

EDMONTON PUBLIC SCHOOLS

April 27, 2010

TO: Board of Trustees  
FROM: E. Schmidt, Superintendent of Schools  
SUBJECT: 2010-2011 Proposed Planning Base  
ORIGINATOR: J. Pallett, Director, Budget Services

RESOURCE

STAFF: Jane Ainslie, Sandra Bassett, Joanne Kuefler, Monika Lukas, Eila Stenberg, Madeline Turner

RECOMMENDATION

That the framework of the planning base as outlined in Appendix II be approved.

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The planning base is a high level framework which assists the Board and the administration to plan on a large scale. The planning base identifies the amount of resources that will be designated to the district's 195 schools and to the 49 central decision units. It also identifies the amount of resources that are used to cover district level financial commitments. It is important to note that the planning base is intended to work in tandem with the basis of allocation. That is, the planning base establishes a pool of resources for the collective of schools and central decision units and the basis of allocation determines how those resources are distributed to each specific school or decision unit. The planning base is established with the Board's approval and the basis of allocation is determined by the Superintendent.

The recommended planning base for 2010-2011 is outlined in Appendix I. This planning base aligns with the guidelines provided by the Minister of Education on March 22, 2010 (Appendix II) as well with the input and advice received from Trustees and other district stakeholders. When determining the proposed planning base the following assumptions were considered:

1. The revenue forecast (Appendix III) is based on information provided by the Minister of Education on March 22, 2010.
2. The planning base would adhere to the guidelines provided by the Minister of Education on March 22, 2010.
3. The planning base reflects the Board's priorities and values associated with its strategic plan (i.e., success for all students, respectful learning and working environments, employer of choice, fiscal responsibility).
4. District Level Expenditures and District Level Priority Funding match the anticipated expenditures and would be kept to a minimum.
5. If available, all unallocated resources would be directed to schools.

6. Schools and central decision units would be provided resources from the 2010-2011 Operating Reserve to cover the increased staffing cost associated with the September 1, 2009 carry over Average Weekly Earnings Index increase (1.17 per cent) for custodians and maintenance staff, and the September 1, 2010 carry over Average Weekly Earnings Index increase (2.9 per cent) for all staff.

The proposed planning base recognizes a total revenue amount equaling \$822.5 M. This amount includes \$803.2 M of provincial funding and \$19.3 M of funding from the district's 2010-2011 Operating Reserve. The \$19.3 M represents 60 per cent of the \$33 M Operating Reserve that is projected for August 31, 2010 and equals the amount required to cover all staffing cost increases in 2010-2011. The projected revenue amounts are based on a projected district student enrolment of 79,799 which is 95 less than the actual student enrolment in 2009-2010.

District level committed funds are resources designated for specific purposes and are not available for general allocation. In some instances these expenditures match the allocation received from the province (i.e., Transportation) and in other instances the expenditure is determined based on consultation with the decision unit manager assigned the responsibility for overseeing the expenditure (i.e., Utilities / Energy Management Consultant). As in previous scenarios every effort has been made to make these allocations as precise as possible. The total amount of resources designated to district level committed funds in the proposed planning base is \$116.1 M.

District level priority funds are designated to support areas of emphasis which have been identified through consultation with Trustees, district staff, community partners and other district stakeholders. It is being proposed that district level priority funds total \$2.5 M. Appendix IV provides a brief description of both the district level committed funds and the district level priority funds.

The amount of resources being directed to schools in this scenario equals \$562.6 M. This is an increase of \$24.3 M or 4.51 per cent over the 2009-2010 Expenditure Budget which was approved on November 24, 2009. This increase is composed of \$7.6 M of resources provided through additional provincial funding and \$16.7 M from the 2010-2011 Operating Reserve.

Likewise, central resources are also increasing in this scenario from \$58.3 M to \$60.9 M. This represents an increase of \$2.6 M or 4.51 per cent over the central budget of the 2009-2010 Expenditure Budget. This increase is fully funded using resources from the 2010-2011 Operating Reserve.

