

DATE: June 24, 2014
TO: Board of Trustees
FROM: Darrel Robertson, Superintendent of School
SUBJECT: Approval of the 2014-2015 Proposed Budget
ORIGINATOR: David Fraser, Executive Director, Corporate Services
RESOURCE STAFF: Todd Burnstad, Candace Cole, Cheryl Hagen
REFERENCE: N/A

ISSUE

At the June 10, 2014 Board meeting, the 2014-2015 proposed budget was presented to the Board of Trustees for information and discussion.

RECOMMENDATION

- 1. That the 2014-2015 proposed budget of \$1,009,142,600 be approved**
- 2. That the budget report for the year ending August 31, 2015 be approved.**

BACKGROUND**Provincial Funding**

On March 6, 2014, the Provincial Government announced the funding allocations to school boards for 2014-2015 that resulted in an increase in grant funding of \$0.647 million or 0.08 per cent for Edmonton Public Schools (EPSB). The Province is continuing to fund student growth, therefore, the net funding impact, including projected increases in student enrolment of 2.6 per cent, means the District will provide education services to over 2,200 additional students with status quo funding dollars per student.

RELATED FACTS

The 2014-2015 proposed budget supports the District's new Vision, Mission, Values and the 2014-2018 Priorities.

Vision

Transforming the learners of today into the leaders of tomorrow.

Mission

We inspire student success through high quality learning opportunities, supported by meaningfully engaged students, parents, staff and community.

Values

Supporting the Vision, Mission and Priorities are the District's core values of accountability, collaboration, equity and integrity.

District Priorities 2014-2018

1. Foster growth and success for every student by supporting their journey from early learning through high school completion and beyond.
2. Provide welcoming, high quality learning and working environments.
3. Enhance public education through communication, engagement and partnerships.

OPTIONS

The Board of Trustees approve the 2014-2015 proposed budget of \$1,009,142,600 and the budget report for the year ending August 31, 2015.

CONSIDERATIONS & ANALYSIS**Highlights of the Provincial Budget that impact EPSB include:**

- Provincial grants remain the same as they did in 2013-2014 with the exception of increases of 2.0 per cent for class size and the inclusive education per student grant amounts (Attachment I).
- A new funding and educational delivery model was implemented for Regional Collaborative Service Delivery (RCSD), combining services and consolidating funding previously received for student health services, children and youth with complex needs and regional educational consulting services.
- The funding calculation for Infrastructure Maintenance and Renewal (IMR) has been updated to replace full-time equivalent (FTE) weighted enrolment (adjusted for students with special needs) with FTE funded enrolment. In addition, the total amount of IMR funding for EPSB has increased by \$3.34 million.
- The reduction in school boards administration spending has been further reduced by an additional 3.1 per cent, thereby maintaining the 10.0 per cent roll back of funds applied in 2013-2014, where the spending cap on board administration was reduced from 4.0 per cent to 3.6 per cent of budget expenses.
- For the Metro Urban Transportation Grant, the funding calculation has been changed by the Province resulting in a reduction in transportation funding.

EPSB Budget Highlights

- Student enrolment assumptions are based on a total of 88,793 students, an increase of 2,239 or 2.6 per cent over the September 30, 2013 enrolment count (Attachment II).
- The 2014-2015 Proposed Budget (Attachment III) allows maximum flexibility to schools as well as maintains essential central services required for district operations.
- Increased allocations for schools are mainly attributed to the projected enrolment growth of 2.6 per cent. School per student allocation amounts for all levels have been maintained at the same rates as in 2013-2014.
- The proposed budget includes a change to the First Nations, Metis and Inuit (FNMI) allocation. Part of this allocation previously directed towards covering the costs associated with the amiskwacy Academy base rent (estimated at \$1,125,652 for 2014-2015) was directed toward hiring four specialized, certificated FNMI consultants (internal secondments) at an estimated cost of \$450,000. The balance of \$675,652 was returned to the total amount of FNMI funds available to be allocated directly to schools based on the number of self-identified FNMI students (Attachment IV^A).
- New for 2014-2015, allocation line items have been established to support the new District Strategic Plan. These include an Enhanced Support for District Plan/Project Fund, and additional allocations that have been set aside in newly created leadership groups including

an Equity Fund to support student success, and an Enhanced Support for Schools allocation (Attachments IV and V).

- The budget includes increases to staffing levels of approximately 339 FTE, out of which 119 FTE are certificated staff and 220 FTE are non-certificated (Attachment VI).
- Funds have also been set aside to support the initiative to upgrade security at elementary schools.
- With the creation of the District Calendar Pilot Project, and the increase in professional development days, funds have been allocated to support staff development for teaching and learning initiatives.
- There are no staff unit cost increases for 2014-2015.
- Student Transportation funding has been directed to support the delivery of transportation services within the District. The transportation operating budget exceeds the grant funding by \$14.7 million. This shortfall has been covered by charging transportation fees of \$11.9 million and by using \$2.8 million of surplus carry forward funds.
- Plant Operations and Maintenance (PO&M) funding rates have remained unchanged, with the increase being attributed to enrolment growth.
- IMR funding has been returned to previous levels and will provide additional funding for school facility maintenance and renewal projects.
- The 2014-2015 Proposed Budget does not include any use of surplus funds for spending within individual school or decision units however, at a consolidated high level, it is anticipated that the District will utilize approximately \$13.8 million of surplus funds. (Attachment VII)
- The 2014-2015 budgeted System Administration and Board Governance block spending is 3.34 per cent of total budget spending, which is under the 3.6 per cent spending cap set by the Province.

KEY POINTS

- From a principal or central decision unit administrator point of view, the 2014-2015 budget is status quo. The per student allocation amounts and staff unit costs have been maintained at the same levels as in 2013-2014. The only variable was related to changes caused by enrolment.
- From the District's point of view, the additional funds received from changes in provincial funding (as described above) were used to enhance support for schools and will support initiatives linked to the new District Strategic Plan.
- A draft budget report was prepared for 2014-2015 in the format required by Alberta Education and submitted to the Province on May 30, 2014 based on the current proposed budget (Attachment VIII). Following the Board of Trustees' approval of the 2014-2015 proposed budget on June 24, 2014 a final budget report will be submitted to the Province.

NEXT STEPS

Once approved, the 2014-2015 proposed budget will be posted to the district's website, and the budget report will be submitted to Alberta Education.

ATTACHMENTS & APPENDICES

ATTACHMENT I	2014-2015 Proposed Revenue Budget
ATTACHMENT II	Student Enrolment 2014-15 to 2013-14 Year to Year Comparison
ATTACHMENT III	2014-2015 Proposed Budget – Total Allocations
ATTACHMENT IV	2014-2015 Proposed Budget – Direct School Allocations
ATTACHMENT IV ^A	2014-2015 Proposed Budget – Direct School Allocations Detailed Breakdown
ATTACHMENT V	2014-2015 Proposed Budget – Other Allocations
ATTACHMENT VI	2014-2015 Proposed Budget – Staffing FTE Comparison
ATTACHMENT VII	2014-2015 Proposed Budget – Revenue & Expense Analysis
ATTACHMENT VIII	2014-2015 Budget Report

