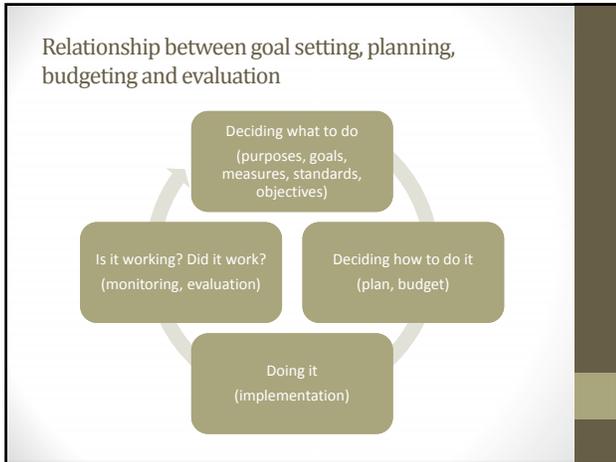


COSC
Budget Overview
Wednesday, May 6, 2015

Budget Planning
Process
Three Year Cycle

Purpose of Budget

- The purpose of the budget cycle is two fold;
 - Most importantly, that the Budget supports the Priorities and Goals set out by the Division
 - To ensure that the day to day operations of the Division are carried out



Priority 1 Promote growth and success for all students

- Goal 1 Excellent start to learning
 - Outcome: *More children reach social, intellectual, and physical developmental milestones by grade one.*
- Goal 2 Success for every student
 - Outcome: *More students achieve a minimum of one year's growth in literacy and numeracy.*
- Goal 3 Success beyond high school
 - Outcome: *More students are engaged in school, achieve excellence, and are supported in their transition beyond high school.*

Priority 2 Enhance high quality learning and working environments

- Goal 1 A focus on well being including student citizenship and staff engagement
 - Outcome: *Our learning and working environments are welcoming, caring, respectful and safe.*
- Goal 2 Quality infrastructure for all
 - Outcome: *Student learning is supported through the use of effective planning, managing and investment in Division infrastructure.*
- Goal 3 Build capacity
 - Outcome: *All staff have the opportunity and are supported in increasing their professional and leadership capacities.*
- Goal 4 A culture of excellence and accountability
 - Outcome: *The Division uses evidenced-based practices to improve student engagement and achievement.*

Priority 3 Enhance public education through effective engagement, partnerships and communication.

- Goal 1 Parents as partners
 - Outcome: *Student learning is supported and enhanced through parent engagement.*
- Goal 2 Supports and services for students and families
 - Outcome: *Community partnerships support the needs of our students.*
- Goal 3 Engaged and effective governance
 - Outcome: *The Division is committed to ongoing advocacy to enhance public education.*

Budget Announcement Overview

Provincial Budget Highlights

Budget Impact

- No enrolment growth funding
- CEU funding for high schools will be frozen at the 2014/15 level
- Transportation funding decreased 1.35%
- Inclusive Education funding decreased 1.9%
- All other grants, except for SuperNet, Lease Support and Institutional programs decreased 3.1%

Budget Impact

- Mandate that our frontline teacher FTE remains unchanged from our Fall Budget Report (FBR) **876 FTE**
 - Some flexibility regarding counselors, assistant principals and principals, etc. that are not in the classroom
- No expenditures, even those already planned, are to be funded through ASO **without prior Ministerial approval**

Budget Impact – Base Instructional Grant

- Consists of two components;
 - teacher compensation (89%)
 - non-teacher compensation (11%)
- Only the teacher compensation rate received an increase of 2%
- A one-time payment will be made in November to address the 1% lump sum increase for teachers only
- The non-teacher compensation decreased 3.1%

Budget Impact - Reserves

- Cannot access our Accumulated Surplus from Operations (ASO) without Minister's approval.
- Further, requests to use our ASO are through the 15/16 budget report and will be decided by June 30, 2015.
- Expected that our August 31, 2015 ASO is not lower than our projected balance in the FBR (\$11,580,542)

Budget Impact - Reserves

- Boards can only access reserves to support transitioning to a revised cost structure
 - cannot be used to fund:
 - Enrolment growth
 - Transitioning funding
 - Classified salaries
 - Inflation