JRP:bly

Appendix I	Proposed 2010-2011 Planning Base
Appendix II	Guidelines Provided by the Minister of Education
Appendix III	Edmonton Public Schools Revenue Projection for 2010-2011 April Update
Appendix IV	2009-2010 District Level Expenditures and 2010-2011 Projected District Level Expenditures

## Proposed 2010-2011 Planning Base

	<b>2009-10 Proposed Budget Planning Base April 2009</b>	<b>2009-10 Expenditure Budget Nov 2009</b>	<b>2010-11 Proposed Budget Planning Base April 2010</b>	<b>Difference Nov 2009 April 2010</b>
<b>PROJECTED REVENUE</b>	771,716,000	791,565,000	803,211,000	11,646,000
2007-2008 Unrestricted Accumulated Surplus	3,000,000	3,000,000	0	(3,000,000)
2008-2009 Surplus	0	40,481,082	0	(40,481,082)
Government Supplementary Funding	0	0	0	0
2010-2011 Operating Reserve	0	0	19,300,000	19,300,000
Total	774,716,000	835,046,082	822,511,000	(12,535,082)
<b>DISTRICT LEVEL COMMITTED FUNDS</b>				
Personnel Supply Services	8,200,000	8,200,000	8,200,000	0
Professional Improvement Leaves	1,640,000	1,640,000	1,540,000	(100,000)
Transportation	29,739,402	30,236,853	29,581,921	(654,932)
Metro	6,678,520	8,386,251	8,423,255	37,004
Debt Services	27,100,000	27,100,000	27,100,000	0
External Revenue	9,338,330	17,846,510	17,846,510	0
Utilities	20,600,000	20,600,000	21,000,000	400,000
High Speed Network	1,389,660	1,389,660	1,425,912	36,252
Amiskwaciy Academy	1,000,000	1,000,000	1,000,000	0
<b>DISTRICT LEVEL PRIORITY FUNDS</b>				
Election	300,000	300,000	300,000	0
District Technology Projects	1,000,000	1,000,000	750,000	(250,000)
Cluster Support for ELL	1,000,000	1,000,000	1,000,000	0
District Foundation	460,000	0	200,000	200,000
Multi-Cultural School Support	250,000	250,000	250,000	0
<b>SCHOOLS</b>	533,411,097	538,371,934	562,664,880	24,292,946
2008-2009 Surplus	0	18,945,839	0	(18,945,839)
Institutions	39,986,457	40,399,127	41,752,887	1,353,760
Senior High Summer School	5,171,000	6,952,939	6,952,939	0
LRC	890,018	890,018	890,018	0
School Generated Funds	24,146,000	26,795,000	26,795,000	0
<b>CENTRAL ALLOCATIONS</b>	58,732,516	58,307,193	60,938,163	2,630,970
2008-2009 Surplus	0	21,535,243	0	(21,535,243)
ERECS	3,220,000	3,399,515	3,399,515	0
Federal French Funding	463,000	500,000	500,000	0
<b>TOTAL PLANNING BASE</b>	774,716,000	835,046,082	822,511,000	(12,535,082)

Guidelines Provided by the Minister of Education

On March 22, 2010 the Minister of Education provided the following guidelines to school districts in regards to preparing their 2010-2011 Budget. These guidelines are:

- Sustain employment in the teaching workforce, particularly in support of students in the classroom.
- Evaluate programs and initiatives rigorously to ensure there is value to students in the classroom.
- Draw on accumulated reserves and surpluses if necessary in order to meet the above guidelines.
- Deficit budgets may be considered if accumulated reserves are sufficient to meet the first two guidelines.
- Where budget proposals will not result in accumulated operating deficits the submission of board approved budgets are required before November 30, 2010.