CH : ja

**Edmonton Public Schools
2014-2015 Spring Proposed Revenue Budget**

	2014-2015 Proposed Budget	2013-2014 Revised Budget	Variance \$	Variance %	Notes
BASE INSTRUCTION FUNDING					
Early Childhood Services (ECS) Base Instruction	\$ 25,915,400	\$ 25,613,500	\$ 301,900	1.2%	
Base Instruction (Grades 1 to 9)	380,298,700	363,653,400	16,645,300	4.6%	
Base Instruction (Grades 10 to 12)	121,728,400	124,491,600	(2,763,200)	(2.2%)	
Base Instruction Special Ed Block (Grades 10 to 12)	16,614,200	16,870,100	(255,900)	(1.5%)	
Base Instruction Metro (Grades 10 to 12)	773,300	768,700	4,600	0.6%	
Base Instruction Metro Summer (Grades 10 to 12)	5,272,900	5,272,900	-	-	
Outreach Site Funding	377,800	377,800	-	-	
ECS Class Size	5,892,000	5,709,200	182,800	3.2%	
Class Size (Grades 1 to 3)	31,281,500	28,725,400	2,556,100	8.9%	
Tier 2 Class size (Grades 10 to 12)	176,100	176,600	(500)	(0.3%)	
Tier 3 Class size (Grades 10 to 12)	1,891,400	1,896,500	(5,100)	(0.3%)	
Tier 4 (Work Exp. & Sp. Proj)	1,949,500	1,993,800	(44,300)	(2.2%)	
Home Education	686,100	653,200	32,900	5.0%	
SUBTOTAL BASE INSTRUCTION FUNDING	592,857,300	576,202,700	16,654,600	2.9%	1
DIFFERENTIAL COST FUNDING					
ECS Program Unit Funding (PUF)	33,455,200	31,106,300	2,348,900	7.6%	
Inclusive Education	58,227,400	56,749,200	1,478,200	2.6%	
English as a Second Language (ESL)	19,024,000	14,330,400	4,693,600	32.8%	2
First Nations, Metis and Inuit Education (FNMI)	8,866,400	8,628,400	238,000	2.8%	
Socio Economic Status	10,004,400	9,855,300	149,100	1.5%	
Plant Operations and Maintenance (PO&M)	62,810,900	61,971,100	839,800	1.4%	
Metro Urban Transportation	20,613,500	22,209,600	(1,596,100)	(7.2%)	3
ECS Special Transportation	1,800,000	2,273,000	(473,000)	(20.8%)	3
Equity of Opportunity	8,375,900	8,251,000	124,900	1.5%	
Federal French Funding	500,000	500,000	-	-	
Narrowing Teachers' Salary Gap	245,000	-	245,000	100.0%	4
SUBTOTAL DIFFERENTIAL COST FUNDING	223,922,700	215,874,300	8,048,400	3.7%	
PROVINCIAL PRIORITY TARGETED FUNDING					
High Speed Networking	2,179,200	2,179,200	-	-	
SUBTOTAL PROVINCIAL PRIORITY FUNDING	2,179,200	2,179,200	-	0.0%	
OTHER PROVINCIAL SUPPORT					
Institutional Support	9,469,000	9,624,200	(155,200)	(1.6%)	
Regional Collaborative Service Delivery (RCSD) / Regional Education Consulting Services (RECS)	3,069,200	5,063,100	(1,993,900)	(39.4%)	5
Reduction in System Admin & School Bd Gov'n	(3,805,000)	(3,691,000)	(114,000)	3.1%	
SUBTOTAL OTHER PROVINCIAL SUPPORT	8,733,200	10,996,300	(2,263,100)	(20.6%)	
TOTAL PROVINCIAL OPERATIONAL FUNDING	827,692,400	805,252,500	22,439,900	2.8%	

Edmonton Public Schools
2014-2015 Spring Proposed Revenue Budget - *continued*

	2014-2015 Proposed Budget	2013-2014 Revised Budget	Variance \$	Variance %	Notes
CAPITAL					
Infrastructure Maintenance Renewal (IMR)	7,350,500	5,677,700	1,672,800	29.5%	6
Amortization of Capital Allocations and Expended Deferred Capital Revenue	31,796,400	31,881,400	(85,000)	(0.3%)	
SUBTOTAL CAPITAL	39,146,900	37,559,100	1,587,800	4.2%	
OTHER PROVINCIAL REVENUES					
Tuition Agreements	1,095,200	1,137,100	(41,900)	(3.7%)	7
Secondments - Provincial	3,582,200	3,789,800	(207,600)	(5.5%)	8
Alberta Education Conditional Grants	586,100	2,526,800	(1,940,700)	(76.8%)	9
Alberta Teachers' Retirement Fund (ATRF)	54,075,000	52,905,900	1,169,100	2.2%	10
SUBTOTAL OTHER PROVINCIAL REVENUES	59,338,500	60,359,600	(1,021,100)	(1.7%)	
TOTAL GOVERNMENT OF ALBERTA (AB ED)	926,177,800	903,171,200	22,641,900	2.5%	
OTHER PROVINCIAL GRANTS	2,947,000	3,311,700	(364,700)	(11.0%)	9
FEDERAL GOVERNMENT AND FIRST NATIONS	2,267,600	2,339,200	(71,600)	(3.1%)	
OTHER ALBERTA SCHOOL AUTHORITIES	616,200	1,063,000	(446,800)	(42.0%)	11
FEES					
School Fees - School Generated Funds	13,182,500	12,514,400	668,100	5.3%	12
Transportation Fees	11,913,700	9,838,700	2,075,000	21.1%	13
International Student Fees	5,625,000	4,297,500	1,327,500	30.9%	14
Metro Continuing Education Fees	908,500	938,300	(29,800)	(3.2%)	
Textbook Rental Fees	1,413,800	1,447,700	(33,900)	(2.3%)	
Music Instrument & Other Material Fees	229,000	239,500	(10,500)	(4.4%)	
SUBTOTAL FEES	33,272,500	29,276,100	3,996,400	13.7%	
OTHER SALES AND SERVICES					
Sales and Services - Schools & Central DU's	4,841,100	5,065,800	(224,700)	(4.4%)	
Other Sales and Services - School Generated Funds	5,617,700	5,778,400	(160,700)	(2.8%)	
Secondments - Other Entities	1,429,700	2,212,300	(782,600)	(35.4%)	8
Lunch Program Fees	4,136,100	4,077,800	58,300	1.4%	
Adult Education	1,979,600	1,960,400	19,200	1.0%	
SUBTOTAL SALES AND SERVICES	18,004,200	19,094,700	(1,090,500)	(5.7%)	
INVESTMENT INCOME	500,000	-	500,000	100.0%	
GIFTS AND DONATIONS					
School Gifts and Donations	5,360,400	6,524,000	(1,163,600)	(17.8%)	15
EPSB Foundation Support	461,300	406,100	55,200	13.6%	16
SUBTOTAL GIFTS AND DONATIONS	5,821,700	6,930,100	(1,108,400)	(16.0%)	
FUNDRAISING - School Generated Funds	2,044,700	1,713,300	331,400	19.3%	17
RENTAL OF FACILITIES	3,729,200	3,393,700	335,500	9.9%	18
TOTAL OPERATING REVENUE	\$ 995,380,900	\$ 970,293,000	\$ 25,087,900	2.6%	

**Notes to the
2014-2015 Spring Proposed Revenue Budget**

Consistent with the Provincial requirements, unless otherwise noted, variance explanations have been provided for amounts where the Spring Proposed Budget differs from the Fall Revised Budget by more than 5%.

1 Base Instruction Funding

The overall increase in base instruction funding is due to a projected enrolment growth of 2.6% (see Attachment II for additional details). The largest increase in enrolment growth, is in grades 1 to 3 (6.8%). Although there were no increases in the per student funding rates, there was an increase of 2% in the funding received for class size.

2 English as a Second Language (ESL)

Out of the total increase over 2013-2014, approximately 50% relates to current year projected enrolment growth for this population of students. The remaining 50% or approximately \$2.3 Million relates to an underestimation of the 2013-2014 Revised Budget due to a change in the funding from 7 to 5 years for ESL.

3 Metro Urban Transportation / ECS Special Transportation

The funding calculation for the block grant has been changed by the Province resulting in an estimated overall reduction even after factoring in enrolment growth. The reduction in ECS Special Transportation reflects a timing difference where a portion of the students are not included in the September 30th enrolment.

4 Narrowing Teachers' Salary Gap

New funding introduced to address salary grid changes as outlined in the Framework Agreement between the Government of Alberta, the Alberta Teachers' Association and the Alberta School Boards Association.

5 Regional Collaborative Service Delivery (RCSD) / Regional Education Consulting Services (RECS)

A new funding model has been rolled out for RCSD for 2014-2015. Funding for RCSD comes from allocations previously provided for student health services, children and youth with complex needs and RECS. The net decrease in funding relates to services the District was providing to other jurisdictions and is offset by a reduction of these related expenses, therefore, there will be no net impact on services provided within EPSB.

6 Infrastructure Maintenance Renewal (IMR)

The IMR calculation has been changed for 2014-2015 replacing FTE weighted enrolment with FTE funded enrolment. The total amount of IMR funding for the entire province has increased from \$77 Million to \$100 Million (basically returning to prior levels of provincial support). As a result, EPSB's share of the IMR funding has increased by a total of \$3.34 Million. Under the new Public Sector Accounting Standards (PSAS) IMR capital revenue has been reclassified to expended deferred capital reserve (EDCR) and is matched to the supported amortization expense. Therefore, approximately 50% of the IMR funding increase (\$1.67 Million) is recorded under operating revenue.

7 Tuition Agreements

Includes a contract between the Alberta School for the Deaf (ASD) and Health Services (paid directly by Alberta Education) which has been updated based on the projected September 30th enrolment.

8 Secondments - Provincial & Other

For 2014-2015, secondments are still continuing with Alberta Education, other government organizations and the University of Alberta. In the spring, there is always uncertainty as to the number of secondments that would be approved for 2014-2015. The current figure is based on confirmed agreements, this is expected to increase between now and the fall and is estimated to be at similar levels compared to 2013-2014.

