

DATE: April 26, 2016

TO: Board of Trustees

FROM: Darrel Robertson, Superintendent of Schools

SUBJECT: 2016-2017 Distribution of Funds

ORIGINATOR: Todd Burnstad, Acting Managing Director, Finance

RESOURCE STAFF: Vanessa Crosswell-Klettke, Madonna Proulx

REFERENCE: N/A

ISSUE

This report identifies the proposed distribution of funds for the 2016-2017 budget.

BACKGROUND

On April 14, 2016, the provincial government announced the funding allocations to school boards for the 2016-2017 school year. With no reductions to grants and enrolment growth being funded, the 2016-2017 budget (Attachment I) clearly demonstrates the government's commitment to support education, even under the current financial situation facing Alberta.

RELATED FACTS

Edmonton Public School Board's mission is to inspire student success through high quality learning opportunities, supported by meaningfully engaging students, parent, staff and community.

The Distribution of Funds sets the stage for allocations to schools and central decision units. These allocations support the District's Vision, Mission, Priorities and Strategic Plan.

Highlights of the Distribution of Funds that impact Edmonton Public Schools include:

- The net impact of the proposed new carbon tax is still uncertain and we anticipate additional information will be provided by the province in the coming weeks.
- There is uncertainty with the new *Education Act* around the content and timing (both of which could significantly impact Edmonton Public Schools). As such the Distribution of Funds has not factored in any impact either from a funding or expense point of view.
- Edmonton Public Schools is projecting enrolment growth of 3.2 per cent or just under 3,000 new students, bringing the total projected enrolment to 95,355 (Attachment II).
- With no change to the base instruction grants received by the province, the 2016-2017 student allocation rates will remain at the same levels as 2015-2016.
- The custodial, support and exempt staff collective agreements are currently unsettled or are anticipated to be unsettled prior to the commencement of the 2016-2017 school year. As such, no increases in staff compensation have been factored into the staff unit costs for the 2016-2017 budget.
- Edmonton Public Schools assumes that any compensation adjustment related to the teachers' agreement (which also expires in August 2016) will be fully funded by the province. The Distribution of Funds has not included any potential impact in the 2016-2017 budget.

- With the opening of three new schools in September 2016 and another 11 schools in September 2017, additional District resources will be required in 2016-2017. Some expenses will be funded out of the current year operating budget (\$795,000 for additional non student driven allocations) however, \$6.6 million required for new school startup costs (not funded by the province), will be covered through accessing surplus funds.
- Based on a recommendation report by the 2015-2016 Budget Allocation Principal Committee, the High Social Vulnerability calculation has been updated. Part of the recommendation report includes providing a one year transitional fund. This transition plan provides an additional \$1 million to schools, offsetting 66 per cent of the amount that would negatively impact some schools (as a result of the change in formula).
- Based on recent projections, the District is anticipating ending the current school year with an estimated accumulated operating surplus balance of approximately \$76 million. The Distribution of Funds document (Attachment III) includes accessing \$35 million of this balance during the 2016-2017 school year. Additional details of the District's surplus plan are included in Attachments IV and V.

RECOMMENDATION

That the Distribution of Funds for the 2016-2017 budget be approved.

CONSIDERATIONS & ANALYSIS

The assumptions used in the Distribution of Funds report, where student allocation rates and staff unit costs remain the same as the prior year, translate into a fairly 'status quo' budget for schools and central decision units. Some schools and central decision units will be impacted by the projected enrolment growth, but adequate allocations are available to support them. Although we are fortunate and grateful that the provincial education funding has been maintained, we still anticipate inflationary increases in costs that will require stretching our funding dollars further.

Over the years, the District has accumulated an operating surplus balance. This surplus provides some relief and flexibility which has often been required to ameliorate past unpredictable fluctuations in budget funding and the negative impact it can have on students. As we deplete our existing surplus in order to balance our annual operations, we are hopeful that the 2016 Provincial Budget and the accompanying 2016-2019 Education Business Plan, are signs that there will be stability and predictability in future budgets.

NEXT STEPS

Budget Services will incorporate the approved recommendations into the allocations being sent out to schools and central decision units on April 29, 2016, for the completion of the 2016-2017 budget. The Board of Trustees will receive the introduction of the proposed budget for analysis at the May 31, 2016, caucus meeting, before formal approval of the 2016-2017 budget at the June 14, 2016, public board meeting.

