

Budget Overview

Presentation to COSC

May 3, 2017

Budget 2017

Provincial Budget Highlights

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- ▶ All funding rates remain the same from last year
- ▶ Growth will be fully funded
- ▶ Bill 1: An Act to Reduce School Fees
 - ▶ Elimination of instructional supplies or material fees – the EIPS Learning Resource (LR) Fee.
 - ▶ Alberta Education has committed to fund EIPS \$1.22M for 2017-2018
 - ▶ Elimination of Transportation fees >2.4 km - no impact to EIPS
- ▶ Wye School replacement was approved

Budget 2017

Provincial Budget Highlights

Funding for Bill 1?

- ▶ Alberta Education department administration reductions
- ▶ Reallocation from other government departments
- ▶ Credit Equivalent Unit (CEU) maximum funded credits moved from 60 CEUs to 45 CEUs
 - ▶ Alberta Education saving \$10 million
 - ▶ Estimated \$0.9 million impact to EIPS

Budget 2017

Provincial Budget Highlights

Further Updates

- ▶ Infrastructure Maintenance and Renewal (IMR) funding increase from \$4.8 million to \$5.4 million (14%)
- ▶ Ministry Business Plan – "Monitor school boards with reserves >5% of their operating expenses to reinforce funding allocation to benefit student success"
 - ▶ Minister indicated there was no provision in budget to do anything with reserves at this time
- ▶ EIPS will receive \$141K for the nutrition program for 2017-2018
- ▶ No carbon tax rebate announced – only energy savings program incentives and EIPS already completed many of these programs

EIPS Budget 2017-2018

Assumptions

- ▶ Enrollment is projected to be 17,365 students
 - ▶ Increase of 215 students or 1.25% from 2016
 - ▶ Growth in 2016 was 284 students or 1.68%
- ▶ The Division will spend the dollars allocated by Alberta Education in their respective areas:
 - ▶ Inclusive Education
 - ▶ Lease support
 - ▶ Hutterite Colony
 - ▶ Language funding
 - ▶ First Nations, Métis and Inuit

EIPS Budget 2017-2018

Assumptions (cont.)

- ▶ Compensation
 - ▶ No economic increase has been projected
 - ▶ All staff salaries have a 0% increase (only grid movement factored in)
- ▶ Inflation
 - ▶ Overall consumer price index (CPI) increased 2.2% from February 2016 to February 2017

