

DATE: January 17, 2012
TO: Board of Trustees
FROM: Edgar Schmidt, Superintendent of Schools
SUBJECT: Fall 2011 Update to the 2011-2012 Budget - Revised
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 provide the budget update as information to the Board of Trustees each fall reflecting changes in revenue, enrolment, current staffing, and other key budget assumptions. This was provided and submitted. Further study on the budget information was completed and a revised Budget Update has been prepared to reflect the breakdown of expense components related to core services.

BACKGROUND

Each School and Central decision unit prepared a revised budget in the fall based on updated September 30th enrolment, current staffing FTEs, as well as the planned use of surplus and repayment of deficit funds. Examination of the Spring Budget Report identified the need to adjust components within the expense categories so that a comparison of the Fall and Spring Budgets would be made.

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 in revenues due to enrolment and other adjustments - \$5.1M
- 3) Increase of net surplus carryforwards - \$14.9M

KEY POINTS

- The 2011-2012 Budget update reflects an operating deficit of \$33.9M, which will be offset by transfers from accumulated operating reserves.
- Enrolment increased from the approved budget by 0.5% or 366 eligible funded students.
- Certificated staffing (continuing contract teachers) 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.
- Identification of the components of the core service charges into non-certificated salaries and benefits and services, contracts and supplies results in a clearer presentation of the expenses for the Spring 2011–2012 Budget.

The following information is provided in response to the request of Conference Committee January 10, 2011 (Trustee Request #154), for further clarification on the breakdown of the funding and teaching FTE's.

- The report states that Edmonton Public has added 120.3 permanent FTE (teachers) since the Spring 2011 Budget Report (under the section Certificated Staff FTE's):
 - The 120.3 FTE includes 56.7 FTE due to the increase in student enrollment and 63.6 FTE due in part to the restoration of the funding announced by the premier.
 - If the district's enrollment remains unchanged and the restored funding continues beyond 2011-2012, the District should be able to maintain the additional 120.3 permanent FTE, all other factors remaining unchanged.
 - The 120.3 permanent FTE are filled by either existing teachers who moved from probationary to continuing contract, teachers with probationary contract extensions or new probationary contract teachers.

ATTACHMENTS & APPENDICES

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

BJS/ej

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	\$207,872,729	\$612,514
Services, contracts and supplies expense	\$159,065,565	\$156,375,758	\$2,689,807
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 August 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 \$31.0M reflecting current staffing FTE's planned. Services contracts and supplies are up by \$2.7M.

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 : January 17, 2012