ATTACHMENTS & APPENDICES

ATTACHMENT I	2016-2017 Spring Proposed Revenue Budget
ATTACHMENT II	Student Enrolment of 2016-2017 vs 2015-2016
ATTACHMENT III	2016-2017 Distribution of Funds
ATTACHMENT IV	District Surplus Plan 2016-2019
ATTACHMENT V	2016-2017 District Initiatives Funded by Surplus

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Edmonton Public Schools
2016-2017 Spring Proposed Revenue Budget - Distribution of Funds

	2016-2017 Spring Proposed Budget (Spring)	2015-2016 Fall Revised Budget (Fall)	Variance Spring vs Fall \$	Variance Spring vs Fall %	Notes
BASE INSTRUCTION FUNDING					
Early Childhood Services (ECS) Base Instruction	\$ 28,890,100	\$ 28,639,600	\$ 250,500	0.9%	
ECS Class Size	6,581,300	6,524,200	57,100	0.9%	
Base Instruction (Grades 1 to 9)	420,553,300	401,415,700	19,137,600	4.8%	
Class Size (Grades 1 to 3)	34,537,400	33,183,100	1,354,300	4.1%	
	490,562,100	469,762,600	20,799,500	4.4%	
High School (Grades 10 to 12)	145,248,100	145,635,100	(387,000)	(0.3%)	
Base Instruction Metro (Grades 10 to 12)	749,900	749,900	-	-	
Base Instr. Metro Summer (Grades 10 to 12)	5,272,900	5,272,900	-	-	
Outreach Site Funding	377,800	377,800	-	-	
Home Education	660,000	638,200	21,800	3.4%	
	7,060,600	7,038,800	21,800	0.3%	
SUBTOTAL BASE INSTRUCTION FUNDING	642,870,800	622,436,500	20,434,300	3.3%	1
DIFFERENTIAL COST FUNDING					
ECS Program Unit Funding (PUF)	36,237,200	36,237,200	-	-	2
Inclusive Education	66,276,000	63,020,900	3,255,100	5.2%	3
English as a Second Language (ESL)	20,902,000	19,031,600	1,870,400	9.8%	4
First Nations, Metis and Inuit Education (FNMI)	9,357,800	8,843,400	514,400	5.8%	5
Building Collaboration and Capacity	30,750	-	30,750	100.0%	6
Socio Economic Status	10,588,600	10,578,100	10,500	0.1%	
Plant Operations and Maintenance (PO&M)	66,656,000	66,656,000	-	-	2
Metro Urban Transportation	23,033,200	23,033,200	-	-	2
ECS Special Transportation	2,000,000	2,000,000	-	-	2
Equity of Opportunity	8,958,000	8,856,200	101,800	1.1%	
Federal French Funding	590,000	590,000	-	-	
SUBTOTAL DIFFERENTIAL COST FUNDING	244,629,550	238,846,600	5,782,950	2.4%	
PROVINCIAL PRIORITY TARGETED FUNDING					
High Speed Networking	2,334,900	2,306,100	28,800	1.2%	7
SUBTOTAL PROVINCIAL PRIORITY FUNDING	2,334,900	2,306,100	28,800	1.2%	
OTHER PROVINCIAL SUPPORT					
Institutional Support	10,623,300	10,623,300	-	-	2
Regional Collaborative Service Delivery (RCSD)	4,129,300	4,129,300	-	-	2
Provincial School Lease Support	1,072,400	1,072,400	-	-	2
Narrowing Teacher's Salary Gap	239,000	239,000	-	-	
Reduction in System Admin & School Board Governance	(3,973,000)	(3,790,000)	(183,000)	4.8%	
SUBTOTAL OTHER PROVINCIAL SUPPORT	12,091,000	12,274,000	(183,000)	(1.5%)	
TOTAL PROVINCIAL OPERATIONAL FUNDING	901,926,250	875,863,200	26,063,050	3.0%	

Edmonton Public Schools
2016-2017 Spring Proposed Revenue Budget - Distribution of Funds

	2016-2017 Spring Proposed Budget (Spring)	2015-2016 Fall Revised Budget (Fall)	Variance Spring vs Fall \$	Variance Spring vs Fall %	Notes
CAPITAL AND IMR FUNDING					
Infrastructure Maintenance Renewal (IMR)	9,000,000	9,000,000	-	-	2
Amortization of Capital Allocations and Expended Deferred Capital Revenue	31,855,100	31,855,100	-	-	2
CAPITAL AND IMR FUNDING	40,855,100	40,855,100	-	-	
OTHER PROVINCIAL REVENUES					
Tuition Agreements	1,208,300	1,208,300	-	-	8
Secondments - Provincial	2,899,000	2,899,000	-	-	8
Alberta Education Conditional Grants	1,497,600	1,497,600	-	-	8
Alberta Teachers' Retirement Fund (ATRF)	57,989,300	57,989,300	-	-	9
Special Funding - ATA's Contractual Obligation	-	4,754,000	(4,754,000)	(100.0%)	10
SUBTOTAL OTHER PROVINCIAL REVENUES	63,594,200	68,348,200	(4,754,000)	(7.0%)	
TOTAL GOVERNMENT OF ALBERTA	1,006,375,550	985,066,500	21,309,050	2.2%	
OTHER PROVINCIAL GRANTS	2,430,200	2,430,200	-	-	8
FEDERAL GOVERNMENT AND FIRST NATIONS	1,932,200	1,932,200	-	-	8
OTHER ALBERTA SCHOOL AUTHORITIES	704,200	704,200	-	-	8
FEES					
School Fees - School Generated Funds	13,052,500	13,052,500	-	-	8
Transportation Fees	12,057,600	12,057,600	-	-	8
International Student Fees	7,637,500	6,274,500	1,363,000	21.7%	11
Lunch Program Fees	4,545,200	4,545,200	-	-	8
Metro Continuing Education Fees	887,600	887,600	-	-	8
Textbook Rental Fees	1,525,900	1,525,900	-	-	8
Music Instrument & Other Material Fees	264,100	264,100	-	-	8
SUBTOTAL FEES	39,970,400	38,607,400	1,363,000	3.5%	
OTHER SALES AND SERVICES					
Sales and Services - Schools & Central DU's	5,126,300	5,126,300	-	-	8
Other Sales and Services - School Generated Funds	5,421,900	5,421,900	-	-	8
Secondments - Other Entities	1,228,200	1,228,200	-	-	8
Adult Education	1,891,400	1,891,400	-	-	8
SUBTOTAL SALES AND SERVICES	13,667,800	13,667,800	-	-	
INVESTMENT INCOME	3,200,000	3,200,000	-	-	8
GIFTS AND DONATIONS					
School Gifts and Donations	5,517,000	5,517,000	-	-	8
EPSB Foundation Support	451,800	451,800	-	-	8
SUBTOTAL GIFTS AND DONATIONS	5,968,800	5,968,800	-	-	
FUNDRAISING - School Generated Funds	1,657,200	1,657,200	-	-	8
RENTAL OF FACILITIES	4,295,000	4,295,000	-	-	
TOTAL OPERATING REVENUE	\$1,080,201,350	\$1,057,529,300	\$ 22,672,050	2.1%	