The minister also indicated that while expenditure pressures and revenue capacity may not be well matched in a particular school year, it is his objective to match long term revenue with long term expenditures.

**EDMONTON PUBLIC SCHOOLS  
REVENUE PROJECTION FOR 2010-2011  
APRIL UPDATE**

	<b>PROVINCIAL BUDGET 2010-2011</b>	<b>CHANGES</b>	<b>APRIL UPDATE 2010-2011</b>	
<b>BASE FUNDING</b>				
ECS BASE	21,981,000	250,000	22,231,000	1
GRADES 1 TO 12	455,066,000	5,142,000	460,208,000	1
SENIOR HIGH ESTIMATED CREDIT ADJUSTMENT	9,142,000	103,000	9,245,000	1
HOME EDUCATION	837,000	9,000	846,000	1
<b>DIFFERENTIAL COST FUNDING</b>				
ECS MILD & MODERATE	1,280,000	922,000	2,202,000	2
ECS PROGRAM UNIT FUNDING	23,505,000	199,000	23,704,000	2
SEVERE DISABILITIES	33,905,000	0	33,905,000	
ESL	14,172,000	0	14,172,000	
FIRST NATIONS, METIS & INUIT	7,755,000	0	7,755,000	
SOCIO ECONOMIC STATUS	8,990,000	0	8,990,000	
SMALL SCHOOL BY NECESSITY	3,045,000	0	3,045,000	
ENROLMENT GROWTH & DECLINE	2,053,000	0	2,053,000	
RELATIVE COST OF PURCHASING	6,360,000	61,000	6,421,000	3
METRO URBAN TRANSPORTATION	17,643,000	819,000	18,462,000	4
ECS SPECIAL TRANSPORTATION	1,544,000	0	1,544,000	
<b>FEDERAL FRENCH FUNDING</b>	500,000	0	500,000	
<b>PROVINCIAL PRIORITY TARGETED FUNDING</b>				
INITIATIVE FOR SCHOOL IMPROVEMENT	10,781,000	0	10,781,000	
HIGH SPEED NETWORKING	1,426,000	0	1,426,000	
<b>OTHER PROVINCIAL SUPPORT</b>				
INSTITUTIONAL SUPPORT	8,140,000	(22,000)	8,118,000	5
REGIONAL EDUCATION CONSULTING SERVICES	3,400,000	0	3,400,000	
LRDC - ESTIMATED UTILIZATION	890,000	0	890,000	
CAREER & TECHNOLOGIES STUDIES FUNDING	1,298,000	0	1,298,000	
INNOVATIVE CLASSROOM TECHNOLOGY FUNDING	2,696,000	0	2,696,000	
<b>INSTRUCTIONAL FUNDING</b>	636,409,000	7,483,000	643,892,000	
<b>PLANT OPERATIONS AND MAINTENANCE</b>	65,077,000	0	65,077,000	
<b>TOTAL OPERATIONAL FUNDING</b>	701,486,000	7,483,000	708,969,000	
<b>CAPITAL</b>				
DEBENTURE INTEREST	570,000	0	570,000	
AMORTIZATION OF CAPITAL GRANTS	11,907,000	0	11,907,000	
AMORT OF INVEST IN CAPITAL ASSETS	16,777,000	0	16,777,000	
	29,254,000	0	29,254,000	
<b>SCHOOL GENERATED FUNDS</b>	26,795,000	0	26,795,000	
<b>OTHER</b>				
OTHER SCHOOL JURISDICTIONS	1,718,000	0	1,718,000	
PROVINCIAL GRANTS	2,949,000	(321,000)	2,628,000	6
FEDERAL GOVERNMENT	1,932,000	0	1,932,000	
TUITION AGREEMENTS	786,000	0	786,000	
BUS PASS SALES	8,800,000	0	8,800,000	
INTERNATIONAL STUDENT FEES	2,686,000	0	2,686,000	
METRO CONTINUING EDUCATION FEES	2,474,000	0	2,474,000	
EXTERNAL REVENUE - CENTRAL DU'S	10,488,000	0	10,488,000	
MISCELLANEOUS	6,681,000	0	6,681,000	
	38,514,000	(321,000)	38,193,000	
<b>TOTAL OPERATING REVENUE</b>	796,049,000	7,162,000	803,211,000	

