

EDMONTON PUBLIC SCHOOLS

February 11, 2003

TO: Board of Trustees

FROM: A. McBeath, Superintendent of Schools

SUBJECT: Establishment of the 2003-2004 Budget Planning Base

ORIGINATOR: A. Habinski, Executive Director

RESOURCE

STAFF: Mary-Ellen Deising, Dean Power, Eila Stenberg

RECOMMENDATION

That the following planning base for the preparation of the 2003-04 operating budget be approved:

|   | <b>2002-03<br/>Actual/Revised</b> | <b>2003-04<br/>Proposed</b> |
|---|-----------------------------------|-----------------------------|
| a) Allocations to Schools                 | \$ 408,700,000                    | \$ 397,500,000              |
| b) Allocations to Institutions            | \$ 21,000,000                     | \$ 21,000,000               |
| c) Utilities                              | \$ 14,900,000                     | \$ 15,300,000               |
| d) School Generated Funds                 | \$ 23,000,000                     | \$ 23,000,000               |
| e) Allocations to Central                 | \$ 37,300,000                     | \$ 36,100,000               |
| f) Supply Services                        | \$ 5,100,000                      | \$ 5,100,000                |
| g) Professional Improvement Leaves        | \$ 1,300,000                      | \$ 1,300,000                |
| h) Transportation                         | \$ 19,900,000                     | \$ 19,400,000               |
| i) Debt                                   | \$ 36,400,000                     | \$ 37,200,000               |
| j) Metro Community College                | \$ 8,900,000                      | \$ 8,100,000                |
| k) Expenses Financed Externally           | <u>\$ 5,100,000</u>               | <u>\$ 5,400,000</u>         |
| Total Allocations                         | <u>\$ 581,600,000</u>             | <u>\$ 569,400,000</u>       |
| Revenue Available                         | <u>\$ 575,600,000</u>             | \$ 566,300,000              |
|   |                                   | <u>\$ 3,100,000</u> *       |
| Difference between allocation and revenue | \$ 6,000,000 **                   | \$ 0                        |
| Enrolment                                 | 82,102                            | 82,000                      |

\* \* \* \* \*

\* Subject to Board receiving approval to transfer \$1.9 million from Capital Reserve to Operating Revenue and partial reinstatement of the Plant Operations & Maintenance grant of \$1.2 million.

\*\* Reduced revenue from Alberta Infrastructure and Alberta Learning subsequent to Board approval of the 2002-03 budget.

In the recommendation for the approval of the 2002-03 operating budget dated May 13, 2002, the board was advised that should the anticipated revenue not be received, then allocations would need to be adjusted accordingly. (Appendix I)

By the time Alberta Learning and Alberta Infrastructure confirmed the revenue shortfall, it was determined that reducing allocations at this point would cause too much disruption in schools. This \$6,000,000 million revenue shortfall for 2002-03 has contributed to the overall \$13,500,000 million projected deficit for this year.

#### Revenues

The 2003-04 revenue forecast is set at \$579,856,000. The revenue reflects a 2 per cent increase in the basic instruction grant rates, including the rates for severe disabilities funding as well as the removal of the one time 3 per cent grant that was received in 2002-03. The resulting increase in instruction block funding is 1.4 per cent.

The anticipated deficit for 2002-03 is \$13,500,000. Once this amount is removed from the projected revenue, \$566,356,000 is available for the 2003-04 forecast allocations.

#### Allocations

The \$397,500,000 million recommended for schools is a decrease of \$11,200,000 million or 2.7 per cent less than actual allocations approved in September 2002. The \$36,100,000 million allocation to central represents a \$1,200,000 million or 3.1 per cent decrease over September actuals.

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Appendix I – *Approval of the 2002-2003 Expenditures Budget*, Board Report, May 13, 2002

EDMONTON PUBLIC SCHOOLS

May 13, 2002

TO: Board of Trustees  
FROM: A. McBeath, Superintendent of Schools  
SUBJECT: Approval of the 2002-2003 Expenditures Budget  
ORIGINATOR: G. Reynolds, Department Head  
RESOURCE  
STAFF: Mary-Ellen Deising, Dean Power, Eila Stenberg

RECOMMENDATION

That the 2002-2003 expenditures budget in the amount of \$577,700,000 be approved.

\* \* \* \* \*

The proposed 2002-2003 budget, in the amount of \$577,700,000, was introduced on May 7, 2002.

However, two areas of revenue are still yet to be confirmed:

1. Alberta Learning has yet to provide complete information regarding the proposed funding change for grade 10, and
2. Since assuming responsibility for Operations and Maintenance grants, Alberta Infrastructure has yet to confirm the 3 per cent grant increase that was announced by Alberta Learning.

The variance between the proposed expenditure budget and the revenues could be up to \$5 million. The board will receive information from the administration once the government clarifies and confirms all revenues for next year. Subsequently, the board can amend its budget, change allocations or request the province to adjust its grants to accommodate the potential budget shortfall.

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