**Notes to the
2016-2017 Spring Proposed Revenue Budget - Distribution of Funds**

Unless otherwise noted, variance explanations have been provided for amounts where the 2016-2017 spring proposed budget differs from the 2015-2016 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 3.2% (see Attachment II for additional details). For 2016-2017, there are no increases in the per student funding rates, however, the Province is funding enrolment growth.

2 Various Grants

The budget amounts have been carried forward from 2015-2016 and will be updated when the budgets are completed in the spring. These budgets are a flow-through where any change from the amount currently shown will be offset by an equivalent amount allocated to schools or central decision units.

3 Inclusive Education

The Inclusive Education grant is comprised of three components, two of which are enrolment driven. The third component includes providing a per student allocation of \$5,202 for refugee students as well as other differential factors. The overall increase is a result of enrolment growth and the composition of students.

4 English as a Second Language (ESL)

This funding is targeted for students who require additional English language support and instruction to achieve grade level expectations in English and in other subject areas. The anticipated increase in this grant is directly linked to the high number of students who meet this criteria. This funding is provided for a maximum of five years per eligible student.

5 First Nations, Metis and Inuit Education (FNMI)

Funding is based on the projected number of self-identified students as at September 30th. Out of the total amount received, approximately 85% is allocated directly to schools and approximately 15% is allocated to a central decision unit exclusively providing supports for FNMI education.

6 Building Collaboration and Capacity in Education (BCCE)

This is a new grant starting in 2016-2017. The purpose of this grant is to increase opportunities for First Nations students to receive culturally responsive and meaningful education programs and services through enhanced collaboration and coordination among education stakeholders. The grant provides \$335 per First Nation student residing on a reserve but attending EPSB. In addition, EPSB submitted a grant application requesting a total of \$42,000 over the next three years.

7 High Speed Networking

Also known as SuperNet, the District receives \$800 per month per approved site. The increase reflects the opening of three new schools in September 2016.

8 Other Provincial Revenues/Grants, Fees, Sales and Services, Gifts and Donations, Fundraising & Rental of Facilities

The budget amount has been carried forward from 2015-2016 and will be updated in the spring when the budget amounts are entered directly by the individual school or central decision unit.

Notes to the
2016-2017 Spring Proposed Revenue Budget - Distribution of Funds

9 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.

10 Special Funding - ATA's Contractual Obligations

For 2015-2016, Alberta Education provided funding for a 1% lump sum payment to teachers made in December 2015 (part of the *Teacher Framework Agreement*).

11 International Student Fees

The total number of international students continues to grow and is projected to reach 650 by the end of June 2017.

Edmonton Pubic Schools
Projected 2016-2017 Enrolment vs Actual September 30, 2015 Enrolment
Funded vs Other

Student Enrolment by Division	<i>DRAFT</i>				2014-2015 September 30 Actual Enrolment
	2016-2017 Projected Enrolment	2015-2016 September 30 Actual Enrolment	Enrolment Increase	Variance %	
Funded Students:					
Early Childhood Services (ECS)	8,650	8,575	75	0.9%	8,017
Elementary	43,622	41,304	2,318	5.6%	39,860
Junior High	19,337	18,790	547	2.9%	18,253
Senior High	22,601	22,661	(60.0)	(0.3%)	22,504
Subtotal - Enrolment for Grades 1-12	85,560	82,755	2,805	3.4%	80,617
Subtotal Funded Students	94,210	91,330	2,880	3.2%	88,634
Other :					
International Students	650	534	116	21.7%	468
Home Education	395	382	13	3.4%	397
Other/Non Resident/Blended/Sponsorships/ Unfunded non special needs children	100	112	(12)	(11.0%)	161
Subtotal Other Students	1,145	1,028	117	11.4%	1,026
Total Student Enrolment	95,355	92,358	2,997	3.2%	89,660

NOTE: The 2016-2017 projected enrolment figures are preliminary and will be updated using actual pre-enrolment data.

