

DATE: April 16, 2024

TO: Board of Trustees

FROM: Darrel Robertson, Superintendent of Schools

SUBJECT: 2024-2025 Distribution of Funds

ORIGINATOR: Todd Burnstad, Chief Financial Officer

RESOURCE STAFF: Jeremy Higginbotham, Drew Horn, Jennifer Price, Madonna Proulx, Amanda Wong

REFERENCE [Funding Manual for School Authorities for the 2024-2025 School Year](#)

ISSUE

Each year the administration of Edmonton Public Schools brings forward a recommendation report to the Board of Trustees for the distribution of funds for the upcoming school year.

BACKGROUND

Provincial Budget

On Thursday, February 29, 2024, the Province released a high-level budget for the 2024-2025 year. Budget 2024 includes an overall increase of 4.4 per cent in education spending (province-wide). These funds are intended to support enrolment growth, hire more education staff, and support students with specialized needs.

Specific details, including individual school division funding profiles as well as the funding manual were made available on March 28, 2024.

The 2024-2025 funding profile for the Division shows projected operational funding of \$1,165,880,021, an increase in operational funding of \$48.8 million (or 4.4 per cent) compared to the 2023-2024 school year (\$1,117,079,927), which was adjusted for the change in the Supplemental Enrolment Growth and Transportation grants that occurred in the fall of 2023.

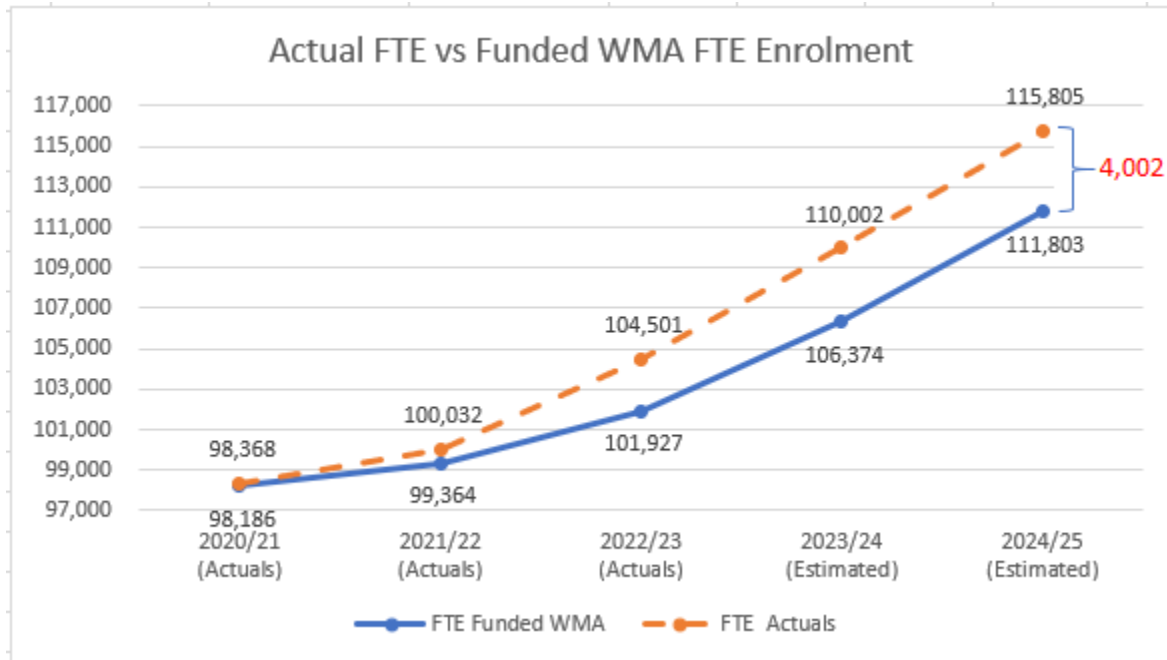
The increase in funding is directly associated with our increase in projected enrolment using the Weighted Moving Average (WMA) (an increase of 5.1 per cent). There were no grant funding rate increases and no inflationary relief was provided in this budget.

