

DATE: April 28, 2020

TO: Board of Trustees

FROM: Darrel Robertson, Superintendent of Schools

SUBJECT: Impact of the Weighted Moving Average for Edmonton Public Schools (Response to Request for Information #064)

ORIGINATOR: Todd Burnstad, Chief Financial Officer

REFERENCE: [Interim Funding Manual for School Authorities 2020/21 School Year](#)

ISSUE

At the March 10, 2020, public Board meeting, Trustee Estabrooks requested Administration provide a detailed explanation of the impact of the Weighted Moving Average (WMA) for Edmonton Public Schools. The information requested is to include:

- How the Division will receive funding allocation through grants now based on the WMA
- The funding gap under the new model (assuming per pupil funding from 2019-2020)
- The impact of this formula on our students

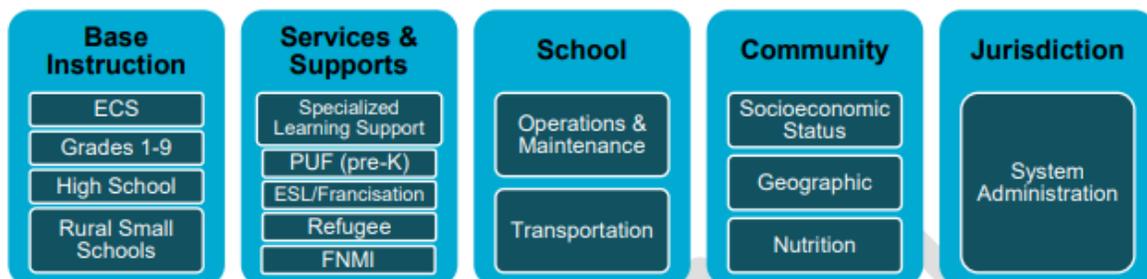
BACKGROUND

Provincial Funding

Since elected, the government has consistently communicated that funding for education would be frozen for the next three years at approximately \$8.223 billion and, beginning in 2020-2021, a new funding and assurance framework would be developed. The new framework, where possible, would support the recommendations of the Blue Ribbon panel as well as those of the Auditor General. Taking its commitments and recommendations into consideration, the 2020-2021 provincial budget was tabled on February 27, 2020, and a new *Interim Funding Manual for School Authorities 2020/2021 School Year* was released.

2020-2021 Interim Funding Manual highlights

- The new provincial funding model consists of 15 major grants (compared to 36).



- With the exception of the Rural Small School grant, our Division qualifies for all remaining grants.
- Out of the grants the Division will receive, with the exception of the Transportation and the Geographic grant, all other grants are either fully or partially calculated using the new Weighted Moving Average (WMA) enrolment approach introduced by the province.
- The WMA model captures the number of funded students across three school years and does not allocate funding per individual student.
- For the 2020-2021 school year, the WMA calculation is based on the following formula:

School Year	Weighted Factor	Enrolment count (FTE)
2018-2019	20%	Actual
2019-2020	30%	Estimates**
2020-2021	50%	Projection***

**Estimates are based on the frozen funded enrolment counts and are not usually finalized until the end of March in any given school year.

***There will be no in-year adjustments if the projected enrolment count is different from the actual count. The difference between the projected count and actual student count will be adjusted for in the calculation of the WMA for the subsequent school year. If the projected count is higher than the actual count, the WMA for the next year will be adjusted down, and if the projected count is lower, the WMA for the next year will be adjusted up to account for the difference.

CURRENT SITUATION

In recent years, the Division has been experiencing an average year-over-year enrolment growth of three per cent and is projecting an increase in enrolment of two per cent between 2019-2020 and 2020-2021 (based on enrolment projections at March 2020).

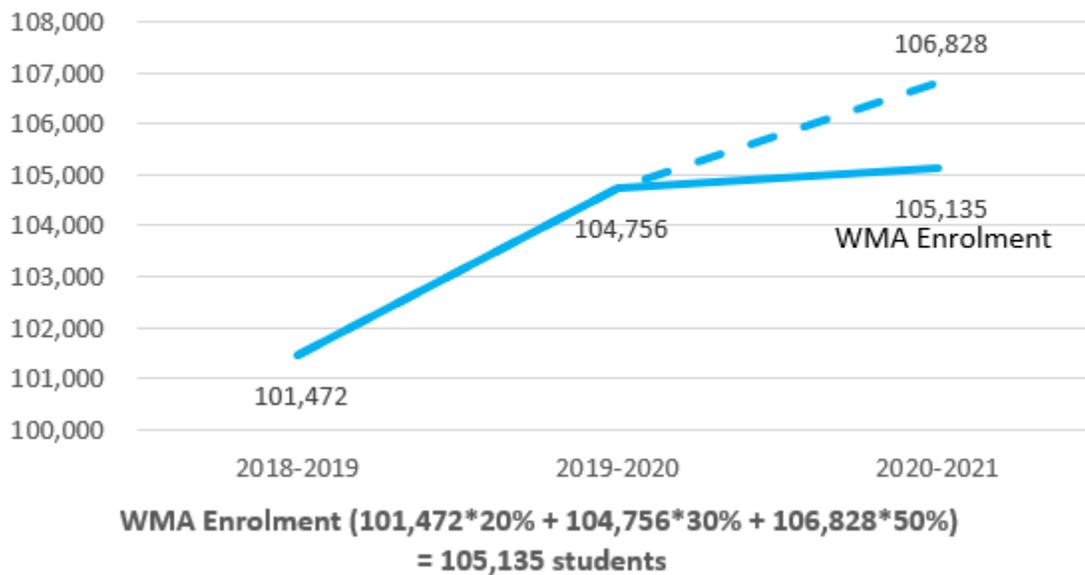
School Year	Funded Enrolment Count	Enrolment Growth (Year over Year)
2018-2019	101,472	3%
2019-2020	104,756	3%
2020-2021	106,828	2%