9 Alberta Education Conditional Grants/Other Provincial Grants

The decrease reflects the removal of other non-recurring grants related to specific 2013-2014 school projects. Grants are only included in the spring proposed budget if they are confirmed. It is anticipated these will increase between the spring and the fall as additional grant applications are completed and approved.

10 Alberta Teachers' Retirement Fund (ATRF)

This amount represents a flow through of teacher retirement benefits paid by the Province on behalf of our teachers and matches the revenue from the Province.

**Notes to the
2014-2015 Spring Proposed Revenue Budget - continued**

11 Other Alberta School Authorities

As a result of the changes under the new RCSD funding model (as per Note 5), \$0.5 Million of external revenue related to RECS will no longer be received by the District.

12 School Fees - School Generated Funds

School Generated Funds are funds raised in the community for student activities under the control and responsibility of school management. The funds are collected and retained for expenses at the school level. For budget reporting purposes these funds have been consolidated into the District budget. The increase from prior year budget is consistent with current year actual fee amounts that are being received for such things as drama, field trips, ski club, physical education and school teams.

13 Transportation Fees

For 2014-2015, the funding received by the Province for Transportation decreased by \$2 Million (compared to the 2013-2014 Budget), in addition, operating expenses increased by \$2.8 Million. As a result, surplus carryforward of \$2.8 Million will be used in conjunction with a proposed fee increase of \$2.1 Million in order to balance the overall Student Transportation budget.

14 International Student Fees

International students pay tuition and an application fee totalling \$11,250. The number of international students continues to increase, in the fall of 2013 there were 382 students and for the fall of 2014, this figure is anticipated to increase to 500.

15 School Gifts and Donations

This revenue line is an estimate of school generated donation activities. These funds are restricted to support the activities and programs at the schools and are directly offset by related expenditures. Schools typically don't budget for this in the spring as there is uncertainty around these initiatives.

16 EPSB Foundation Support

In January of 2014, Beacon Heights became the sixth school to receive support from the Foundation for full day kindergarten. The increase in 2014-2015 reflects anticipated fundraising required to support all six sites.

17 Fundraising - School Generated Funds

This amount has been increased compared to the fall budget figure based on year to date actual results being recognized.

18 Rental of Facilities

There has been no change in lease rates for 2014-2015 from 2013-2014. The 2013-2014 budgeted lease revenue from both the capital renewal portion of open sites and closed site rents were underestimated. The 2014-2015 budgeted amount closer reflects the actual expected lease revenue, should year over year similar tenancy remain in place.

Edmonton Pubic Schools
2014-2015 Projected Enrolment vs September 30, 2013 Actual Enrolment
Funded vs Other

Student Enrolment Enrolment by Division	2014-2015 Projected Enrolment	2013-2014 Sept. 30th Enrolment	Increase/ (Decrease) Enrolment	Variance %
Funded Students:				
ECS	7,899	7,807	92	1.2%
Grade 1 to 3	20,968	19,640	1,328	6.8%
Grade 4 to 6	18,699	18,028	671	3.7%
Junior High	18,290	17,753	537	3.0%
Senior High	21,891	22,369	(478)	(2.1%)
Home Education	418	398	20	5.0%
Subtotal Funded Students	88,166	85,995	2,171	2.5%
Other :				
International Students	500	382	118	30.9%
Early Ed. - Headstart/community children	32	88	(56)	(63.6%)
Other/Non Resident/ Blended/Sponsorships	95	89	6	7.3%
Subtotal Other Students	627	559	68	12.3%
Total Student Enrolment	88,793	86,554	2,239	2.6%

Edmonton Public Schools
2014-2015 Spring Proposed Budget
Total Allocations

	2014-2015 Proposed Budget	2013-2014 Revised Budget	Variance \$	Variance %	Notes
Projected Revenue					
Operating Revenue	\$ 995,380,900	\$ 970,293,000	\$ 25,087,900	2.6%	
Operating Reserve Funds *	13,761,700	-	13,761,700	100.0%	*
Operating Revenue	<u>\$ 1,009,142,600</u>	<u>\$ 970,293,000</u>	<u>\$ 38,849,600</u>	<u>4.0%</u>	
School Allocations (Attachment IV)					
School Allocations Levels 1 to 8	\$ 543,948,356	\$ 525,067,318	\$ 18,881,038	3.6%	1
Other Supplemental School Allocations	151,952,393	145,497,069	6,455,324	4.4%	2
	<u>695,900,749</u>	<u>670,564,387</u>	<u>25,336,362</u>	<u>3.8%</u>	
School Generated Funds/External Revenues	35,737,645	41,016,122	(5,278,477)	(12.9%)	3
Subtotal School Allocations	<u>731,638,394</u>	<u>711,580,509</u>	<u>20,057,885</u>	<u>2.8%</u>	
Other Allocations (Attachment V)					
Metro Continuing Education	11,310,228	11,416,725	(106,497)	(0.9%)	
External Revenue Allocations - Central	11,502,025	11,912,706	(410,681)	(3.4%)	
District Level Fixed Costs	68,610,136	67,424,760	1,185,376	1.8%	4
District Level Committed Costs	68,375,727	66,678,292	1,697,435	2.5%	4
	<u>159,798,116</u>	<u>157,432,483</u>	<u>2,365,633</u>	<u>1.5%</u>	
Central Decision Units	49,869,390	48,374,157	1,495,233	3.1%	
Subtotal Other Allocations	<u>209,667,506</u>	<u>205,806,640</u>	<u>3,860,866</u>	<u>1.9%</u>	
Alberta Teachers' Retirement Fund (ATRF)	<u>54,075,000</u>	<u>52,905,851</u>	<u>1,169,149</u>	<u>2.2%</u>	5
Total Allocations	<u>995,380,900</u>	<u>970,293,000</u>	<u>25,087,900</u>	<u>2.6%</u>	
Planned Use of Reserves *	13,761,700	-	13,761,700	100.0%	*
Total Budget	<u>\$ 1,009,142,600</u>	<u>\$ 970,293,000</u>	<u>\$ 38,849,600</u>	<u>4.0%</u>	

* The 2014-2015 Budget anticipates the use of \$13.8 Million of surplus funds (budgeted at a consolidated District level).

**Notes to the
2014-2015 Spring Proposed Budget
Total Allocations**

Consistent with the Provincial requirements, unless otherwise noted, variance explanations have been provided for amounts where the Fall Revised Budget differs from the Spring Proposed Budget by more than 5%.

1 School Allocations Levels 1 to 8

School Allocations for the spring proposed budget are based on enrolment projections which predict the number of students at each grade level and the number of students with special needs. For 2014-2015, there have been no changes to the per student allocation rates. These allocations are further detailed on attachment IV.

2 Other Supplemental School Allocations

Included in this category of school allocations are new allocations for 2014-2015 including the Equity Fund, Enhanced Support for Schools, amiskwaciy Academy base rent, and Security Upgrades for Elementary Schools. These allocations are further detailed on attachment IV.

3 School Generated Funds/External Revenues

School generated funds are funds raised in the community for expenditures at the school level. School external revenues include board approved textbook rental fees, lunch program fees, grants, as well as school lease rentals. Schools typically budget conservatively in the spring.

A new funding model for Regional Collaborative Service Delivery (RCSD) has been rolled out for the current year. Current funding for RCSD comes from allocations previously provided for student health services, children and youth with complex needs and RECS. This change in funding has resulted in a net decrease of \$2 Million however, these funds were related to services the District was providing to other jurisdictions and is offset by a reduction of these related expenses, therefore, there will be no net impact on services provided within EPSB. In addition, under the new RCSD funding model, \$0.5 Million of external revenue related to RECS will also no longer be received by the District.

4 District Level Fixed / District Level Committed Costs

These allocations have been updated to reflect the anticipated fixed and committed costs for 2014-2015. Additional details on these costs have been included in attachment V.

5 Alberta Teachers' Retirement Fund (ATRF)

This amount represents a flow through of teacher retirement benefits paid by the Province on behalf of our teachers and matches the revenue from the Province.