**EDMONTON PUBLIC SCHOOLS  
REVENUE PROJECTION FOR 2010-2011  
APRIL UPDATE**

1. The province has committed to funding the full Alberta Average Wage Index for teachers for the 2009-10 school year. Base and class size grants will increase from 4.8 to 5.99 per cent. This increased support will continue for 2010-11 and subsequent years.
2. These funding items have been adjusted to reflect the final budgets that have been submitted to Alberta Education for the Early Education Sites.
3. Relative cost of purchasing funding is impacted by the change in the other grants.
4. The impact of the school closures which includes 6 elementary and 2 junior high programs has been taken into consideration.
5. The increase in base instruction results in a small decrease in the amount in institutional funding that will be required to fund the total approved cost of these programs.
6. There has been a small decrease in the Special Services support from Child and Family Services for the program at Scott Robertson. As well, the one time support for school bus safety received in 2009-10 has been removed.

**2009-2010 District Level Expenditures and 2010-2011 Projected District Level Expenditures**

<b>Expenditure</b>	<b>Explanation</b>	<b>09-10</b>	<b>10-11</b>
Personnel Supply Services	Resources to cover the costs associated with teacher, custodial and support staff District-funded absences, and for custodial and maintenance retirement bonuses as per the respective Collective Agreements.	\$8.20M	\$8.20M
Professional Improvement Leaves	Resources to cover the costs associated with the accumulated salary charges and expenditures related to Clause 23 Professional Improvement Leaves and Tuition Support and the Teacher Development Program.	\$1.64M	\$1.54M
Transportation	Resources to cover the costs associated with transporting students within the District.	\$29.74M	\$29.58M
Metro Continuing Education	Expenditures generated though course and program fees and CEU's at Metro Continuing Education.	\$6.68M	\$8.42M
Debt Services	Resources to cover the costs associated with the District's long term debt and debenture, capital loan principal repayments and interest costs incurred by the District.	\$27.10M	\$27.10M
External Revenue	Projected external revenue identified by central services decision units.	\$9.34M	\$17.84M
Utilities	Resources to cover school utility costs.	\$20.60M	\$21.0M
High Speed Network	Resources to cover the costs associated with managing and operating the High Speed Internet links for schools.	\$1.39M	\$1.42M
Amiskwaciy Academy	Resources required to cover the costs associated with the lease agreement for the Amiskwaciy school site.	\$1.00M	\$1.00M
Election	Resources to cover costs associated with Trustee elections. Resources will be accumulated over three years.	\$0.30M	\$0.30M
District Technology Projects	Resources to cover the costs associated with upgrading District wide technology software. Items include: <ul style="list-style-type: none"> <li>• Upgrade of Student Information System (SIS)</li> <li>• Upgrade of Budget Planning System</li> <li>• Upgrade of Facilities Management System</li> <li>• Development of Records Management System</li> </ul>	\$1.00M	\$0.75M

<b>Expenditure</b>	<b>Explanation</b>	<b>09-10</b>	<b>10-11</b>
School Cluster Support for English Language Learners	Resources supporting a pilot project intended to provide transition programming and additional supports to schools serving English Language Learners.	\$1.00M	\$1.00M
District Level Foundation	Resources for the District Level Foundation which will focus on engaging the community's support in public education.	\$0.46M	\$0.20M
Multi-Cultural School Support	Resources intended to support recommendations coming from the District's Multi-Cultural Task Force	\$0.25M	\$0.25M
<b>TOTAL</b>		<b>\$108.70M</b>	<b>\$118.60M</b>