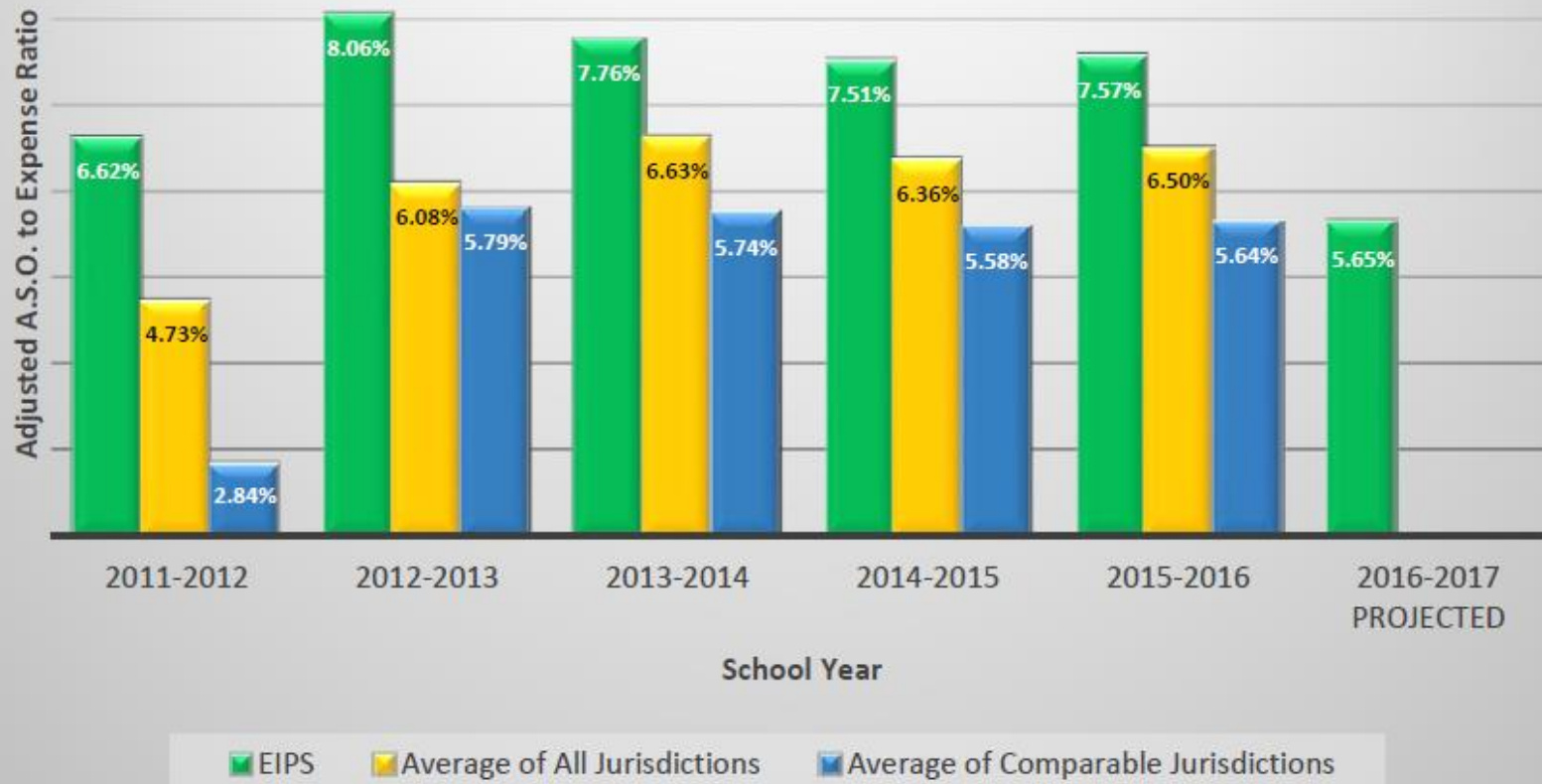
EIPS Budget 2017-2018

Assumptions (cont.)