**Edmonton Public Schools
2014-2015 Spring Proposed Budget
Direct School Allocations**

	2014-2015 Proposed Budget	2013-2014 Revised Budget	Variance \$	Variance %	Notes
School Allocations					
Kindergarten	\$ 19,342,615	\$ 19,484,115	\$ (141,500)	(0.7%)	
Elementary	189,450,306	177,368,355	12,081,951	6.8%	
Junior High	81,358,787	78,337,274	3,021,513	3.9%	
Senior High	99,114,089	100,887,045	(1,772,956)	(1.8%)	
Senior High Credit Adjustment	2,000,000	2,000,000	-	-	
International Students	3,701,500	2,506,657	1,194,843	47.7%	1
Special Needs Levels 4 - 8	109,487,447	105,851,512	3,635,935	3.4%	
Institutions, ASD & Early Education (PUF) Allocations	39,493,612	38,632,360	861,252	2.2%	
Subtotal School Allocations	543,948,356	525,067,318	18,881,038	3.6%	2
Other Supplemental School Allocations					
Base Allocation	49,018,265	48,852,907	165,358	0.3%	
Class Size Funding	35,473,998	33,215,397	2,258,601	6.8%	3
Plant Operation & Maintenance - Schools	17,361,108	16,583,625	777,483	4.7%	
Inclusive Learning - Early Education	15,374,836	13,494,146	1,880,690	13.9%	4
* First Nations, Metis and Inuit Education (FNMI)	7,107,050	7,319,058	(212,008)	(2.9%)	5
* Program Enhancement Allocations	7,584,410	8,161,198	(576,788)	(7.1%)	6
* Other Miscellaneous Allocations	1,384,606	1,392,463	(7,857)	(0.6%)	
Equity Fund	4,800,000	-	4,800,000	100.0%	7
High Social Vulnerability	4,000,000	4,000,000	-	-	
Regional Collaborative Service Delivery RCSD) / Regional Educational Consulting Services (RECS)	3,069,154	3,212,448	(143,294)	(4.5%)	8
Enhanced Support for Schools	1,818,680	-	1,818,680	100.0%	9
Facility Use Payments - Christian Schools	1,346,792	1,345,840	952	0.1%	
amiskwaciy Base Rent	1,125,652	-	1,125,652	100.0%	5
Security Cameras for Elementary	750,000	-	750,000	100.0%	10
Argyll Reach Out Support	400,000	400,000	-	-	
Foundation Full Day Kindergarten Funding	461,300	406,145	55,155	13.6%	11
Community Use of Schools	498,704	498,704	-	-	
Outreach Program	377,838	377,838	-	-	
Transitional Funding	-	4,755,712	(4,755,712)	(100.0%)	12
Hold Harmless Allocation	-	1,481,588	(1,481,588)	(100.0%)	13
Subtotal Other Supplemental School Allocations	151,952,393	145,497,069	6,455,324	4.4%	
Subtotal School and Other Supplemental Allocations	695,900,749	670,564,387	25,336,362	3.8%	
School Generated Funds/External Revenues	35,737,645	41,016,122	(5,278,477)	(12.9%)	14
Total Direct School Allocations	\$ 731,638,394	\$ 711,580,509	\$ 20,057,885	2.8%	

* See Attachment IV^A - for a detailed breakdown of this line item

Edmonton Public Schools
2014-2015 Spring Proposed Budget
Direct School Allocations
Detailed Breakdown - Other Supplemental School Allocations

	2014-2015 Proposed Budget	2013-2014 Revised Budget	Variance \$	Variance %	Notes
First Nations, Metis and Inuit Education (FNMI)					
FNMI Per Student	\$ 6,716,050	\$ 5,839,815	\$ 876,235	15.0%	
amiskwacyi Base Rent	-	1,114,243	(1,114,243)	(100.0%)	
Transportation to Awasis Program	391,000	365,000	26,000	7.1%	
	\$ 7,107,050	\$ 7,319,058	\$ (212,008)	(2.9%)	5

FNMI Funding is based on the number of self identified students projected at September 30th. Out of the total amount received (\$8.9 Million), \$7.1 Million is allocated directed to schools and \$1.8 Million is allocated to a Central Decision Unit to support FNMI education.

	2014-2015 Proposed Budget	2013-2014 Revised Budget	Variance \$	Variance %	Notes
Program Enhancement Allocations					
New to District	\$ 3,500,000	\$ 3,500,000	\$ -	-	
Guaranteed Enrolment	2,421,281	2,421,281	-	-	
Outreach Directed Placement	801,667	1,151,388	(349,721)	(30.4%)	
Transfers from Institutions	350,000	350,000	-	-	
Establishment Facility Grant	396,462	497,255	(100,793)	(20.3%)	
Establishment Program Grant	115,000	140,227	(25,227)	(18.0%)	
Mental Health Teacher	-	101,047	(101,047)	(100.0%)	
	\$ 7,584,410	\$ 8,161,198	\$ (576,788)	(7.1%)	6
Other Miscellaneous Allocations					
Addition to Basic	\$ 1,091,110	\$ 1,098,967	\$ (7,857)	(0.7%)	
Facility Allocations	293,496	293,496	-	-	
	\$ 1,384,606	\$ 1,392,463	\$ (7,857)	(0.6%)	

**Notes to the
2014-2015 Spring Proposed Budget
Direct School Allocations**

Consistent with the Provincial requirements, variance explanations have been provided for amounts where the Fall Revised Budget differs from the Spring Proposed Budget by more than 5%.

1 International Students

The number of international students continues to increase, in the fall of 2013 there were 382 students and for the fall of 2014, this figure is anticipated to increase to 500.

2 School Allocations

School Allocations for the Spring Proposed Budget are based on enrolment projections which predict the number of students at each grade level and the number of students with special needs. The Fall Revised Budget is based on an actual headcount at September 30th. It is expected that there will be differences in the composition of students between the spring proposed and the fall revised Budgets. In total, the School Allocation variance of 3.6% is reasonable and consistent with the overall enrolment increase of 2.6%.

3 Class Size Funding

This allocation is provided to schools for the purpose of lowering class sizes and student to teacher ratios. The allocation is targeted to Kindergarten to grade 3. The increase in the allocation is driven by the increase in enrolment for this category of students.

4 Inclusive Learning - Early Education

The increase in the Early Education allocation is offset by an increase in anticipated PUF funding required to provide additional supports to the sites and students.

5 First Nations, Metis and Inuit Education (FNMI)

Effective for 2014-2015 the amiskwaciy base rent is being treated as a district allocation, resulting in an increase in the amount of FNMI funds available to be directly allocated out to schools on a per student basis.

6 Program Enhancement Allocations

Outreach Directed Placement

This allocation is provided to the Outreach and New Directions sites to cover fixed and committed costs in order to support high risk students that have been directed by the District. The projected enrolment has increased over the prior year resulting in additional per student allocated amounts, therefore, the amount required to be supplemented by the District has decreased.

Establishment Facility Grant

This allocation provides financial support to physically accommodate students in schools identified for new alternative and special education programs. The annual amount of the allocation is \$150,000. The decrease from the Revised Budget is due to prior approved projects being completed during the 2013-14 school year.

Establishment Program Grant

This allocation provides financial support in terms of start up costs associated with the implementation of new programs. The annual amount of the allocation is \$100,000. The decrease from the Revised Budget is due to prior approved projects being completed during the 2013-14 school year. .

Mental Health Teacher

This allocation was initially approved in 2008-2009 to be a "one time" allocation to provide support to a mental health class at one specific school. Based on the recommendations from the School Allocation Committee in 2012, this allocation was grandfathered for the 2013-2014 school year and was to be discontinued for future years.

**Notes to the
2014-2015 Spring Proposed Budget
Direct School Allocations - continued**

7 Equity Fund

Out of the total allocation of \$4.8 Million, \$4 Million will be directed towards enhancing equity for all students and \$0.8 Million has been targeted towards increasing the number of student assessments currently available for schools. The \$4.8 Million represents the allocation amount for 2014-2015. The actual balance in the Equity Fund is anticipated to be higher based on transferring the surplus carryforward balances in excess of 5 per cent at schools and central DU's, as well as unused funds from the Transitional Funding allocation from 2013-2014, however, these amounts will not be known until the 2013-2014 year end is completed.

8 Regional Collaborative Service Delivery (RCSD) / Regional Education Consulting Services (RECS)

A new funding model has been rolled out for RCSD for 2014-2015. Funding for RCSD comes from allocations previously provided for student health services, children and youth with complex needs and RECS. Although there was an overall decrease in the funding received by the District (which included funding to provide services to other jurisdictions), the portion that was retained by the District to provide services within the District remained relatively the same.

9 Enhanced Support for Schools

These funds were distributed between the four school leadership groups to enhance programming for student differences and will include resources to support shared consulting services to enhance supports for quality teaching throughout the District.

10 Security Upgrades for Elementary Schools

A review will be completed analysing the current security systems in place at elementary schools. For 2014-2015, funds have been designated to be used to upgrade or install security cameras and/or additional security measures.

11 Foundation Full Day Kindergarten Funding

In January of 2014, Beacon Heights became the sixth school to receive support from the Foundation for full day kindergarten. The increase in 2014-2015 reflects anticipated fundraising required to support all six sites.

12 Transitional Funding

This was a 'one time' allocation only in effect for 2013-2014 to assist schools with transitioning to a new budget allocation model which was implemented in 2013-2014. Any unused funds from this allocation will be carryforward and will be added to the Equity Fund for use in 2014-2015.

