the 2021-22 Revised Estimates.

School Operations and School Renewal allocations were reduced as a result of the changed OTG. The impact in the Revised Estimates of these OTG changes is a grant reduction of approximately \$1.3 million compared to budget," explained Pfeiffer. The ministry is also implementing a similar negative grant reduction to the School Operations and School Renewal allocations the board already received after reviewing the 2019 to 2020 school facility OTG. This reduction is also roughly \$1.3 million. Though Pfeiffer says that it is expected to be recovered from payments to the board in the current year. The school board was expecting a \$19,605 overall in-year surplus for the 2021-2022 year, but now there will be an in-year deficit of about \$1.3 million. "There is some complexity in how the grant reduction will impact accumulated surplus," says Pfeiffer. "Approximately \$1.1 million of the grant reduction primarily relates to school operations allocation funding which was previously recognized as operating revenue. The remaining \$0.2 million for the recovery of school renewal funding is to be recognized as deferred revenue. As a result, of the total recovery of \$1.3 million, it is anticipated that the projected accumulated surplus at 2021-22 year-end will decrease from \$12,374,424 estimated in Revised Estimates to about \$11.3 million. It is expected that the \$5,067,727 for school renewal deferred revenue projected at 2021-22 year end will decrease to about \$4.9 million."

The silver lining is that the ministry has said that the 2017 to 2018 and 2018 to 2019 OTG data will remain as it was submitted and no further changes are required.

On The Ground capacity facility database for North Hasting schools, North Hastings High School has the capacity for 867 students and the building is 74 years old, Bird's Creek Public School has the capacity for 199 students and the building is 70 years old. Coe Hill Public School has the capacity for 95 students and the building is 72 years old, while Hermon Public School has the capacity for 165 students and the building is 52 years old. Maynooth Public School has a capacity of 153 students and the building is 68 years old and York River Public School has the capacity for 462 students and is 46 years old. Currently there are 39 schools in the Hastings Prince Edward School Board with the school buildings ranging in age from four years old to 109 years old.