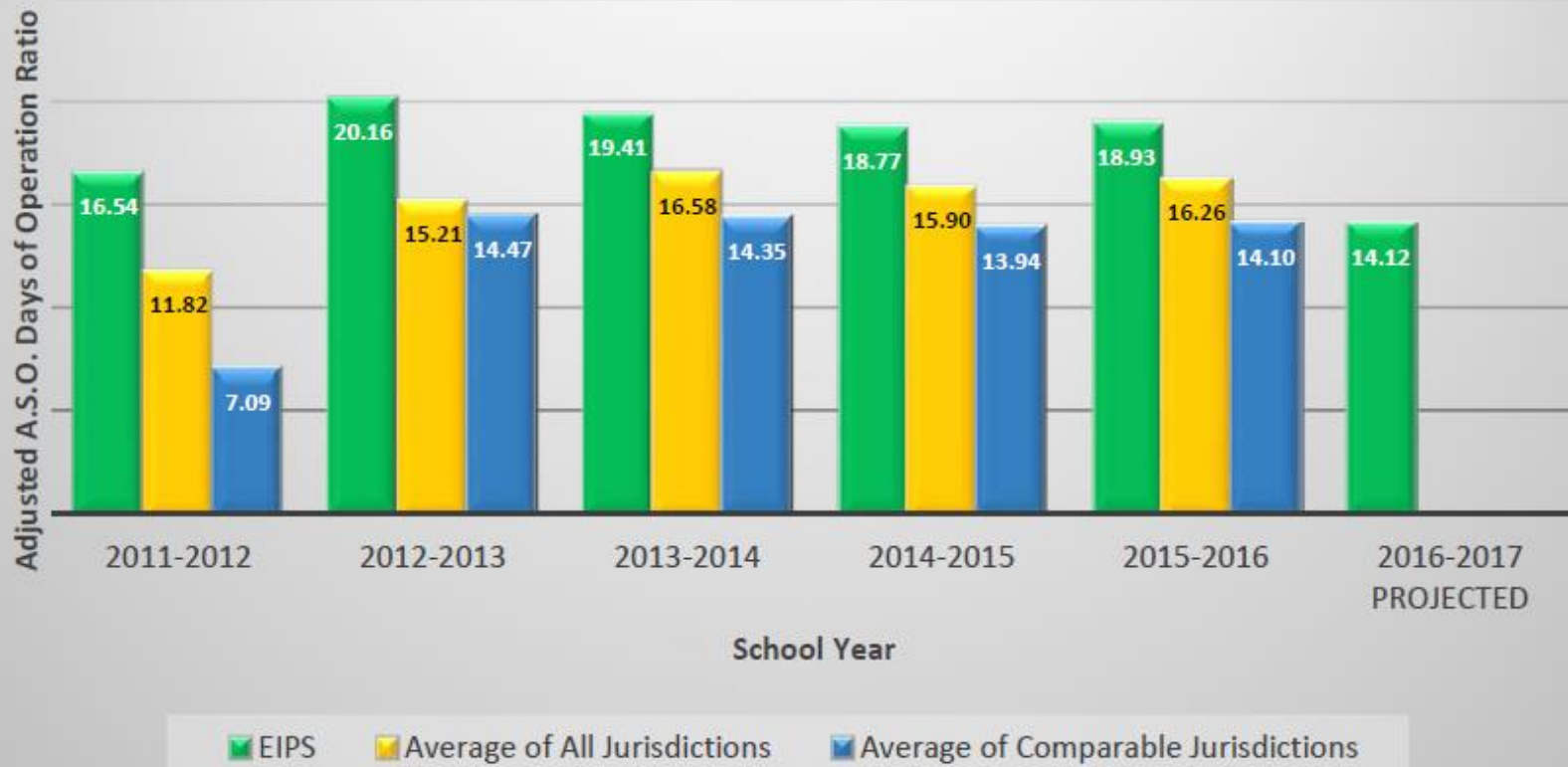
- ▶ Division reserves to be used in 2017-2018 (\$2.9M)
 - ▶ Division Allocated Operating Reserves

Equity Fund	\$247,900
Election	\$190,000
School Building	\$1,420,165
Projects	<u>\$210,125</u>
Total Allocated Reserves	\$2,068,190
 - ▶ Division Unallocated Reserve
 - ▶ \$800,000 to fund ongoing costs
 - ▶ Decreased from the prior year due to efficiencies identified and reduced certificated standard costs
 - ▶ Target level for the unallocated operating reserve remains at 2.0% of budget (approximately \$4.0 million)

Adjusted A.S.O. to Expense Ratio (Adjusted A.S.O. = Operating Reserves not including SGF)



Adjusted A.S.O. - Days of Operation (Adjusted A.S.O. = Operating Reserves not including SGF)



EIPS Budget 2017-2018

Allocations

- ▶ Allocations for schools increasing by 0.9%
- ▶ Within Central Services, allocations are decreasing due to
 - ▶ Lower reserve carry forward amounts
 - ▶ Lower in-year allocations and targeted funding
 - ▶ No increase for the carbon tax and grid increments
 - ▶ Division Principal position eliminated
- ▶ Board System and Administration costs at 3.3% of total budget are lower than the 3.6% cap set by Alberta Education
- ▶ Overall, the Division's budget allocation is \$202.2 million, of which \$2.9 million will come from reserves

EIPS Budget 2017-2018

Administration Fees

- ▶ Learning Resource – eliminated
- ▶ Non-resident and International students – no change
- ▶ Partners 4 Science – 4.4% to 6.7% increase to offset increasing costs
- ▶ Supports for Students – no change
- ▶ Student Transportation – no change
- ▶ Facility Services – slight increase to ensure cost recovery due to provincial carbon tax and the addition of an External Community Surcharge.