13 Hold Harmless Allocation

This was a 'one time' allocation only in effect for 2013-2014 as a result of the significant funding reductions. This allocation topped up schools that received an allocation reduction of 7 per cent or more as a percentage of enrolment compared to 2012-2013.

14 School Generated Funds/External Revenues

School generated funds are funds raised in the community for expenditures at the school level. School external revenues include board approved textbook rental fees, lunch program fees, grants, as well as school lease rentals. Schools typically budget conservatively in the spring.

A new funding model for Regional Collaborative Service Delivery (RCSD) has been rolled out for the current year. Current funding for RCSD comes from allocations previously provided for student health services, children and youth with complex needs and RECS. This change in funding has resulted in a net decrease of \$2 Million however, these funds were related to services the District was providing to other jurisdictions and is offset by a reduction of these related expenses, therefore, there will be no net impact on services provided within EPSB. In addition, under the new RCSD funding model, \$0.5 Million of external revenue related to RECS will also no longer be received by the District.

**Edmonton Public Schools
2014-2015 Spring Proposed Budget
Other Allocations**

	2014-2015 Proposed Budget	2013-2014 Revised Budget	Variance \$	Variance %	Notes
District Level Fixed Costs					
Debt and Fiscal Services	\$ 44,318,636	\$ 42,820,560	\$ 1,498,076	3.5%	
Utilities	18,200,000	18,900,000	(700,000)	(3.7%)	
Insurance	3,595,000	3,525,000	70,000	2.0%	
High Speed Networking	2,496,500	2,179,200	317,300	14.6%	1
	68,610,136	67,424,760	1,185,376	1.8%	
District Level Committed Costs					
Student Transportation	34,575,251	34,512,766	62,485	0.2%	2
School Plant Operations & Maintenance	13,332,520	12,708,379	624,141	4.9%	3
Human Resources Supply Services	10,714,770	10,714,770	-	-	
* Language and Cultural Support	4,403,008	3,953,008	450,000	11.4%	4
Enhanced Support for District Plan/Project Fund	1,140,809	-	1,140,809	100.0%	5
Enterprise Systems	1,240,752	1,240,752	-	-	
Professional Improvement Leaves	1,340,000	1,540,000	(200,000)	(13.0%)	6
Staff Development	500,000	-	500,000	100.0%	7
* Partnership Commitments	369,000	364,000	5,000	1.4%	
Human Resources Secondments	232,917	232,917	-	-	
Audit	111,200	111,200	-	-	
EduLink	43,000	43,000	-	-	
Election	315,000	1,200,000	(885,000)	(73.8%)	8
Board Initiative Fund	45,000	45,000	-	-	
Trustee Transition Allowance	12,500	12,500	-	-	
	68,375,727	66,678,292	1,697,435	2.5%	
External Revenue Allocation	11,502,025	11,912,706	(410,681)	(3.4%)	
Metro Continuing Education	11,310,228	11,416,725	(106,497)	(0.9%)	
	22,812,253	23,329,431	(517,178)	(2.2%)	
Central Decision Units					
** Board and Office of the Superintendent	6,838,840	6,507,522	331,318	5.1%	
** Corporate Services	18,913,132	18,289,948	623,184	3.4%	
** Finance and Infrastructure	12,706,596	12,568,414	138,182	1.1%	
Inclusive Learning	5,596,066	5,596,066	-	-	
Archives and Museum	468,427	468,427	-	-	
International Programs	1,005,000	904,500	100,500	11.1%	9
Curriculum and Resource Support	2,294,165	2,074,165	220,000	10.6%	5a
Research and Innovation for Student Learning	1,276,738	1,232,738	44,000	3.6%	5b
Student Information	770,426	732,377	38,049	5.2%	5c
Central Decision Units	49,869,390	48,374,157	1,495,233	3.1%	
Total	\$ 209,667,506	\$ 205,806,640	\$ 3,860,866	1.9%	

* See Attachment V^A - for a detailed breakdown of this line item

** See Attachment V^B - for a detailed breakdown of this line item

Edmonton Public Schools
2014-2015 Spring Proposed Budget
Other Allocations
Detailed Breakdown - District Level Committed Costs

	2014-2015 Proposed Budget	2013-2014 Revised Budget	Variance \$	Variance %	Notes
Language and Cultural Support					
FNMI Education	\$ 1,309,350	1,309,350	-	-	
Diversity Education	1,087,218	1,087,218	-	-	
Cluster Support for ELL	608,227	608,227	-	-	
Languages Centre at Woodcroft	948,213	948,213	-	-	
FNMI Consultants	450,000	-	450,000	100.0%	
	\$ 4,403,008	\$ 3,953,008	\$ 450,000	11.4%	4
Partnership Commitments					
Partnership for Kids	\$ 170,000	170,000	-	0.0%	
Confucius Institute - prog. coordinator	140,000	140,000	-	0.0%	
Cappies	20,000	15,000	5,000	33.3%	
Community University Partnerships	10,000	10,000	-	0.0%	
Careers: The Next Generation	10,000	10,000	-	0.0%	
United Way	9,000	9,000	-	0.0%	
Welcome to Kindergarten	5,000	5,000	-	0.0%	
Corporate Challenge	5,000	5,000	-	0.0%	
	\$ 369,000	\$ 364,000	\$ 5,000	1.4%	

Edmonton Public Schools
2014-2015 Spring Proposed Budget
Other Allocations
Detailed Breakdown - Central Decision Units

	2014-2015 Proposed Budget	2013-2014 Revised Budget	Variance \$	Variance %	Notes
Board and Office of the Superintendent					
Board of Trustees	\$ 804,890	\$ 804,890	\$ -	-	
Office of the Superintendent of Schools	2,386,115	2,567,433	(181,318)	(7.1%)	10
Governance and Strategic Support Serv.	1,321,317	1,171,317	150,000	12.8%	5d
District Support Services	1,491,698	1,491,698	-	-	
General Counsel	472,184	472,184	-	-	
School Leadership Group A	90,659	-	90,659	100.0%	10
School Leadership Group B	90,659	-	90,659	100.0%	10
School Leadership Group C	90,659	-	90,659	100.0%	10
School Leadership Group D	90,659	-	90,659	100.0%	10
	<u>\$ 6,838,840</u>	<u>\$ 6,507,522</u>	<u>\$ 331,318</u>	<u>5.1%</u>	
Corporate Services					
Communications	\$ 2,398,339	\$ 2,398,339	\$ -	-	
District Information Security	406,667	406,667	-	-	
District Records and FOIP Management	607,780	589,780	18,000	3.1%	5e
District Technology	6,473,149	6,473,149	-	-	
Edmonton Public Schools Foundation	400,000	400,000	-	-	
Human Resources	8,627,197	8,022,013	605,184	7.5%	5f
	<u>\$ 18,913,132</u>	<u>\$ 18,289,948</u>	<u>\$ 623,184</u>	<u>3.4%</u>	
Finance and Infrastructure					
Facilities Services & Building Ops	\$ 4,370,193	\$ 4,232,011	\$ 138,182	3.3%	11
Financial Services	5,488,794	5,488,794	-	-	
Planning & Property Management	2,847,609	2,847,609	-	-	
	<u>\$ 12,706,596</u>	<u>\$ 12,568,414</u>	<u>\$ 138,182</u>	<u>1.1%</u>	

**Notes to the
2014-2015 Spring Proposed Budget
Other Allocations**

Consistent with the Provincial requirements, unless otherwise noted, variance explanations have been provided for amounts where the Fall Revised Budget differs from the Spring Proposed Budget by more than 5%.

1 High Speed Networking

The increase reflects the additional cost to the District to provide this service to the schools which is above the amount funded by the Province. This increased cost has been covered by a district allocation instead of recovering the amount through charge backs to the schools.

2 Student Transportation

For 2014-2015, the funding received by the Province for Transportation decreased by \$2 Million (compared to the 2013-2014 Budget), in addition, operating expenses increased by \$2.8 Million. As a result, surplus carryforward (reflected as a planned use of operating reserves on Attachment III) of \$2.8 Million will be used in conjunction with a proposed fee increase of \$2.1 Million in order to balance the overall Student Transportation budget.

3 School Plant Operations & Maintenance (PO&M)

PO&M funding calculation is based on the frozen funded head count from the previous year. Therefore, the increase in PO&M funding is based on last year's enrolment growth. In addition, a portion of the current year increase being allocated to schools also results from a decrease in anticipated utility costs.