Edmonton Public Schools
2016-2017 Spring Proposed Budget - Distribution of Funds
Total Allocations

		2016-2017 Spring Proposed Budget	2015-2016 Fall Revised Budget	Variance \$	Variance %	Notes
Projected Revenue	**					
Operating Revenue		\$ 1,080,201,350	\$ 1,057,529,300	\$ 22,672,050	2.1%	
Operating Reserve Funds *		35,862,643	39,279,316	(3,416,673)	(8.7%)	*
Operating Revenue		\$ 1,116,063,993	\$ 1,096,808,616	\$ 19,255,377	1.8%	
School Allocations (Attachment IV)						
School Allocations Levels 1 to 8		\$ 614,546,433	\$ 593,264,364	\$ 21,282,069	3.6%	1
Other Supplemental School Allocations		144,227,958	142,364,258	1,863,700	1.3%	2
		758,774,391	735,628,622	23,145,769	3.1%	
School Generated Funds/External Revenues		36,929,914	36,929,914	-	-	3
Subtotal School Allocations	73.7%	795,704,305	772,558,536	23,145,769	3.0%	
Other Allocations (Attachment V)						
Metro Continuing Education		10,998,939	10,998,939	-	-	4
External Revenue Allocations - Central		11,133,598	11,133,598	-	-	4
District Level Fixed Costs	6.6%	71,685,225	69,648,690	2,036,535	2.9%	5
District Level Committed Costs	7.4%	79,434,283	78,190,537	1,243,746	1.6%	6
		173,252,045	169,971,764	3,280,281	1.9%	
Central Decision Units	4.9%	53,255,700	52,255,700	1,000,000	1.9%	7
Subtotal Other Allocations		226,507,745	222,227,464	4,280,281	1.9%	
Special Funding - ATA agreement (1% lump sum)		-	4,754,000	(4,754,000)	(100.0%)	8
Alberta Teachers' Retirement Fund (ATRF)		57,989,300	57,989,300	-	-	9
Total Allocations		1,080,201,350	1,057,529,300	22,672,050	2.1%	
Planned Use of Reserves *		35,862,643	39,279,316	(3,416,673)	(8.7%)	*
Total Budget		\$ 1,116,063,993	\$ 1,096,808,616	\$ 19,255,377	1.8%	

* Additional details around the District's accumulated operating reserve is included in Attachment V.

** The amount as a percentage of the total allocations (prior to using any reserve funds).

**Notes to the
2016-2017 Spring Proposed Budget - Distribution of Funds
Total Allocations**

Unless otherwise noted, variance explanations have been provided for amounts where the 2016-2017 spring proposed budget differs from the 2015-2016 fall revised budget by more than 5%.

1 School Allocations Levels 1 to 8

School Allocations for the distribution of funds report are based on enrolment projections which predict the number of students at each grade level and the number of students in need of specialized supports and services. For 2016-2017, there have been no changes to the per student allocation rates. These allocations will be updated for the spring proposed budget based on updated pre-enrolment data.

2 Other Supplemental School Allocations

Included in this category of school allocations are Equity Fund, Enhanced Support for Schools, amiskwaciy Academy base rent and Program Enhancement allocations. Specific changes in some of the allocations are included below:

Allocation	Details	\$ Variance Increase /(Decrease)
<u>Base Allocation</u>	The Base Allocation pays for the unit cost of a school principal, head custodian, and an administrative assistant for a school with optimal enrolment. With three new schools opening in September the base allocation will need to be increased.	795,000
<u>Class Size Funding</u>	This allocation is targeted to support students in grades 1 to 3. The increase in allocation is consistent with the anticipated enrolment growth.	1,354,300
<u>Plant Operation & Maintenance (PO&M) - Schools</u>	Utilities are paid out of PO&M funding and without an offsetting targeted increase in our PO&M grant, this increase in cost will result in less funds being allocated to schools. This reduction might be partially offset as the impact of the carbon tax is currently being reviewed by the Province.	(1,800,000)
<u>First Nations, Metis and Inuit Education (FNMI)</u>	Funding is based on the projected number of self-identified students as at September 30th. Out of the total amount received, approximately 85% is allocated directly to schools and approximately 15% is allocated to a central decision unit exclusively providing supports for FNMI education. Based on projected enrolment the number of self-identified students is anticipated to increase; resulting in an increase in the amount being allocated to schools.	514,400
<u>High Social Vulnerability - 1 Year Transitional Fund</u>	Based on a recommendation report by the 2015-2016 Budget Allocation Principal Committee, the High Social Vulnerability calculation has been updated. Part of the recommendation report includes providing a 1 year transitional fund. This fund provides an additional \$1 million to schools, offsetting 66% of the amount that would otherwise negatively impact some schools (as a result of the change in formula).	1,000,000
		1,863,700

3 School Generated Funds/External Revenues

School generated funds are funds raised in the community for expenses at the school level. School external revenues include textbook rental fees, lunch program fees, grants, as well as school lease rentals. These figures will not be updated until the schools complete their spring budgets.