2024-2025 Division Budget Highlights

Total revenue for the Division is estimated at approximately \$1.34 billion. This is an increase of approximately \$60 million (see Attachment I).

The 2024-2025 school year will be the fifth year of the WMA funding model. Integral with the new funding model is that all grants are either fully or partially calculated using the WMA methodology. This model captures the number of funded students across three school years and does not allocate funding per individual student (see Attachment II).

The below chart highlights the difference between our projected enrolment of 115,805 (factoring in ECS students at 0.5), and the WMA FTE funded enrolment of 111,803.



The 2024-2025 budget does not include any changes to the previous grant rates; however, there were a few changes that were made.

- Program Unit Funding - introduction of two enrolment counts for PUF Grant eligibility (the original September count date and a new February 1 date).
 - As a result of previous changes to the funding framework, Edmonton Public has had to significantly reduce the number of children we are able to accommodate in our PUF program (from over 1,200 down to a maximum of 600). As a result, the program enrolment is typically full at the September count date.
- Socio Economic Status (SES) Grant - the data used for this grant calculation has been updated from the 2016 census to the 2021 census.
 - As a result of this change, Edmonton Public School’s SES index decreased. This has resulted in a decrease to this grant of \$522,000 compared to prior year.
- Starting in the 2024-2025 school year, the maximum limit on operating reserves will be changed to six per cent for all school jurisdictions.
 - At the end of our last fiscal year (August 31, 2023), our accumulated operating reserve was equivalent to three per cent of our annual operating expenses, which is well below the new threshold.

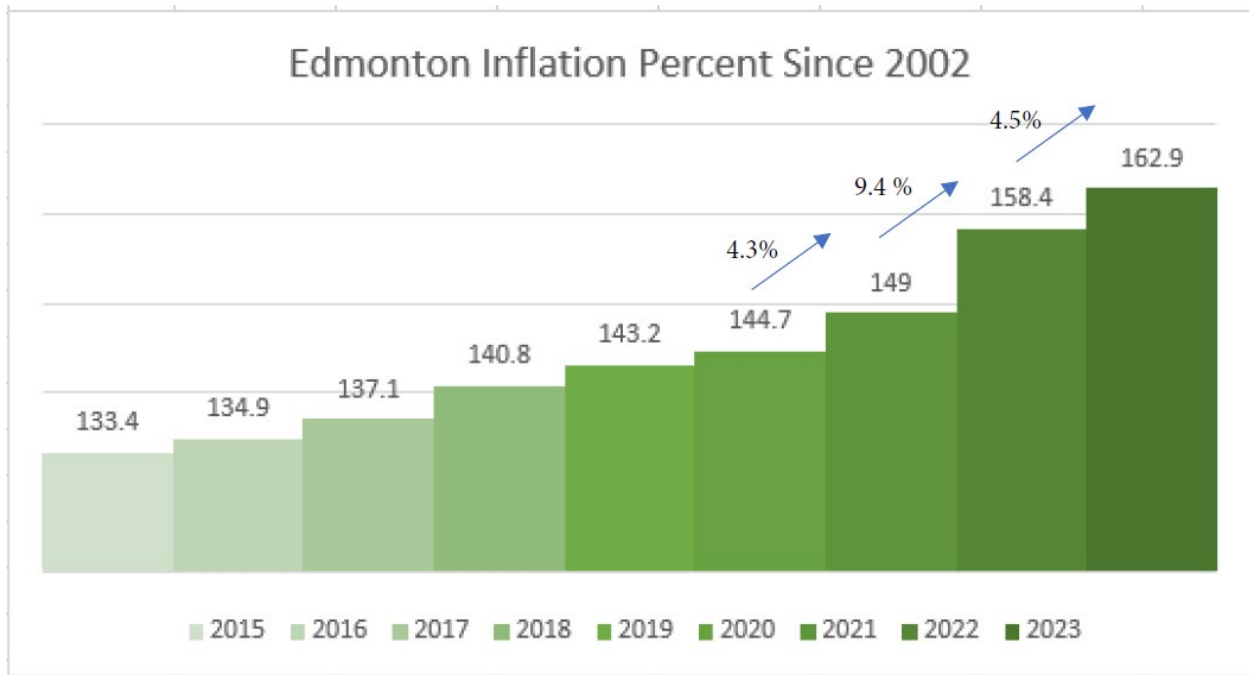
The Division’s Infrastructure Maintenance and Renewal (IMR) grant for 2024-2025 is \$13.8 million, which is a slight increase from the current 2023-2024 grant of \$13.6 million. The IMR grant can be used for both operating and capital expenditures.