4 FNMI Consultants

As detailed on attachment IV^A, effective for 2014-2015 the amiskwacy base rent is being treated as a district allocation. Out of the total base rent of \$1.1 Million previously covered by FNMI funds, \$450,000 has been allocated to the four new School Leadership Groups to hire four specialized FNMI consultants, the remaining balance increased the amount of FNMI funds available to be directly allocated out to schools on a per student basis.

5 Enhanced Support for District Plan/Project Fund

Funds have been put aside to address projects and to support initiatives coming out of the new district plan. In addition as a result of the Central DU budget cutbacks in 2013-2014, funds will be directed to certain central decision units to maintain service levels and supports. The Project Fund will be used to promote effective and efficient business practices. Out of the initial allocation, \$1.1 Million has already been allocated to the following DU's, leaving a remaining balance of \$1.1 Million to be allocated in 2014-2015.

- a) Curriculum and Resource Support (formerly known as Support for Staff and Students) - \$220,000. For 2 FTE certificated consultants to support literacy/catchment work and curriculum redesign.
- b) Research and Innovation for Student Learning (formerly known as Research, Data and Knowledge) - \$44,000. To increase the FTE for a Research Consultant from 0.6 to 1.0.
- c) Student Information - \$38,000. This DU was previously combined with the Research, Data and Knowledge DU. For 2014-2015 additional funds will be required for this DU to operate on its own.
- d) Governance and Strategic Support Services - \$150,000. For 1 FTE certificated Program Evaluator to support strategic planning and development metrics.
- e) District Records and FOIP Management - \$18,000. For 0.4 FTE to assist with information and document requests from parents and various government agencies.
- f) Human Resources - \$605,000. For a total of 4.9 FTEs including a consultant in leadership development, a supervisor in Staff Relations and the New Teacher Induction Program, a consultant, and a business analyst.

6 Professional Improvement Leaves

The decrease of \$0.2 Million is based on an approved Board recommendation report dated September 17, 2013.

7 Staff Development

In conjunction with the new pilot calendar project and the increase in professional development days from three to five, funds have been allocated for this initiative.

8 Election

The allocation in 2013-2014 was to cover the entire cost of the fall election which previously occurred every three years. On a go forward basis, the cost of the election will be pro-rated and allocated over the four year election term.

**Notes to the
2014-2015 Spring Proposed Budget
Other Allocations - continued**

9 International Programs

The number of international students continues to increase, in the fall of 2013 there were 382 students and for the fall of 2014, this figure is anticipated to increase to 500. The International Programs DU receives an allocation based on the amount of international students attending EPSB.

10 Office of the Superintendent of Schools / School Leadership Groups

With the creation of the four new School Leadership Groups, funds were transferred from the Office of the Superintendent of Schools to hire two administrative FTE's, and matching funds were taken out of the new Enhanced Support for Schools allocation to hire two finance/administrative FTE's. These four FTE's will be shared among the four Leadership Groups.

11 Facilities Services & Building Ops

Facilities Services receives a portion of the PO&M funds received by the District. This increase in their allocation for 2014-2015 is directly tied to the anticipated increase in PO&M funding resulting from the increase in enrolment.

**Edmonton Public Schools
2014-2015 Proposed Budget
Staff FTE's**

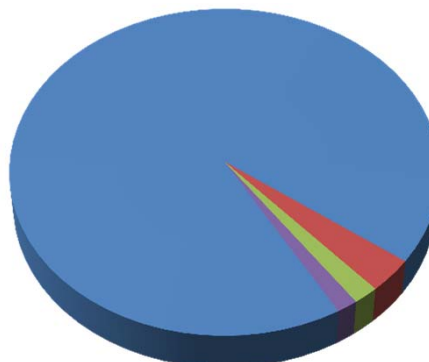
Staffing Group	2014-2015 Projected		2013-2014 Revised		NET CHANGE
	Budget	%	Budget	%	2014-2015 Projected vs 2013-2014 Revised
Schools					
Teaching FTE	4,364.54	64%	4,263.94	65%	100.597
Support FTE	1,803.89	26%	1,608.67	25%	195.227
Custodial FTE	557.81	8%	554.18	8%	3.632
Exempt FTE	134.83	2%	135.20	2%	(0.365)
Total Schools FTE	6,861.08	100%	6,561.99	100%	299.091
Central Services					
Teaching FTE	156.63	15%	138.03	14%	18.596
Support FTE	260.23	25%	254.13	25%	6.104
Custodial FTE	65.00	6%	65.50	6%	(0.500)
Maintenance FTE	180.00	17%	173.00	17%	7.000
Exempt FTE	387.91	37%	379.75	38%	8.166
Total Central Services FTE	1,049.77	100%	1,010.41	100%	39.366
Metro Continuing Education					
Teaching FTE	4.40	12%	4.60	13%	(0.200)
Support FTE	20.33	55%	19.28	53%	1.050
Custodial FTE	1.69	5%	1.69	5%	-
Exempt FTE	10.55	29%	10.61	29%	(0.058)
Total Metro Cont. Ed. FTE	36.97	100%	36.18	100%	0.792
Total FTE's	7,947.81		7,608.57		339.249
Total by Group					
Teaching FTE	4,525.56	57%	4,406.57	58%	118.993
Support FTE	2,084.45	26%	1,882.07	25%	202.381
Custodial FTE	624.50	8%	621.37	8%	3.132
Maintenance FTE	180.00	2%	173.00	2%	7.000
Exempt FTE	533.30	7%	525.55	7%	7.743
Total FTE's	7,947.81	100%	7,608.57	100%	339.249

**Edmonton Public Schools
2014-2015 Spring Proposed Budget
Revenue & Expense Analysis**

Revenue by source

(all dollar amounts are expressed in thousands)

	2014-2015	
	\$	%
Government of Alberta	929,125	93.3%
Fees	33,272	3.3%
Sales and Services	18,004	1.8%
Other	14,980	1.5%
	<u>995,381</u>	<u>100.0%</u>



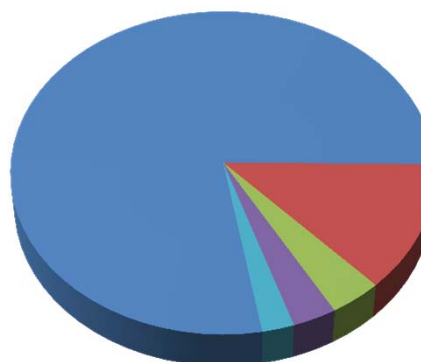
2013-2014
For Comparison
Purposes Only

2013-2014	
\$	%
906,483	93.4%
29,276	3.0%
19,095	2.0%
15,439	1.6%
<u>970,293</u>	<u>100.0%</u>

Expenses by block

(all dollar amounts are expressed in thousands)

	2014-2015	
	\$	%
ECS - Grade 12 Instruction	786,771	78.0%
Operations & Maintenance of Schools and Maintenance Shops	128,690	12.8%
Transportation	38,156	3.8%
Board and System Administration	32,148	3.2%
External Services	23,377	2.3%
	<u>1,009,142</u>	<u>100.0%</u>

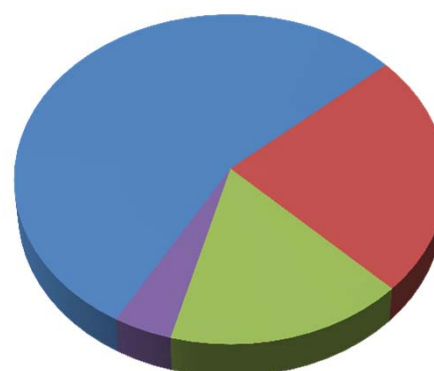


2013-14	
\$	%
753,163	77.6%
124,183	12.8%
34,905	3.6%
30,973	3.2%
27,069	2.8%
<u>970,293</u>	<u>100.0%</u>

Expenses by object

(all dollar amounts are expressed in thousands)

	2014-2015	
	\$	%
Certificated salaries, wages and benefits expense	557,199	55.2%
Non-certificated salaries, wages and benefits expense	239,608	23.7%
Services, contracts and supplies expense	170,575	16.9%
Amortization & other expenses	41,760	4.1%
	<u>1,009,142</u>	<u>100.0%</u>



2013-14	
\$	%
544,295	56.1%
228,371	23.5%
155,163	16.0%
42,464	4.4%
<u>970,293</u>	<u>100.0%</u>

TABLE OF CONTENTS

	Page
BUDGETED STATEMENT OF OPERATIONS	3
BUDGETED ALLOCATION OF EXPENSES (BY OBJECT)	3
PROJECTED STATEMENT OF CHANGES IN ACCUMULATED OPERATING SURPLUS (SUMMARY)	4
PROJECTED STUDENT STATISTICS	5
PROJECTED STAFFING STATISTICS	6

Color coded cells:

blue cells: require the input of data/descriptors wherever applicable.
 salmon cells: contain referenced juris. information - protected

Grey cells: data not applicable - protected
 white cells: within text boxes REQUIRE the input of points and data.