Under the WMA model (next page), our Division funding for 2020-2021 will be based on 105,135 students. Our projected funded enrolment is 106,828 for 2020-2021, an anticipated additional 2,072 students. However, our funding will be based on 105,135 (WMA) students, or an increase of 379 students from the 2019-2020 funded enrolment count of 104,756.

School Year	Weighted Factor	Enrolment Count
2018-2019	20%	101,472
2019-2020	30%	104,756
2020-2021	50%	106,828
WMA Enrolment (FTE)		105,135

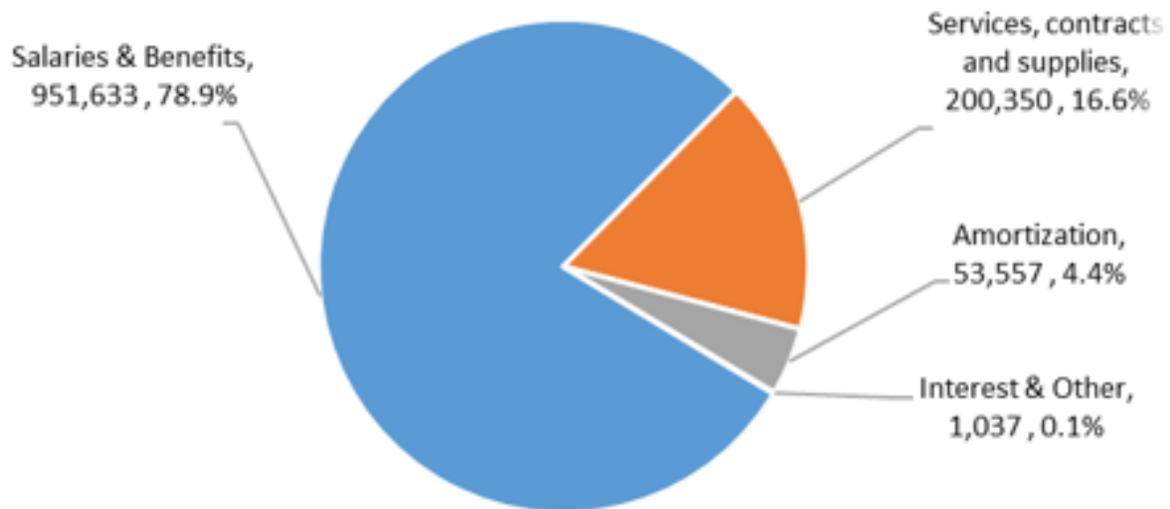
The difference is further illustrated in the graph below:

EPSB : 3 Years Weighted Moving Average Enrolment vs Actual Enrolment



The difference between our projected enrolment and the WMA enrolment is 1,693 students (106,828 – 105,135). It is very challenging to make direct comparisons between the current funding model and the new model that will be implemented for September 2020. As previously stated, the new funding model uses a weighted moving average, while the current model is based on a per student allocation. Using a very high-level calculation, based on our most recent 2019 Audited Financial Statements, the total Government of Alberta Revenue divided by the number of funded students equals \$11,103 per student. Applying this same per student figure to the difference between our projected enrolment and the WMA enrolment number of students translates to \$18.8 million (\$11,103 x 1,693). Therefore, if the funding model remained equal to 2018-2019, we would have received approximately \$18.8 million in additional funding based on our enrollment increases. (Note: as our 2019-2020 year is not finalized and as a result of the reduction of funding in response to the COVID-19 pandemic, per student funding for 2018-2019 was used in this analysis).

2018/19 Expenses by Type (in \$ thousands)



As a Division, the majority of our funding is spent on salaries and benefits (78.9 per cent); therefore, the decrease in funding will have a direct impact on the classroom and the supports that we are able to provide for our students.

TB:ja