Further information on all of the above grants can be found in Attachment I and its supporting notes.

Although not part of the operating revenue budget, it is important to note that the Province released our Capital Maintenance and Renewal (CMR) funding for 2024-2025 which is approximately \$17.7 million. This is more than double from what we received in 2023-2024 (\$6.9 million) and more than what we received in 2022-2023 (\$9.4 million) and 2021-2022 (\$14.8 million).

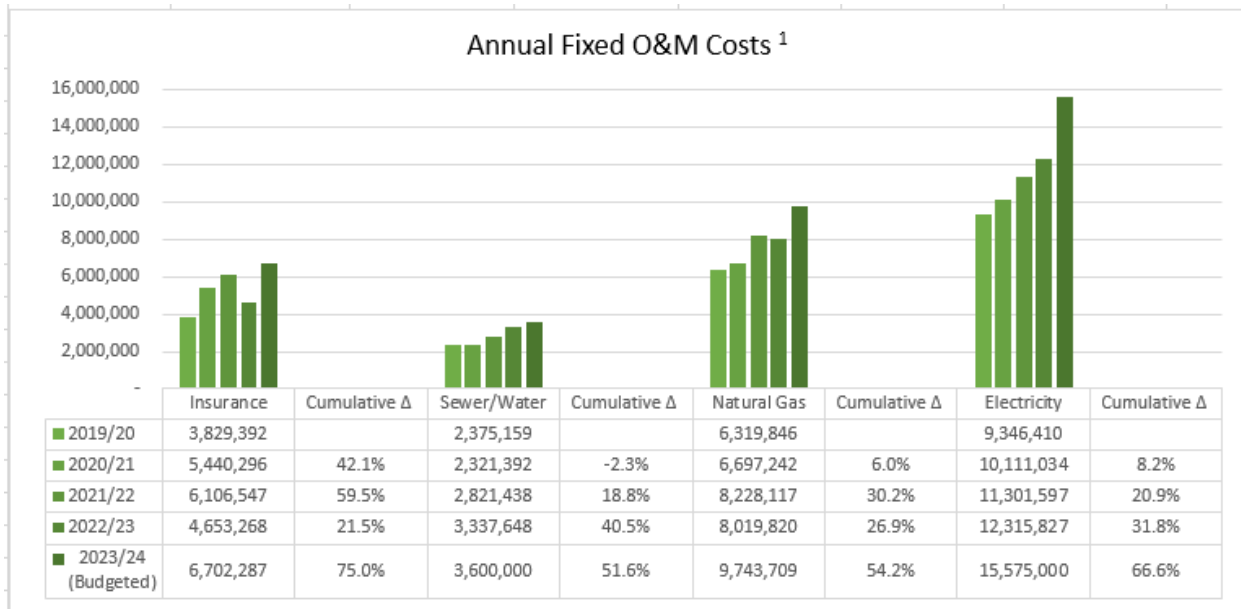
2024-2025 Operating Expenses

- Inflation continues to increase for Edmonton. According to Stats Canada, inflation increased by 4.5 per cent in 2023 compared to 2022. Although this is a decrease from the 9.4 per cent prior year increase, with no increase to the grant funding rates, the spending power of school budgets have decreased.