4 Metro Continuing Education & External Revenue Allocations - Central

The budget amount has been carried forward from 2015-2016 and will be updated when the budgets are completed in the spring as the budget is entered directly by the individual central decision unit. The central external revenue is comprised mostly of secondment revenue from the Alberta Government, other grants, and lease and parking revenue.

5 District Level Fixed Costs

These allocations have been updated to reflect the anticipated fixed costs for 2016-2017 including an increase of \$1.8 million in utilities, an increase in insurance premiums of \$203K, and an increase in High Speed Networking of \$33K to support the new schools opening in September 2016.

Additional details around the anticipated increase in utilities: the utility rate contracts have been renewed and the contract prices have increased. The natural gas rate has increased by 14% and electricity by 4.5%. Distribution charges have also increased by 12.5%. The new carbon tax is also included with an estimated additional charge of \$630K. Utilities are paid out of PO&M funding, as such, without an offsetting targeted increase in our PO&M grant, this increase in cost will result in less PO&M funds being allocated out directly to schools.

6 District Level Committed Costs

These allocations include Facility and Maintenance Services (to support schools and central), staff supply services, student transportation, partnership commitments, audit fees, and secondments. Anticipated increases for 2016-2017 include district wide enterprise annual license and audit fees (\$926K), a new exempt staff development fund (\$150K), an increase in partnership commitments (\$22K), a new student senate allocation (\$26K) and a biannual increase of \$120K for the annual survey which alternates every second year.

7 Central Decision Units

On average, the percentage of funds allocated to central decision units remains under 5% of the District's total annual operating budget. As such, a placeholder of \$1 million has been included and will be distributed to some central decision units whose work is directly impacted by the anticipated increase in student enrolment. This distribution will be done in conjunction with the spring budget.

8 Special Funding - ATA agreement

In the fall of 2015, Alberta Education funded a 1% lump sum payment to teachers (as part of the *Teacher Framework Agreement*).

9 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.

EPSB
Accumulated Operating Surplus Plan
2016-2019

ATTACHMENT IV

	Amount	Total Amount	% of 2015-2016 Spring Budget
Opening Balance - 2015-2016			
Accumulated operating surplus balance at August 31, 2015		103,713,579	
Less: Recommended transfer to capital reserves		(20,000,000)	
		<u>83,713,579</u>	
Less: school generated fund (SGF) surpluses (internally restricted)		(2,959,090)	
		<u>80,754,489</u>	7.65%
Total accumulated operating surplus at September 1, 2015			
Notes: Surplus Funds Released (2015-2016 Budget):			
A School Surpluses (up to 3%)	14,737,789		
B School Surpluses (special circumstances >3%)	1,449,640		
C Equity Fund Top Up (total \$6M for 2015-2016)	4,004,686		
D Central Surpluses (prior approved)	9,969,709		
E Accumulated Suprlus from Operations (ASO) (Spring 2015 Approved Initiatives for 2015-2016)	3,241,914		
F Central Project Funds (in lieu of 3% Central access to surplus \$6.5M)	3,875,578		
G Central Initiative Fund for 2015-2016	2,000,000		
	<u>39,279,316</u>	(39,279,316)	
Original forecasted operating surplus at September 1, 2016		<u>41,475,173</u>	3.93%
Plus Surplus Projections as at April 2016:			
School projections	9,439,172		
Estimated "under projection" based on prior years (40%)	3,775,669		
	<u>13,214,841</u>		
Central projections	6,800,682		
Estimated additional adjustments (accounting estimates)	15,000,000		
	<u>21,800,682</u>		
		<u>35,015,523</u>	
Revised <i>DRAFT</i> forecasted accumulated operating surplus at September 1, 2016		<u>76,490,696</u>	

EPSB
Accumulated Operating Surplus Plan
2016-2019

Proposed Use of Surplus Funds in 2016-2017:

H	School surpluses (up to 3%)	12,128,398	
I	Equity fund	4,000,000	
J	Placeholder for staffing agreements	2,557,833	
K	Energy conservation initiative	2,000,000	
L	Central initiatives to support schools	8,576,412	
M	Start up/establishment costs for 11 new schools 11 x \$600,000	6,600,000	
		<u>35,862,643</u>	(35,862,643)

Forecasted accumulated operating surplus at September 1, 2017

40,628,053

N	Carry forward minimum reserve target	<u>20,000,000</u>	(20,000,000)
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Targeted: Reserve funds (For 2017 and beyond)

1	Equity fund (seed money for 2017-2018)	4,000,000	
2	Price stabilization	2,000,000	
3	Transportation (restricted reserve)	1,300,000	
4	School building equity	2,000,000	
5	Growth accommodation/programming	3,000,000	
6	Energy conservation fund	1,659,775	
7	Property management capital		
	district central services buildings	2,100,000	
	closed school buildings	2,400,000	
8	Enterprise systems	2,168,278	
		<u>20,628,053</u>	(20,628,053)
			<u>-</u>

EPSB
Accumulated Operating Surplus Plan
2016-2019

Notes: Surplus Funds Released (2015-2016 Budget):