HIGHLIGHTS, PLANS, ASSUMPTIONS AND RISKS SUMMARY- 2014/2015 BUDGET REPORT

The following were presented to the Board and approved as underlying the budget. These key points and assumptions used in development of the budget take into consideration the economic environment of the jurisdiction, focus on anticipated changes from current year, and are realistic and consistent with the three year Education Plan. At a minimum, they disclose key budget assumptions, financial & business risks, and specific strategies explaining how this budget will support the jurisdiction's plans.

Budget Highlights, Plans & Assumptions:

- The Province is continuing to fund student growth with basically the same grant rates as 2013/14. Therefore, the net funding impact, including projected increases in student enrolment of 2.6 per cent, means the District will provide education services to over 2,200 additional students with status quo funding dollars per student.

Key Message

- The mandate of the Edmonton Public School Board is to educate children so that they succeed in their courses and complete high school and the budget highlights our focus on the District's new Vision, Mission, Values and the 2014-2018 Priorities.

Vision

Transforming the learners of today into the leaders of tomorrow.

Mission

We inspire student success through high quality learning opportunities, supported by meaningfully engaged students, parents, staff and community.

Values

Supporting the Vision, Mission and Priorities are the District's core values of accountability, collaboration, equity and integrity.

District Priorities 2014-2018

Foster growth and success for every student by supporting their journey from early learning through high school completion and beyond.

Provide welcoming, high quality learning and working environments.

Enhance public education through communication, engagement and partnerships

- The district has prepared a balanced budget with an anticipate use of \$13.8 million of operating reserves
- The budget includes projected increases to staffing levels of about 339 FTE, out of which 119 FTE are certificated staff and 220 FTE are non-certificated to provide educational services for 2,239 additional students.
- No increase in staff unit costs were used in preparing budgets for teachers, support and exempt(management and non-management) staff groups. No increase in salaries or benefits have been factored into the budget for maintenance and custodial staff, where negotiations have not yet begun with either union.
- Future enrolment growth trends will continue to increase based on strong enrolment trends in grades 1 to 6. There is also significant growth trends for English as a second language(ESL) students, representing the expanding diversity of our student demographics
- Enrolment projections are estimates at this time and will be adjusted in the fall budget update based on the actual September 30, 2014 student count
- Spending on administration and board governance is 3.3% of total budget spending and under the 3.6% administrative spending limit required by the Province

Significant Business and Financial Risks:

- Limited capital reserves will cause difficulties in supporting capital projects in the District on a go forward basis.
- Growing Infrastructure pressures in meeting the demands of enrollment growth in new neighborhoods throughout the city and maintaining aging infrastructure in mature neighborhoods.
- The Capital Reserve is projected to be reduced to \$1.2M at August 31, 2015, after using funds to increase student spaces by adding modular at many of our ASAP schools.
- Although IMR has been restored to previous year levels, Plant, Operations and Maintenance funding was only increased for enrolment growth. The facility lifecycle needs of an aging school facility infrastructure with static funding will lead to a greater deferred maintenance backlog.
- The district is experiencing inflation on its services, contracts and supply costs as well as grid movement on its salary costs , while funding has not been adjusted for inflation for a number of years.
- District operating reserve balances are projected to be drawn down by \$12M in the 2014-15 year, leaving an estimated \$17.4 million or 1.7% of the annual operating budget

BUDGETED STATEMENT OF OPERATIONS
for the Year Ending August 31

	Approved Budget 2014/2015	Fall Budget Update 2013/2014	Actual 2012/2013
REVENUES			
Alberta Education	\$926,177,800	\$903,171,177	\$889,385,333
Other - Government of Alberta	\$2,947,000	\$3,311,723	\$3,821,312
Federal Government and First Nations	\$2,267,600	\$2,339,200	\$2,447,621
Other Alberta school authorities	\$616,200	\$1,063,000	\$2,060,695
Out of province authorities	\$0	\$0	\$0
Alberta Municipalities-special tax levies	\$0	\$0	\$0
Property taxes	\$0	\$0	\$0
Fees	\$33,272,500	\$29,276,100	\$29,619,252
Other sales and services	\$18,004,200	\$19,094,700	\$23,471,803
Investment income	\$500,000	\$0	\$1,220,175
Gifts and donations	\$5,821,700	\$6,930,100	\$7,413,362
Rental of facilities	\$3,729,200	\$3,393,700	\$3,463,076
Fundraising	\$2,044,700	\$1,713,300	\$1,662,396
Gains on disposal of capital assets	\$0	\$0	\$4,701,092
Other revenue	\$0	\$0	\$0
TOTAL REVENUES	\$995,380,900	\$970,293,000	\$969,266,117
EXPENSES			
Instruction	\$786,771,289	\$753,163,182	\$725,987,925
Plant operations & maintenance	\$128,690,468	\$124,183,129	\$135,605,700
Transportation	\$38,156,036	\$34,905,267	\$32,634,883
Administration	\$32,147,858	\$30,972,743	\$32,947,945
External Services	\$23,376,949	\$27,068,679	\$24,137,843
TOTAL EXPENSES	\$1,009,142,600	\$970,293,000	\$951,314,296
ANNUAL SURPLUS (DEFICIT)	(\$13,761,700)	\$0	\$17,951,821

BUDGETED ALLOCATION OF EXPENSES (BY OBJECT)
for the Year Ending August 31

	Approved Budget 2014/2015	Fall Budget Update 2013/2014	Actual 2012/2013
EXPENSES			
Certificated salaries	\$445,066,132	\$436,557,307	\$434,474,951
Certificated benefits	\$112,133,312	\$107,737,449	\$93,776,057
Non-certificated salaries and wages	\$189,841,862	\$181,235,216	\$186,170,633
Non-certificated benefits	\$49,765,596	\$47,135,606	\$48,101,408
Services, contracts, and supplies	\$170,575,474	\$155,162,899	\$146,840,354
Capital and debt services			
Amortization of capital assets			
supported	\$31,796,446	\$31,811,400	\$30,591,099
unsupported	\$9,328,197	\$10,054,918	\$10,636,492
Interest on capital debt			
supported	\$12,730	\$102,499	\$125,306
unsupported	\$438,088	\$388,547	\$224,982
Other interest and finance charges	\$184,763	\$107,159	\$373,014
Losses on disposal of capital assets	\$0	\$0	\$0
Other expense	\$0	\$0	\$0
TOTAL EXPENSES	\$1,009,142,600	\$970,293,000	\$951,314,296

PROJECTED SCHEDULE OF CHANGES IN ACCUMULATED OPERATING SURPLUS (SUMMARY)
for the Year Ending August 31

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
	ACCUMULATED OPERATING SURPLUS (2+3+4+7)	INVESTMENT IN TANGIBLE CAPITAL ASSETS	ENDOWMENTS	ACCUMULATED SURPLUS FROM OPERATIONS (5+6)	UNRESTRICTED SURPLUS	INTERNALLY RESTRICTED	
						OPERATING RESERVES	CAPITAL RESERVES
Actual balances per AFS at August 31, 2013	\$107,538,258	\$62,394,223	\$0	\$37,852,945	\$0	\$37,852,945	\$7,291,090
2013/2014 Estimated impact to AOS for:							
Estimated surplus(deficit)	(\$10,100,000)			(\$10,100,000)	(\$10,100,000)		
Estimated Board funded capital asset additions		\$12,401,949		(\$7,000,000)	(\$7,000,000)	\$0	(\$5,401,949)
Estimated Disposal of unsupported tangible capital assets	\$0	(\$169,569)		\$43,974	\$43,974		\$125,595
Estimated amortization of capital assets (expense)		(\$41,124,643)		\$41,124,643	\$41,124,643		
Estimated capital revenue recognized - Alberta Education		\$31,796,446		(\$31,796,446)	(\$31,796,446)		
Estimated capital revenue recognized - Other GOA		\$0		\$0	\$0		
Estimated capital revenue recognized - Other sources		\$0		\$0	\$0		
Estimated changes in Endowments	\$0		\$0	\$0	\$0		
Estimated Unsupported debt principal repayment		\$562,150		(\$562,150)	(\$562,150)		
Estimated reserve transfers (net)				(\$59,562)	(\$59,562)	\$0	\$59,562
Estimated Assumptions/Transfers of Operations (Explain)	\$0	\$0		\$0	\$8,349,541	(\$8,349,541)	\$0
Estimated Balances for August 31, 2014	\$97,438,258	\$65,860,556	\$0	\$29,503,404	\$0	\$29,503,404	\$2,074,298
2014/2015 Budget projections for:							
Budgeted surplus(deficit)	(\$13,761,700)			(\$13,761,700)	(\$13,761,700)		
Projected Board funded capital asset additions		\$7,921,247		(\$7,000,000)	(\$7,000,000)	\$0	(\$921,247)
Budgeted Disposal of unsupported tangible capital assets	\$0	\$0		\$0	\$0		\$0
Budgeted Amortization of capital assets (expense)		(\$41,124,643)		\$41,124,643	\$41,124,643		
Budgeted capital revenue recognized - Alberta Education		\$31,796,446		(\$31,796,446)	(\$31,796,446)		
Budgeted capital revenue recognized - Other GOA		\$0		\$0	\$0		
Budgeted capital revenue recognized - Other sources		\$0		\$0	\$0		
Budgeted changes in Endowments	\$0		\$0	\$0	\$0		
Budgeted Unsupported debt principal repayment		\$579,467		(\$579,467)	(\$579,467)		
Projected reserve transfers (net)				(\$59,562)	(\$59,562)	\$0	\$59,562
Projected Assumptions/Transfers of Operations (Explain)	\$0	\$0		\$0	\$12,072,532	(\$12,072,532)	\$0
Projected Balances for August 31, 2015	\$83,676,558	\$65,033,073	\$0	\$17,430,872	\$0	\$17,430,872	\$1,212,613

