

DATE: December 13, 2011
TO: Board of Trustees
FROM: Edgar Schmidt, Superintendent of Schools
SUBJECT: Fall 2011 Update to the 2011-2012 Budget
ORIGINATOR: Brian J. Smith, Executive Director, Finance and Infrastructure
RESOURCE STAFF: Sandra Bassett, Cheryl Hagen, Angela Komick, Madonna Proulx

ISSUE

Alberta Education requires jurisdictions to prepare and submit a budget update each fall. Also required by Alberta Education is for jurisdictions to provide the budget update as information to the Board of Trustees each fall reflecting changes in revenue, enrollment, current staffing, and other key budget assumptions.

BACKGROUND

Each School and Central decision unit prepared a revised budget in the fall based on updated September 30th enrollment, current staffing FTEs, as well as the planned use of surplus and repayment of deficit funds.

CURRENT SITUATION

The 2011-2012 Fall budget update for EPSB has been prepared as a balanced budget. The revised budget is based on budget expenses of \$920.3M. Alberta Education requires Boards to report the government contributions to the Teacher Retirement Fund (ATRF), which is estimated at \$35.5M. Budget expenses net of ATRF are \$884.8M, which is an increase of \$33.1M from the approved budget of \$851.7M. The overall increase in budget is as follows:

- 1) Reinstatement of provincial funding - \$13.1M
- 2) Increase of net surplus carryforwards - \$14.9M
- 3) Increase in revenues due to enrollment and other adjustments - \$5.1M

KEY POINTS

- The 2011-2012 Budget update reflects an operating deficit of \$33.9M, which will be offset by transfers from accumulated operating reserves.
- Schools and Central DU's have planned for net surplus carryforwards of \$17.1M and \$16.8M, respectively.
- Enrollment increased from the approved budget by 0.5% or 366 eligible funded students.
- Certificated staffing has increased by 120.3 FTE.
- The 2011-2012 Budget update includes spending plans for reinstated provincial funding of \$13.1M.
- Projected accumulated operating surplus at August 31, 2012 is \$1.7M.

ATTACHMENTS & APPENDICES

ATTACHMENT I Fall 2011 Update to the 2011-2012 Budget – Alberta Education

CH:tt

3020 Edmonton School District No. 7

School Jurisdiction Code and Name

FALL 2011 UPDATE TO THE 2011/2012 BUDGET

| | Fall 2011 Update to the Budget 2011/2012 | Spring 2011 Budget Report 2011/2012 | Variance |
|---|--|---|-----------------------|
| OPERATIONS (SUMMARY) | | | |
| Revenues | | | |
| Government of Alberta | \$814,256,550 | \$791,691,129 | \$22,565,421 |
| Fees | \$21,691,647 | \$27,873,216 | (\$6,181,569) |
| Other sales and services revenue | \$14,388,509 | \$16,536,692 | (\$2,148,183) |
| Amortization of capital allocations revenue | \$19,179,336 | \$19,179,336 | \$0 |
| All other revenues | \$16,908,303 | \$12,334,708 | \$4,573,595 |
| Total Revenues | \$886,424,345 | \$867,615,081 | \$18,809,264 |
| Expenses | | | |
| Certificated salaries, wages and benefits expense | \$516,413,963 | \$485,963,098 | \$30,450,865 |
| Non-certificated salaries, wages and benefits expense | \$208,485,243 | \$188,214,904 | \$20,270,339 |
| Services, contracts and supplies expense | \$159,065,565 | \$176,033,583 | (\$16,968,018) |
| Amortization expense | \$35,443,718 | \$35,443,718 | \$0 |
| Interest on capital debt expense | \$452,909 | \$452,909 | \$0 |
| All other expenses | \$429,713 | \$429,713 | \$0 |
| Total Expenses | \$920,291,111 | \$886,537,925 | \$33,753,186 |
| <i>Excess (Deficiency) of Revenues over Expenses</i> | <i>(\$33,866,766)</i> | <i>(\$18,922,844)</i> | <i>(\$14,943,922)</i> |
| Accumulated Operating Surplus (Projected) | | | |
| Accumulated Operating Surplus - Aug.31, 2011 | \$27,514,775 | \$12,559,624 | \$14,955,151 |
| Accumulated Operating Surplus - Aug.31, 2012 | \$1,650,000 | (\$6,363,220) | \$8,013,220 |
| Certificated Staff FTE's | | | |
| School based | 4,187.7 | 4,073.9 | 113.8 |
| Non-school based | 157.1 | 150.6 | 6.5 |
| <i>Total Certificated Staff FTE's</i> | <i>4,344.8</i> | <i>4,224.5</i> | <i>120.3</i> |
| Certificated Staffing Change due to: | | | |
| Enrolment | 46.8 | (9.9) | 56.7 |
| Other factors | 96.5 | (176.2) | 272.7 |
| <i>Total Change</i> | <i>143.3</i> | <i>(186.1)</i> | <i>329.4</i> |
| Eligible Funded Students | | | |
| Early childhood services (ECS headcount) | 6,815 | 6,234 | 581 |
| Grades 1 to 9 (headcount) | 50,832 | 50,616 | 216 |
| Grade 10 to 12 (FTE) | 22,077 | 22,508 | (431) |
| <i>Total Eligible Funded Students</i> | <i>79,724</i> | <i>79,358</i> | <i>366</i> |