- A School surpluses up to 3%: In conjunction with completing the 2015-2016 Fall Revised Budget, schools were given access to surplus of up to 3% of their 2014-2015 Fall Revised Budget. These funds were available to be used in 2015-2016.
- B School surpluses (special circumstances >3%): Due to the uncertainty around the Provincial budget in early 2015, schools were instructed to prioritize spending for the remainder of the 2014-2015 school year. Once the funding was restored, schools were allowed to proceed with projects/purchases that were deferred. At year end, several of these prior approved projects had started but were not yet completed. As the expenditure for these projects will be recorded in the 2015-2016 school year, schools were allowed to carry forward additional surplus funds to offset these expenses, without negatively impacting their 2015-2016 budget.
- C Equity fund top up (total \$6M for 2015-2016): The 2015-2016 Spring Proposed Budget included a \$2 million allocation for the school equity fund. For the 2015-2016 Fall Revised Budget, additional funds from school surpluses in excess of 3% are being directed to top up the original allocation, bringing the total equity fund to \$6 million.
- D Central surpluses (prior approved): Several projects that commenced in 2014-2015 will be ongoing for 2015-2016. These include the E-Biz project, potential adjustment to staff unit costs, and access to a portion of the restricted transportation reserve. These committed funds have been included in the 2015-2016 Fall Revised Budget.
- E ASO (Spring 2015 approved initiatives for 2015-2016): Under the original 2015-2016 Provincial Budget, Ministerial approval was required in order to access any accumulated operating surplus. As of May 28, 2015 this restriction was removed, however, the province still requested details on the planned use of reserve funds for 2015-2016. These funds were included in the 2015-2016 Fall Revised Budget.
- F Central project funds (in lieu of 3% central access to surplus \$6.5M): For 2015-2016 schools were allowed access of up to 3% of their surplus. Instead of this approach, Central leaders decided to pool their surplus funds and using a collaborative approach, prioritized initiatives that directly supported the District's Strategic Plan.
- G Central initiative fund for 2015-2016: Similar to the School Equity Fund, a Central Initiative Fund was established to address circumstances not currently included in the 2015-2016 Fall Revised Budget. Any funds remaining at the end of the school year will be rolled forward to 2016-2017.

EPSB
Accumulated Operating Surplus Plan
2016-2019

Notes: Surplus Funds Proposed to Release (2016-2017 Budget):

H School surpluses up to 3%: Schools have projected to end 2015-2016 with a surplus of \$13,214,841. The majority of the balance is below the carryforward threshold of 3% (\$12,128,398), this amount will be returned to schools as part of the 2016-2017 Fall Budget. Any surplus amount that exceeds the 3% carryforward threshold will be added to the Equity Fund.

I Equity fund: The Equity Fund was established by the Superintendent in 2014-2015 to enhance opportunities for all schools in the District and to support the District's Four Cornerstone Values: Collaboration, Accountability, Integrity, and Equity. The 2016-2017 Equity Fund will start off with a balance of \$4 million. Additional funds from school surpluses in excess of 3% will be added to the fund in the fall.

J Placeholder for staffing agreements: As at April 2016, the custodial staff collective agreement has been unsettled since September 2014, the support staff agreement since September 2015, and the exempt staff agreement will end in August 2016. As these contracts are not yet finalized, the unit cost figures used for the budget do not include any increase in compensation. Instead, a placeholder amount will be retained centrally and will be used to offset any staff contracts that are settled in 2016-2017. EPSB assumes that any compensation adjustment related to the teachers agreement (which also expires in August 2016) will be fully funded by the Province and has not included any potential impact in the 2016-2017 budget.

K Energy conservation initiative: These funds will be added to the 2016-2017 Infrastructure and Maintenance Renewal (IMR) budget for energy retrofit projects that will result in future and ongoing utility cost savings. The projects planned for 2016-2017 include mechanical upgrades to Victoria's NE Wing, Meadowlark, Killarney, and Hardisty schools and an upgrade to the kitchen refrigeration at Jasper Place. Also planned are lighting upgrades for 10 schools.

L Central initiatives to support schools: Starting in 2015-2016, where schools were allowed access of up to 3% of their surplus, Central leaders decided to pool their unrestricted operating surplus funds and using a collaborative approach, prioritize initiatives that directly support the District's Strategic Plan. This process will continue on for 2016-2017 and details of the proposed initiatives have been included on Attachment V.

M Start up/establishment costs for 11 new schools : Although the new schools are not scheduled to open until September 2017, staff (including principals) are required to start preparing for the opening early in 2017. In addition, there are other expenses that are not funded by the Province. These costs are estimated at \$600K per school.

N Carry forward minimum reserve target: To be financially responsible and prudent the District is targeting to maintain a minimum reserve balance of \$20 Million.

EPSB
Accumulated Operating Surplus Plan
2016-2019

Notes: **Targeted: Sustainability/Reserve Funds (for 2017 and beyond)**

1 Equity fund: These resources will be available for transfer into the annual Equity Fund to support school catchment work and to address individual school emergent circumstances. These resources are comprised of school surpluses above 3% after school deficits have been repaid. These resources will grow each year if there are school surpluses above 3%.

