

DATE: May 28, 2024

TO: Board of Trustees

FROM: Issues and Resolutions Committee:
Board Chair Julie Kusiek
Trustee Trisha Estabrooks
Trustee Dawn Hancock, Chair

SUBJECT: ASBA Emergent Position Statement

RESOURCE STAFF: Karen Mills, Director Board and Superintendent Relations

REFERENCE N/A

ISSUE

The Grant Funding Rates are not currently adjusted annually to cover increasing inflationary operational costs experienced by school divisions. The Issues and Resolutions Committee is recommending the following resolution be brought to the members at the Alberta School Board Association (ASBA) Spring General Meeting (SGM) on June 3, 2024 as an emergent position statement.

BE IT RESOLVED THAT, *“the Alberta School Board Association advocates that annually when Alberta inflation rates are rising, the Government of Alberta increases all Grant Funding Rates proportionately to mitigate the impacts of compounding inflationary operational costs; and in declining inflation no annual adjustment is made to Grant Funding Rates.”*

BACKGROUND

The ASBA Issues and Resolutions Committee is a committee of the Edmonton Public School Board. The purpose of the committee is to advise and assist the Board in presenting and voting on issues and resolutions brought to the ASBA Zone and General Meetings. The ASBA SGM will be held on Monday, June 3, 2024. At this meeting members vote on proposed emergent position statements and the draft budget for 2024-25. In keeping with past practice, the Issues and Resolutions Committee is bringing forth a proposed position statement to be presented at the SGM.

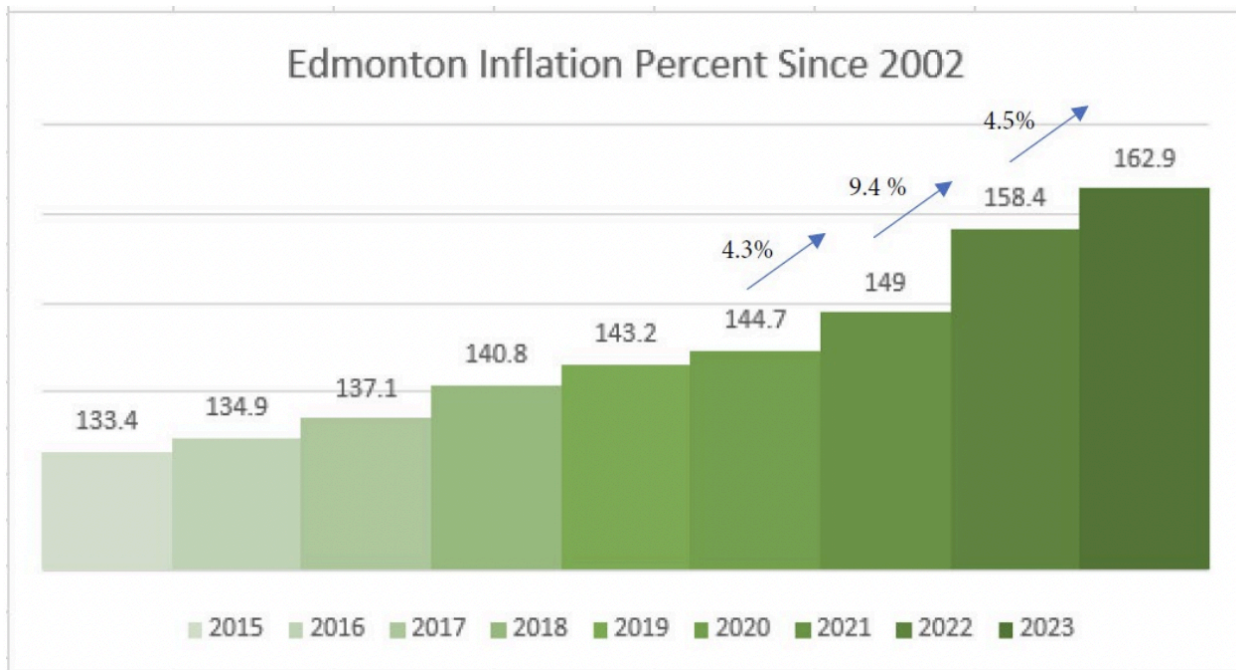
The current funding model changed five years ago in the 2020-21 school year when the Weighted Moving Average (WMA) method of funding allocation was introduced. The Grant Funding Rates in this position statement refer to the education grants from the provincial government listed in Section I1.1 of the [Funding Manual for School Authorities 2024-25](#) and an increase in these rates does not change the impact of the WMA on growing school divisions who will continue to provide instruction to students not funded for.

These grants are meant to cover a majority of classroom expenses including staff costs, resources and operational costs of schools and school administration. However, school divisions are seeing rising and

compounding inflationary costs impacting multiple areas including employee benefits which covers workers' compensation, dental coverage, extended health care and the enhanced second contribution calculation for Canada Pension Plan (CPP2). Additional expenses such as insurance, sewer/water, natural gas and electricity also continue to increase significantly yet the Base Instruction Funding Rate has only increased twice in the past five years.

Without an annual, inflation-indexed increase to the Grant Funding Rates to cover these rising costs, the compounding impact is resulting in an erosion of purchasing power available for classroom instruction. Alberta's increase in population is resulting in growing enrolment and classroom complexity. More funds are needed for instruction, not less.