The above table shows the annual inflation rate (per Stats Canada for the Edmonton region) as a percentage increase since the year 2002. For example, for 2023, inflation increased by 4.5 per cent from 2022 (162.9 - 158.4 = 4.5).

Inflationary pressures continue to impact our Division-level fixed costs like utilities and insurance. The below chart shows a five year history of some of our fixed costs. Also included on the chart is the cumulative percentage increase for each expense item compared to 2019-2020 as these inflationary pressures have been compounding.



¹ Unless otherwise noted, all numbers are from the Audited Financial Statements, Schedule 4 of their respective years

Cumulative Δ - cumulative increase compared to 2019/20

In terms of what we are anticipating for the upcoming budget year:

- Insurance - while the insurance market is starting to soften, overall insurance costs will rise due to an increase in total insured square footage, inflated replacement costs and increased enrolment.
 - Sewer/Water – we anticipate an increase driven by usage (enrolment growth).
 - Natural Gas - the Division is under a contract which will remain in effect through October 2024. Converted to \$/GJ, Carbon Levy increases for gas include April 2022- \$2.63, April 2023- \$3.42 and April 2024- \$4.21.
 - Electricity - the Division recently signed a new short-term contract that goes until the end of the 2023-2024 school year. The new price per Megawatt hour (MWh) is 60 per cent higher than our previous contract price.
- We are also seeing an increase in Division software licenses, as some of our license agreements are based on our growing student enrolment.
 - The Division receives SuperNet funding to cover high speed internet costs. The funding does not cover the actual costs of providing this service, resulting in a gap of \$1 million.
 - Most of the Division's fixed costs are covered centrally; however, even expenses that are incurred at the school level have increased. Examples include: grounds and custodial equipment (12 per cent increase), office furniture and learning commons (19 per cent increase), and classroom furniture (8 per cent increase).
 - Central support for schools has also been impacted by the enrolment growth experienced by the Division in recent years. The proposed allocations include additional resources for some central services to hire additional staff to meet the increasing demand for services.
 - In an attempt to maintain the Division's 'number of devices per student' ratio, the proposed technology evergreen allocation has been increased.

2024-2025 Staff Unit Costs

- The largest category of expenses for the Division is salaries, wages and benefits for both certificated and non-certificated employees. Salaries account for 63 per cent and benefits at 16 per cent for a combined total of 79 per cent of our total operating costs. To stabilize the impact of compensation expenses for school and central budgets the Division calculates unit costs for each staff group.
- For the upcoming year, the Division is anticipating increases to our benefit rates including: dental coverage (increase of 12 per cent), extended health care (increase of 10 per cent), workers' compensation (increase of 23 per cent) and the impact of the new Canada Pension Plan (CPP) enhancement (a second additional contribution (CPP2)). These increased benefit rates will result in an additional \$16 million cost to the Division.
- In order to reduce the impact to school and central budgets, some previously contemplated allocations and Division initiatives have been scaled back. The savings from these reductions will now be held centrally to offset a portion of the additional benefit costs. Additional details on the allocations and initiatives that have been reduced is included in the notes for Attachment VI. In addition, the per student weighted enrolment allocation amount also had to be reduced compared to the current year. Combined, these strategies will offset approximately 50 per cent of the increase to unit costs that would otherwise have been required.
- Both schools and central will need to absorb the updated staff unit costs within their budgets, thereby reducing the spending available for other items.