Comments/Explanations of Variance:

The budget update reflects an operating deficit of \$33.9M, which will be offset by transfers from accumulated operating reserves, representing planned spending of surplus carryforward funds at the schools and decision units. The Aug 31, 2012 projected Accumulated Operating surplus remains in a small surplus position of \$1.7M.

Revenue

Government of Alberta funding has increased as a result of 0.5% increase in enrolment, as well as additional funding from the province of \$13.1M. In addition, funding for the transportation fuel contingency of \$1.2 million and new funding for action on inclusion of \$2.0M was not included in the Spring Budget.

Fees: SGF reduced to more closely reflect the trend in actuals; approximate reduction is \$5.7M, Bus pass fees are down \$576 K.

Expenses

Staffing expenses have increased by \$50.6M reflecting current staffing FTE's planned, whereas Services contracts and supplies are down by \$16.9M. Services Contracts and supplies are down by \$5.7M based on the reduction in estimates of SGF, the remaining difference represents budget transfers to staffing expenses.

Details of additional resources and staffing implemented with your portion of the \$107 million funding commitment:

Attestation of Secretary-Treasurer/Treasurer:

This information was formally received by the Board of Trustees at the meeting held on :

December 13, 2011

3020 Edmonton School District No. 7

School Jurisdiction Code and Name

FALL 2011 UPDATE TO THE 2011/2012 BUDGET

Details of additional resources and staffing implemented with your portion of the \$107 million funding commitment:

Following Premier Redford's announcement to reverse earlier cuts made to education, Edmonton Public Schools has been able to place almost 120 more teachers into local classrooms. Some 100 support staff, whose positions were expected to be cut, will be retained as well.

The additional resources to schools as a result of the province's funding commitment have been allocated for increases in FTE for part-time teachers to support intervention programs for at-risk students, additional educational assistant FTEs, professional development for staff related to literacy interventions, and strategies to support diverse learners.

In addition, \$2.2 million is allocated to class-size reduction in Grades 4-6, another \$3.7 million to special needs education, and \$3.6 million to professional development. About \$600,000 will be reserved for central office to support learning throughout the district.

Below is a detailed breakdown highlighting the allocation of the additional funds:

Additional Resources Received:

| | |
|-----------------------|-----------------------|
| RCPA | \$ 1.8 million |
| AISI | \$ 3.3 million |
| Class Size Funding | \$ 2.9 million |
| Enrollment & Growth | \$ 0.6 million |
| Enhance ESL | \$ 1.3 million |
| Classroom & Community | \$ 3.2 million |
| TOTAL | \$13.1 million |

Allocations to Schools

| | |
|--------------------|--|
| AISI | \$ 3.6 million (allocated on a per student basis) |
| Class Size Funding | \$ 2.2 million (allocated on a per student basis - Grades 4 - 6) |

Other

| | |
|----------------------------|-----------------------|
| Special Needs Funding | \$ 3.7 million |
| K-Gr 12 School Allocations | \$ 3.6 million |
| TOTAL | \$13.1 million |

Total teacher increase from proposed budget (May 2011) to actual staffing (September 2011)
FTE continuing contract teachers = 120.3

Attestation of Secretary-Treasurer/Treasurer:

This information was formally received by the Board of Trustees at the meeting held on :

December 13, 2011