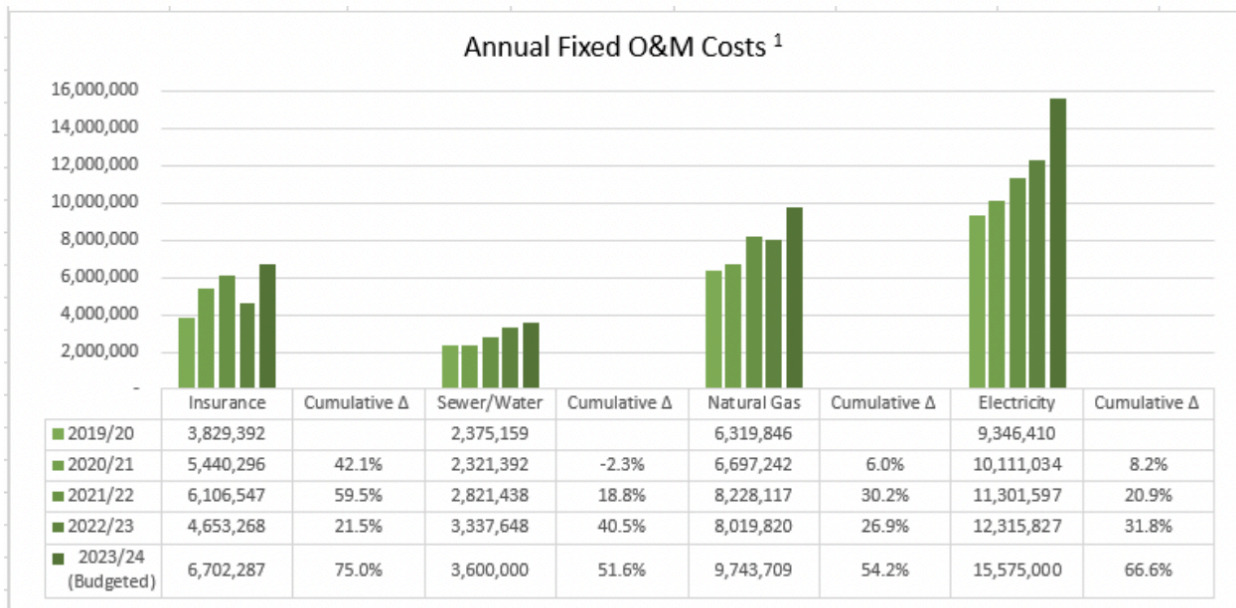
Considering the timeline for financial decision making by the provincial government, advocacy for this position statement needs to be made before the Fall General Meeting held on November 18, 2024 to bring a potential change to the 2024-25 budget and therefore is considered emergent.



The annual inflation rate (per Stats Canada for the Edmonton region) is shown in this table 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).

	Base Instruction (WMA Rate)				
	2020/21	2021/22	2022/23	2023/24	2024/25
ECS Base Instruction	\$ 3,032	\$ 3,032	\$ 3,062	\$ 3,246	\$ 3,246
Grades 1 to 9 Base Instruction	\$ 6,064	\$ 6,064	\$ 6,125	\$ 6,492	\$ 6,492
Grades 10 to 12 (Year 1 - 3)	\$ 6,670	\$ 6,670	\$ 6,737	\$ 7,141	\$ 7,141
Grades 10 to 12 (Year 4)	\$ 3,335	\$ 3,335	\$ 3,369	\$ 3,571	\$ 3,571
Grades 10 to 12 (Year 5 and above)	\$ 1,668	\$ 1,668	\$ 1,684	\$ 1,785	\$ 1,785
Summer School (per completed credit)	\$ 143	\$ 143	\$ 144	\$ 153	\$ 153
Base Instruction Grants % Increase	0%	0%	1%	6%	0%

Since 2020-21, the Base Instruction Funding Rate has not increased every year and has been unpredictable with a 1% increase in 2022-23 and 6% in 2023-24 school year.



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

This chart shows some of the annual fixed operations and maintenance costs for Edmonton Public School Division over the past five years. To the right of each expense item is a column showing the compounding inflationary effects. These percentages represent the cumulative increasing costs as compared to the 2019-20 expenses.

RELATED FACTS

- Alberta's inflation has been steadily rising since 2015 and for 2023 was 4.5%.
- Historically since 2020-21, the Base Instruction Funding Rate has not increased every year and has been unpredictable with a 1% increase in 2022-23 and 6% in 2023-24 school year.
- Anticipated increase in employee benefit rates for Edmonton Public Schools this upcoming school year include: 12% in dental coverage, 10% in extended health care, 23% in workers' compensation, and the addition of the enhanced second contribution calculation for Canada Pension Plan (CPP2). The total impact on the 2024-25 budget is projected to be \$16 million.
- The inflationary effects on operational costs like utilities and insurance continue to compound year-over-year.
- Other expenses impacted by inflation include increases of 12% custodial equipment, 19% office furniture and learning commons, 8% classroom furniture.
- Due to escalating costs of groceries, school nutrition programs are not able to provide the same services to support students.
- Rising costs of supplies for repairs and maintenance are reducing purchasing power.
- There are four position statements currently held by ASBA that refer to funding grants and framework. However, none of them include advocacy for an inflationary adjustment to all grant funding rates.
- ASBA members vote on position statements giving direction to the association to pursue advocacy on behalf of all member boards.

RECOMMENDATION

That the Board approves in principle this position statement to be presented at the Alberta School Board Association's Spring General Meeting on June 3, 2024.

OPTIONS

Based on the information provided in the report, the following options are considered most appropriate:

1. Approve the recommendation as presented
2. Request changes to the recommendations and provide feedback

NEXT STEPS

1. Delegates to the ASBA SGM will present the position statement to the members, receive feedback and vote according to the additional discussion on the floor at the SGM.
2. ASBA Director will report back to public board the voting outcome.

DH:km