

DATE: January 17, 2012
TO: Board of Trustees
FROM: Edgar Schmidt, Superintendent of Schools
SUBJECT: Budgetary Impacts of Opening Bessie Nichols and Michael Strembitsky Schools (Response to Trustee Request #127)
ORIGINATOR: Brian Smith, Executive Director
RESOURCE STAFF: Josephine Duquette, Jack Geldart, Cheryl Hagen, Roland Labbe, Ann Parker, Lorne Parker
REFERENCE: N/A

ISSUE

The following Trustee information was requested:

If all things were to remain equal for the 2012-2013 school year, provide information on what the budgetary impacts will be of the opening of Bessie Nichols, Michael Strembitsky and Major General Griesbach Schools in September 2012.

BACKGROUND

The *ASAP II New Schools Project* will see three schools open in September 2012. The project includes a replacement school for Major General Griesbach School. Bessie Nichols and Michael Strembitsky schools are new schools that will provide local school accommodation for students residing in the Hamptons and Ellerslie communities respectively.

CURRENT SITUATION

The following information relates to the projected budgetary impacts of the opening of the three ASAP II schools in September 2012:

1. Start-up funds totaling \$500,000 were allocated to the ASAP I principals' previous schools with \$410,000 spent through the sub-program setup to track these costs. If coding errors occurred, there could be additional costs not captured. Any surplus or deficit funds were applied to the ASAP schools' 2010-2011 allocation.
2. 2010-2011 budget allocations of \$1,775,000 were provided to ASAP I schools for start-up costs in addition to the 2009/10 allocation of \$500,000.
3. Opening costs incurred for the six ASAP I schools are identified in the table below:

School	Start Up Costs Prior to September 1, 2010 from District Basis of Allocation	Start-Up Costs Charged to ASAP I Schools 2010-2011 Allocation
A. Blair McPherson	\$82,000	\$209,000
Dr. Donald Massey	\$66,000	\$139,000
Elizabeth Finch	\$65,000	\$152,000
Florence Hallock	\$34,000	\$175,000
Esther Starkman	\$84,000	\$255,000
Johnny Bright	\$78,000	\$213,000
Total		\$1,553,000
Average Cost per School		\$258,833

4. The cost of consultation and collaboration time among Central DU staff and ASAP school administrators have not been factored into the figure above.
5. During the 2011-2012 Fall Revised Budget an additional \$308,000 was allocated to ASAP I schools to fund increased enrolment. These funds were added from the reinstatement of provincial funding for enrolment growth. This is one-time funding and may not be continued in 2012-2013.

KEY POINTS

While it is not possible to provide an exact figure for the cost of opening the three schools, an approximate cost can be estimated using some key presumptions below:

- Total budget allocations of \$2,582,000 for opening six ASAP I schools averages to \$433,000 per school.
- 2011-2012 total budget allocation for opening the ASAP II schools is \$725,000. Of this, approximately \$300,000 each is allocated to Bessie Nichols and Michael Strembitsky schools. These funds have come from the basis of allocation, financial resources the District receives to support all schools.
- September 30th, 2011 enrolment data for Edmonton Public Schools is 80,767 students. The capital costs for the ASAP I schools varied depending on needs. The values were typically around \$15,000 per school over the first operational year with the majority of the capital costs being covered by the Furniture and Equipment budget.
- The District covers the custodial and utility costs at these schools through the PO&M allocation.
- Given a pattern of stable enrolment, and that the amount of operational district school space remains constant, the 2012-2013 district operating budget is likely to reflect closely to that of the current 2011-2012 school year.
- With respect to student transportation, bus routing has not been completed for these schools. Therefore, it is difficult to determine the cost effects of transportation.

Factors to consider include:

1. increased routes
 2. consolidation of existing routes
 3. joint routes
 4. reduced ride times for students
- The effects on other schools will be related to reductions in students and corresponding staff. This will be offset by increases at the new schools with staff being hired there.

ATTACHMENTS & APPENDICES

N/A

JG:sa