2 Price stabilization: These resources would combine the surplus funds from Insurance and Energy Management and would mitigate fluctuations in the price/volume of utilities. The amount can be adjusted over time based on utilization.

3 Transportation: The transportation surplus is restricted and is to be used exclusively to stabilize transportation fees.

4 School building equity: These resources would be used for emergent needs in District schools that are not covered under maintenance funding or IMR. Examples include a rotational program to clean ducts and improve overall air quality in schools and installation of security systems.

5 Growth accommodation/programming: These resources would be used to support welcoming schools costs, including specialized rooms, lifts, elevators, ramps, reconfiguration of class spaces, etc. In addition, it is anticipated multidisciplinary teams will be required to respond to our ongoing and existing high immigrant and refugee populations.

6 Energy conservation fund: Energy efficiency improvement projects such as lighting, controls, etc. that will improve overall efficiency, reduce negative impacts on the environment and promote long term future cost savings (reduced utilities).

7 Property management capital: These resources will be used for lifecycle needs on our closed school buildings and buildings used for central services' DUs (e.g., Centre for Education, Distribution Centre, etc.). This fund would cover major costs such as boilers and roofs that cannot be paid with IMR dollars and could also cover capital vehicle and equipment replacement at the Distribution Centre and Maintenance Services. The amount included in future years operating budgets can be adjusted based on need.

8 Enterprise systems: These resources would be used for the purchase, installation, and upgrade of key enterprise systems, e.g., PeopleSoft HR, PowerSchool, Archibus, Intranet, etc. Although the E-Biz project went live in October 2015, to maximize the systems capabilities, several other systems now need to be updated (e.g. PeopleSoft HR, Budget, etc). In addition, the District has also identified the need to move towards an electronic recruiting application process. The governance of these resources would be addressed through the establishment of an Information Technology Council.

Initiative Name	Description	Funding Required For 2016-2017
1 Supporting Students and Teachers Through Digital Reporting	Implementation and maintainance of the new system (IPP, ELL, MMP, ISBP)	\$104,000
2 Next Phase of E-Biz - Business intelligence, analytical and reporting system	<p>Finance has implemented a very robust enterprise transactional system (with standard reports) that has moved the District into the 21st century. However there is still a high demand and need to enhance reporting for schools, district leaders, and external stakeholders. The District needs to be more responsive and nimble than ever before as demands for analytical and financial reports from stakeholders has increased exponentially. An enterprise reporting and business analytical application was considered at the beginning of the E-Biz project. However, due to budget constraints the implementation was postponed and to be considered in a future roadmap. The business intelligence enterprise sytem will deliver a full range of capabilites including interactive dashboards, ad hoc inquiries, intergrated systems mgmt, enterprise and financial reporting, scorecard and strategy management, etc.</p>	\$1,000,000
3 Complete Facility Assessment for Schools	<p>Facility assessments for schools involved with Space For Students in Mature Communities initiatives. Infrastructure has received direction to complete similar assessments across the District.</p> <p><i>NOTE: in order for this expense to be funded from capital reserves, all the work identified in the report must be completed and must qualify as an eligible capital expense.</i></p>	\$1,000,000
4 Evidence Based Decision Making	<p>Supporting the development and roll out (training of school staff) of the internal dashboard; supporting catchment strategic planning through the use of data analysis protocols - based on achievement and survey data. Working with provincial achievement data to make it more actionable for schools and training staff to use the data (and align gaps with research to identify strategies for closing the gaps). Support high school department heads in using diploma exam data to improve teaching and learning.</p>	\$112,000
5 Dashboard - Priorities Two and Three	<p>Funding to support taking the development and implementation of the dashboard through to completion. Currently the data and wireframe for priority one is under development and projected for May 2016 soft launch. For the 2016-17 year there will need to be district work done for the building and data populating of the dashboard in relationship to priorities 2 and 3. The funding committed reflects dollars to support working with an external vendor. These dollars do not reflect the human resources drawn out of central decision units.</p>	\$500,000
6 Maintenance of online training system (ERO)	A district-wide communication, registration and tracking software to manage professional learning of staff and talent management.	\$90,000