2024-2025 Allocation Highlights

The Division allocates resources to schools and central cost centres in a variety of ways that support the Division's Strategic Plan. Highlights of some of the 2024-2025 allocations that directly support the Division Priorities are included:

Build On Outstanding Learning Opportunities for all Students

- **Campus EPSB and Dual Credit** - The Division continues to see growth in high school completion. Allocations directed to Campus EPSB (\$215,348) and to Dual Credit (\$150,000) help to achieve that goal.
 - **Campus EPSB** is designed to provide students with another way to earn high school credits, industry credentials and get ahead of studies or prepare for post-secondary education. It provides opportunities and hands-on experience that help students plan their next steps.
 - **Dual Credit Allocation** supports optional career-based high school programming. It can assist students in making meaningful transitions to post-secondary education or the workplace. Dual credit courses allow students to earn both high school credits and credits that count towards a post-secondary certificate, diploma or degree.
- **Division One Targeted Allocation** - The Board of Trustees has identified early learning in both literacy and numeracy as a high priority. A \$40 million allocation provides additional resources to Division One children and students and allows lower class sizes and student to teacher ratios.
- **Equity Achievement Plan (EAP)** - The Board has previously approved the use of a portion of Operating Reserves to support academic growth and achievement in schools serving our most socially vulnerable communities. The initiative is focused around key areas that have a positive impact on student success and well-being: early intervention, high-quality literacy and numeracy instruction, social-emotional well-being, school nutrition and enrichment programming.

The 2024-2025 Equity Achievement Plan allocation (\$2.2 million) will continue to support the original 41 school cohorts.

- **High Social Vulnerability (HSV)** - this allocation (\$6 million) is considered a high priority for the Division and provides assistance to the top 60 schools with a significant percentage of students deemed as being socially vulnerable.
- **Programming and Student Accommodation** - this allocation (\$8.8 million) supports the establishment and activation of Division centres, which typically require facility modifications and additional resources to facilitate optimum learning spaces for students who qualify for specialized learning supports. As Division enrolment grows, and the number of students requiring specialized supports, as a percentage of overall growth, also grows, the Division must establish more Division centres in order to accommodate families who desire Division centre programming. Administration projects a need for 45 new Division centres for 2024-2025, and that this will likely continue into future years.
- **A tenth Specialized Learning Supports school linked team** - is also being proposed that would be specifically dedicated to supporting students with autism. This team would provide specialized assessments, consultations, coaching and teacher professional learning.
- **Division Technology - High Speed Networking** uses an allocation to cover the expenses associated with the Division's SuperNet connection between the Centre for Education and schools. This allocation is made up of a grant from the Alberta Government (\$2.3 million) that covers a basic level of service for schools combined with a Division allocation (\$1 million) to subsidize the actual costs in delivering adequate services.
- **The Technology Evergreening Strategy (TES)** aims to maintain equity of access to technology, increase efficiency, and reduce administrative workload in schools. This approach includes providing and supporting staff workstations, student devices (Chromebooks), classroom projection systems, and print devices at all schools.
- **Weighted Enrolment Allocation** - This allocation is provided to all schools based on their proportion of the Division's weighted enrolment. The level of specialized learning support required will be correlated to the school's weighted enrolment allocation. This is our largest allocation and represents approximately 77 per cent of the total school allocations. Funds from the Classroom Complexity Grant will help to supplement this allocation.

Advance Action Towards Anti-Racism and Reconciliation

- **Anti-Racism and Equity Action Plan** - This initiative (\$500,000) is funded through the Division's Operating Reserves to support the Division's commitment to anti-racism, reconciliation and equity. The work reflects progress towards Priority Two of the Strategic Plan and is framed around the actions outlined in the Division's Anti-racism, Reconciliation and Equity Action Plan. Funding supports designated staff across multiple D.U.s who lead various initiatives, facilitate a range of engagement opportunities and support reporting. Some funds are also used for access to external consultants, anti-racism, reconciliation and equity resource materials, translation services and communication tools.
- **First Nations, Metis and Inuit Allocation and Graduation Coaches** - This allocation (\$11.6 million) provides additional support to students who self-identify as First Nations, Metis and Inuit. A portion of the allocation provides transportation for junior high students attending amiskwaciy Academy and elementary students attending the Awasis program at Prince Charles School. Funds are also directed to Curriculum and Learning Supports for First Nations, Métis and Inuit Senior High Completion Coaches who work directly with students at Eastglen, Jasper Place, Queen Elizabeth and Dr. Anne Anderson.

