

EDMONTON PUBLIC SCHOOLS

January 11, 2005

TO: Board of Trustees

FROM: A. McBeath, Superintendent of Schools

SUBJECT: Plant Operations and Maintenance Funding Background

ORIGINATOR: R. MacNeil, Assistant to the Superintendent

RESOURCE
STAFF: Lisa Austin, Brian Fedor

INFORMATION

The board report of December 14, 2004 outlined a number of the challenges facing Alberta's school boards with respect to facilities funding and emphasized the need for a sustainable long-term strategy. The report also referred to the growing advocacy efforts being pursued by the province's boards in order to ensure that the physical needs of schools in the province are adequately provided for and that they are safely and reasonably maintained. Advocacy efforts include a survey being conducted by the Alberta School Boards Association.

The Edmonton Public School Board has maintained an ongoing dialogue with the government ministries responsible for the funding of school boards in an effort to ensure that adequate funding is provided to the district. This dialogue has resulted in an improved understanding of government priorities, but has not resulted in the district's being able to access predictable and sustainable funding for its facilities. Predictable and sustainable funding does not mean massive injections of capital, but rather funding that is based on the real needs of the district and that can be accommodated reasonably over time. The current process does not allow for this and is undermining school boards' ability to meet the mandate prescribed by government.

Alberta's robust economy has a down-side for school facility funding. Our economy results in inflation which, in turn, erodes the value of funding provided to school boards. In other words, school facility funding must keep pace with inflation. This is not occurring and, as a result, the problems created by a deteriorating, aging infrastructure are compounding. Inflation in the construction sector for 2004 is estimated at 12%, the rate for 2005 is estimated at 12% and for 2006 it is estimated at 8%.

Funding for school facilities is provided through three main streams:

- Plant Operations and Maintenance (PO&M) funding
- Infrastructure Maintenance Program (IMP) funding
- Capital project funding

While three separate streams are used to provide funding, they are inter-related and inter-dependent. For example, the PO&M funding is used for day-to-day operations, including custodial services, utilities and maintenance. When the day-to-day needs are not met or

deferred, they accumulate and compound and eventually result in premature break-down or failure of building components. This results in an earlier than designed-for or anticipated replacement or upgrade. IMP is generally the funding source for repairs or replacements that go beyond the day-to-day needs covered by PO&M and the effects of deferral are also felt and compounded here. Ultimately, a facility's needs can result in a substantial backlog, both operationally and economically. The facility may then require "modernization" or significant upgrading to address the accumulated needs. These needs then become part of the capital plan, which is subject to provincial approval. The backlog for Edmonton Public Schools is in excess of \$300 million and is based in part on a pro-ration of the government's audit figure. This figure was derived from the audits done during the 1999-2000 year, which estimated the provincial backlog for school buildings at \$2 billion dollars.

The province's school buildings provide the physical environment through which our children receive their education – where they experience teaching and learning. Alberta is recognized for its achievement results and, given the growing backlog of school facility needs, one needs to wonder if these results are sustainable within the context of the physical environment.

The Board of Trustees continues their advocacy efforts in order to ensure that the students of Edmonton Public Schools and the citizens of Edmonton continue to enjoy the benefits of an excellent educational system that ensures the Superb Results from All Students. One of the means by which this success is supported is through a physical environment that is conducive to good teaching and learning.

In order to ensure that this important advocacy work on behalf of the citizens of Edmonton continues, the Board of Trustees have adopted a Legacy Statement for the term of their appointment for 2004 – 2007 by which their success will be measured. With respect to the district's facilities, the Legacy Statement states that:

“As leaders and advocates for public education, we have:

-Secured broad community support for sustained investment in public education and provided sound stewardship of district resources.”

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