EPSB
Proposed Use of Surplus
Spring 2016-2017 Budget

Initiative Name		Description	Funding Required For 2016-2017
7	Development of a business case for the future direction and enhancement of PeopleSoft/HR technology infrastructure	PeopleSoft (as it is currently implemented) does not support the needs of the District relating to human resources data, functionality and the ability to implement a comprehensive human resources/talent management strategy. It does not effectively support interfaces with other district systems (e.g., E-Biz, business intelligence - priority #2 on this matrix). This project would build on past work to develop a specific plan for the future direction of PeopleSoft and other HR technology requirements necessary to support current and future District needs. One outcome of this work is to develop a roadmap that will identify necessary enhancements to HR infrastructure and move forward on defined initiatives (e.g. online applications, timesheets, etc.).	\$225,000
8	Development and implementation of an effective and consistent performance management system	Our current performance management practices are inconsistent across staff groups and not well defined for some staff groups. Additionally, they do not support our culture of collaboration, accountability and learning. The objective of this work is to define a consistent district performance management process, supported by automated workflow for implementation in 2017-18.	\$250,000
9	Research Team - creating a culture of research/evidence based decision making	Supporting all district priorities through a foundation of research, evidence/research based decision making, best practices and evaluation of projects.	\$253,206
10	District-wide Focus on Reading (DFR) Elementary and Secondary Development	1.0 FTE secondary consultant position and funds to support secondary development work (supply teacher coverage, admin support, etc.); supply teacher coverage for 24 lead teachers from the DFR Cohort Schools (K-12).	\$238,977
11	Career Pathways	Ongoing work related to Phase 2 of Career Pathways	\$565,225
12	District assessments and assessment regulations	Supporting ongoing work around the MIPI and HLAT writing tests and ongoing support for matters related to GKB.AR as well as other district initiatives – ie District focus on Reading, Gifted and Talented, Career Pathways.	\$112,000
13	District Intranet	Ongoing work related to the build phase of the District Intranet.	\$250,000
14	Support of new centralized library system	Updated Note Feb 2016: The implementation will be complete by June 2016. As per 2015 notes, FTE will be reduced from 2.00 to 1.00 in 2016-17 and going forward to support the new centralized system.	\$60,000
15	Intercultural and Assessment Support for ELL and Newcomers	To Increase supports to schools to meet needs of english language learners and newcomers. Increase intercultural staff by 4 to support the following languages - Arabic, Somali and East Indian languages. Increase teacher consultant staff (2 ESL consultants and 1 Reading Specialist) to support assessment requests.	\$696,706
16	Mobile Mental Health Transition Team	Create a mobile mental health team.	\$376,000
17	Implementation of Infrastructure Plan	Staff required for the ongoing implementation of the infrastructure plan across multiple DUs (as a result of the re-organization of the infrastructure group of departments).	\$1,000,000

EPSB
Proposed Use of Surplus
Spring 2016-2017 Budget

Initiative Name	Description	Funding Required For 2016-2017
18 District Information Security	Funds to support the hiring of a third member to the District Information Security team. Currently the team does not have the capacity to fully utilize the equipment and software the District has invested in this work. This leaves gaps or vulnerabilities in our ability to monitor the safety and well being of our students and staff.	\$65,000
19 Strategic Partnership	A staffing position to support the development of district level strategic partnerships. This person would help in the development and implementation of a strategic approach to key areas of partnership that support Career Pathways, community connections (including Dual Credit), relationships with post secondaries, key industry partnerships, establishment and retaining of a district work place, mentoring and career data bank, school based wrap-around models, the role of community in replacement school initiatives and strategic community connections that support the Strategic Plan (such as literacy, diversity, mental health and early intervention).	\$142,242
20 Locally Developed Courses (LDC) Management and Development	1.0 FTE teacher consultant, 0.2 admin support and funds for teacher supply coverage for the review, management and development of LDCs.	\$156,947
21 Diversity	To increase support staff by 0.5 FTE	\$30,460
22 Math/Numeracy Support	Increase from 1.0 to 4.0 FTE Math/Numeracy consultants to ensure each leadership group has an assigned Math/Numeracy consultant.	367,719
23 2017 Summer Institutes	Continuation of the Summer Institutes initiative that commenced in 2016	275,000
24 Mental Health Capacity Building	Enhance training for Comprehensive School Contact in support of student mental health	\$65,930
25 Early Years Strategy - Support students entering Grade 1 at risk for literacy and numeracy success	The Language Literacy Pilot in 2015/2016 developed a program prototype to build teacher capacity and support children entering Grade 1 who are identified at-risk for literacy difficulties and/or those who were identified as having speech, language or communication needs. For 2016/2017 professional learning to support teachers to use the prototype to support children at risk in grade 1.	\$100,000
26 RDS Resource Strategy Implementation	1.0 FTE teacher consultant and funds to support implementation of the RDS Resource Strategy.	\$150,856
27 Onboarding	Development and implementation of a comprehensive onboarding process for new and transitioning staff. This will be fundamental in supporting success as individuals move into new roles.	\$75,000
28 HR Administrative Regulations	Update and implement HR administrative regulations to align with new HR Framework and Education Act.	\$125,000
29 Principal Readiness	Create a process, structure, curriculum design and delivery to build a pool of principal talent to meet the upcoming district need for new principals and assistant principals.	\$300,000

EPSB
Proposed Use of Surplus
Spring 2016-2017 Budget

Initiative Name		Description	Funding Required For 2016-2017
30	Finance/ITS - Site Asset Mgmt System (SAMS)	Upgrade and enhance current version. Improve reporting, data entry, and editing features (current version is somewhat cumbersome). Improve and expedite asset management for new schools and/or transfers between schools. Also assists with insurance claims, disaster recovery, and risk management. Last upgraded approx. 10 yrs ago.	\$10,000
31	Commit to Kids	District-initiated program to identify and prevent situations where students may be at risk of sexual abuse.	\$30,000
Total Access to Surplus Funds for 2016-2017			\$8,576,412