Promote a Comprehensive Approach to Student and Staff Well-Being and Mental Health

- **Complex Behavioral Support** - This allocation (\$111,879) provides support for a Division teacher at Overlanders School who is a certified trainer for Collaborative and Proactive Solutions (CPS), or the Ross Greene approach. This allocation provides release time for the teacher to continue to provide CPS training to interested Division staff.
- **Mental Health Supports Allocation (\$3.5 million):**
 - **CASA classrooms at J.A. Fife and Rosslyn schools:** In June 2023, CASA and the Division signed a Memorandum of Understanding to support students and their families who would benefit from the mental health services provided by CASA. CASA and the Division committed to work together to develop and operationalize the first CASA classroom in the Division. In this model, CASA provides mental health services to children and their families and the Division provides educational programming for the child. The first CASA classroom was established at J.A. Fife School with the first cohort beginning in September 2023. A second classroom has been approved at Rosslyn School beginning in September 2024.
 - **Aldergrove and Keheewin schools:** These Division mental health classrooms are supported by Hospital School Campuses. The mental health classroom at Keheewin is newly established and will begin working with students in April 2024.
 - **Hospital School Campuses and Specialized Learning Supports:** A coordinated mental health approach to provide mental health supports and services to students across the Division.

RELATED FACTS

- Approximately 74 per cent of the total Division funds will continue to be allocated to support students in the classroom, with the remaining balance covering fixed and committed costs.
- From a school budget perspective, the proposed allocations continue to provide an allocation for the actual number of students being supported. No additional funds have been able to be allocated to offset inflationary increases for school level expenditures.
- The provincially funded school nutrition grant has been maintained at the same level (\$1.7 million) as in 2023-2024. The Federal government recently announced funding for a National School Food Program. The provincial government will oversee the roll out of these federal funds. We expect to learn more about this initiative in the coming months. None of these funds have been included in the proposed Distribution of Funds document.
- The Division's student projection for 2024-2025 is 120,224. Factoring in ECS students at 0.5, our projected FTE enrolment is 115,805. These figures exclude international and sponsored students.
- Total enrolment growth is projected to increase by approximately 5,996 students or 5.2 per cent compared to the actual September 2023, enrolment counts.
- WMA funded enrolment is 111,803, factoring in ECS students at 0.5 as well as factoring in enrolment from the two previous years. This is an increase of 5,429 or 5.1 per cent compared to the 2022-2023 WMA funded enrolment of 106,374.
- Grants such as Institutional Services and PUF will continue to be offset by an equal allocation.
- On April 9, 2024 the Province announced an additional \$4 million in Dual Credit funding (based on an application process) as we do not have confirmation of our portion of this grant, we have not included any revenue in the Distribution of Funds report.

RECOMMENDATION

That Distribution of Funds for the 2024-2025 Budget be approved.

NEXT STEPS

Following the approval of the 2024-2025 Distribution of Funds, allocations will be sent out to schools and decision units for the completion of the 2024-2025 Budget.

ATTACHMENTS and APPENDICES

ATTACHMENT I	2024-2025 Preliminary Spring Revenue Budget
ATTACHMENT II	2024-2025 Enrolment Projections using WMA
ATTACHMENT III	2024-2025 Distribution of Funds – Total Allocations
ATTACHMENT IV	2024-2025 Distribution of Funds – School Allocations
ATTACHMENT V	2024-2025 Distribution of Funds – Other Allocations
ATTACHMENT VI	2024-2025 Proposed Use of Accumulated Operating Surplus Funds
ATTACHMENT VII	2024-2025 Proposed Use of Capital Reserve Funds

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