ANTICIPATED CHANGES IN ACCUMULATED OPERATING SURPLUS SUMMARY- 2014/2015 BUDGET REPORT

The following explains the anticipated changes to Unrestricted Surplus, Investment in Tangible Capital Assets, Endowments, Operating Reserves and Capital Reserves for 2013/2014 and 2014/2015 and breaks down the planned additions to unsupported capital. Additional space is provided in the next tab.

Reason for Changes in Unrestricted Surplus; Investment in Tangible Capital Assets; Endowments; Operating Reserves; and Capital Reserves 2013/2014

Capital Reserve balance decreasing by \$5.2M due to: work on 22 modulars for Bessie Nichols, Elizabeth Finch, Brander Gardens, Bisset and Eilerslie Schools to be completed by Jan. 5/15 of \$2.7M. Assumed 75% costs incurred by August 31/14. Remaining decrease in capital reserve is \$2.6M for remaining work on A.Blair Macpherson, Dr. Donald Massey, Michael Strembitsky, and Winterburn school portables.

Operating Reserve Balance decreasing by \$8M primarily due to Board funded capital assets (\$7M), an estimated (\$10M) spend of surplus, offset by a \$9M amortization adjustment (amortization of capital assets less capital revenue related to amortization of capital assets).

Investment in capital assets increasing by \$3.4M over all due to increase of \$12.4M for Board funded capital Additions (\$7M equipment and \$5.4M related to portables), offset by (\$9M)

**ANTICIPATED CHANGES IN ACCUMULATED OPERATING SURPLUS
for the Year Ending August 31**

The following explains the anticipated changes to Unrestricted Surplus, Investment in Tangible Capital Assets, Endowments, Operating Reserves and Capital Reserves for 2013/2014 and 2014/2015 and breaks down the planned additions to unsupported capital.

**Reason for Changes in Unrestricted Surplus; Investment in Tangible Capital Assets; Endowments; Operating and Capital Reserves
2014/2015**

Capital Reserve Balance decreasing \$0.9M for remaining work on 22 modulars for Bessie Nichols, Elizabeth Finch, Brander Gardens, Bisset and Ellerslie Schools.

Operating Reserve Balance decreasing \$12M primarily due to Board funded capital assets (\$7M), an estimated (\$13.7M) spend of surplus, offset by a \$9M amortization adjustment (amortization of capital assets less capital revenue related to amortization of capital assets).

Investment in capital assets remaining relatively stable. There is an increase of \$7.9M for Board funded capital Additions (\$7M equipment and \$0.9M related to portables), offset by (\$9M) amortization adjustment (amortization of capital assets less capital revenue related to amortization of capital assets).

**Planned Changes to Board Funded Tangible Capital Assets
2013/2014**

Increases as follows:

Portables \$5.4M
Equipment \$7M

2014/2015

Increases as follows:

Portables \$0.9M
Equipment \$7M

Other Information:

**PROJECTED STUDENT STATISTICS
FULL TIME EQUIVALENT (FTE) ENROLLED STUDENTS**

	Budgeted 2014/2015 (Note 2)	Actual 2013/2014	Actual 2012/2013	Notes
GRADES 1 TO 12				
Eligible Funded Students:				
Grades 1 to 9	57,957	55,421	52,931	Head count
Grades 10 to 12	21,891	22,369	22,027	Note 3
Total	79,848	77,790	74,958	Grades 1-12 students eligible for base instruction funding from Alberta Education.
Other Students:				
Total	589	465	422	Note 4
Total Net Enrolled Students	80,437	78,255	75,380	
Home Ed and Blended Program Students	424	404	475	Note 5
Total Enrolled Students, Grades 1-12	80,861	78,659	75,855	
Of the Eligible Funded Students:				
Severely Disabled Students served	2,474	2,411	2,350	Total eligible funded severely disabled student FTEs; including Code 40s (excluding Code 47s).
EARLY CHILDHOOD SERVICES (ECS)				
Eligible Funded Children	7,899	7,807	7,453	ECS children eligible for ECS base instruction funding from Alberta Education.
Other children	32	88	133	ECS children not eligible for ECS base instruction funding from Alberta Education.
Total Enrolled Children - ECS	7,931	7,895	7,586	
Program Hours	475	475	475	Minimum: 475 Hours
FTE Ratio	0.500	0.500	0.500	Actual hours divided by 950
FTE's Enrolled, ECS	3,966	3,948	3,793	
Of the Eligible Funded Children:				
Severely Disabled Children served	1,538	1,499	1,378	Total eligible funded severely disabled children FTEs, including Code 40 children in program units.
NOTES:				
1) Enrolment is to be completed WHEREVER APPLICABLE and are 'as at September 30th' for each year.				
2) Budgeted enrolment is to be based on best information available at time of the 2014/2015 budget report preparation.				
3) The # of FTE grade 10-12 students is determined by taking the total # of students' credits / 35; where 35 CEU's = 1 FTE.				
4) Other Grade 1-12 students that are not eligible for base instruction funding from Alberta Education include First Nations students living on reserves for which tuition fee payments are made from Band or INAC (Code 330), students younger than 5 1/2 or older than 20, and out-of-province and foreign students.				
5) Because they are funded separately, Home Education students are not included with total net enrolled students. In the blended program, funding per student is pro-rated on the percentage of the student's program which is taken at school and at home; home education students are assigned a weighting of 0.25 FTE for base funding.				

**PROJECTED STAFFING STATISTICS
FULL TIME EQUIVALENT (FTE) PERSONNEL**

	Budgeted 2014/2015	Actual 2013/2014	Actual 2012/2013	Notes
<u>CERTIFICATED STAFF</u>				
School Based	4,364.5	4,263.9	4,270.9	Teacher certification required for performing functions at the school level.
Non-School Based	161.0	142.6	175.3	Teacher certification required for performing functions at the system/central office level.
Total Certificated Staff FTE	4,525.6	4,406.6	4,446.2	FTE for personnel possessing a valid Alberta teaching certificate or equivalency.
Certificated Staffing Change due to:				
Enrolment Change	119.0	142.0	101.4	If negative change impact, the small class size initiative is to include any/all teachers retained.
Other Factors	-	(181.6)	-	Descriptor (required):
Total Change	119.0	(39.6)	101.4	Year-over-year change in Certificated FTE
Breakdown, where total change is Negative:				
Continuous contracts terminated	-	-	-	FTEs
Non-permanent contracts not being renewed	-	-	-	FTEs
Other (retirement, attrition, etc.)	-	(39.6)	-	Descriptor (required):
Total Negative Change in Certificated FTEs	-	(39.6)	-	Breakdown required where year-over-year total change in Certificated FTE is 'negative' only.
<u>NON-CERTIFICATED STAFF</u>				
Instructional	2,145.3	1,951.0	1,802.6	Personnel providing instruction support for schools under 'Instruction' program areas.
Non-Instructional	1,276.9	1,251.0	1,306.7	Personnel in Transportation, Board & System Admin., O&M and External service areas.
Total Non-Certificated Staff FTE	3,422.3	3,202.0	3,109.3	FTE for personnel not possessing a valid Alberta teaching certificate or equivalency.
Non-Certificated Staffing Change due to:				
Enrolment Change	220.3	92.7	111.0	FTEs
Other Factors	-	-	-	Descriptor (required):
Total Change	220.3	92.7	111.0	Year-over-year change in Non-Certificated FTE