- The current inflation rate for Alberta (Feb) is approximately .9%

Change in Alberta Education Funding

Category	2014/2015	2015/2016	Change	%
Base Funding	113,710,622	115,387,941	1,677,319	1.5%
Plant, Operations & Maintenance	13,117,255	12,710,620	(406,635)	-3.1%
Transportation	9,729,595	9,593,381	(136,214)	-1.4%
Inclusive Education	9,830,210	9,643,397	(186,813)	-1.9%
Program Unit Funding (PUF)	3,941,492	3,819,306	(122,186)	-3.1%
Equity of Opportunity	1,857,875	1,800,715	(57,160)	-3.1%
Socio-Economic Status	1,318,524	1,277,645	(40,879)	-3.1%
Small School by Necessity	920,120	891,596	(28,524)	-3.1%
First Nations, Metis, Inuit (FNMI)	741,614	718,625	(22,989)	-3.1%
English as a Second Language	345,183	334,483	(10,700)	-3.1%
Outreach Programs	188,918	183,062	(5,856)	-3.1%
Hutterite Colony Funding	23,083	22,367	(716)	-3.1%
Infrastructure Maintenance Renewal (IMR)	5,616,771	2,837,997	(2,778,774)	-49.5%
Other (1% lump sum)	15,563,990	16,467,990	904,000	5.8%
Total Alberta Education Revenue Change	176,905,252	175,689,125	(1,216,127)	-0.7%

Shortfall in Funding – All Things Being Equal

Alberta Education Change in Funding	(1,216,127)
Inflation on SES	(383,817)
Classified Salary Increase 2%	(731,231)
Classified Salary lump Sum Increase 1%	(290,000)
Enrolment Growth (112 FTE's)	(797,220)
Operating Use of Reserves in 14/15	(2,866,332)
Total Projected Shortfall	(6,284,727) -3.6%

Projected Alberta Education Revenue 176,905,252

Budget assumptions

2015 – 2016 Budget Year

Assumptions

- Student enrolment will be 16,800 students, which is an increase of 112 students or 0.67% over the September 30, 2014 enrolment count.

Assumptions (cont.)

- That the Division will spend the dollars allocated by Alberta Education in their respective areas:
 - Inclusive Education
 - Student Transportation
 - Plant Operations and Maintenance
 - Lease Support,
 - English as a Second Language
 - Outreach Programs,
 - Hutterite Colony
 - French Language Funding
 - First Nations, Metis and Inuit

Assumptions - Compensation

- All staff salaries will increase by 2%
- Certificated staff (teaching) will receive a one time lump sum payment of 1% in November 2015. This amount is funded in the recent provincial announcement as is the 2% certificated staff (teaching) salary increase.

Assumptions - Standard Cost

- Certificated (teaching) standard cost increases to \$101,000. This is a 1.51% increase
- This increase is less than the 3.02% actual (compounded) cost. This has been offset by applying prior year standard cost surplus and lower benefit costs.
- Grid movement and projected retirements also affect final standard cost calculation.
- Classified standard cost increased an average of 1.71%. The salary increase and grid movement have been offset by changes in benefit cost.

Assumptions - Reserves

- The 2015–2016 Budget cannot include any reserve spending to support core services as legislated by Alberta Education.
- In 2014–2015, this amount was ***\$2.9 million dollars*** in EIPS.
- EIPS operating reserves remain at approximately 2.0% of EIPS total budget or approximately \$4.0 million, made up of:
 - School and department carryforwards of \$2.2 M
 - Standard cost surplus of \$1.8 M

Budget 2015

Draft Allocations

Budget Allocations - Draft

- The Budget allocations are based on the budget assumptions previously presented as well as three other factors:
 - Ensuring resources are allocated according to Alberta Education guidelines or regulations
 - Past allocation models
 - Shifting of resources to mitigate impact to schools

Budget Allocations - Schools

- Increase in base allocation of 0.7%
- Overall increase of 0.3% after all adjustments are made
- Net effect after removing prior year contingencies and use of reserves is a decrease of 1.9%
- Net effect overall =< 0.1%>

Budget Allocation - Central

- Decrease in block allocations of 3.3% or \$692,000
- Overall decrease in targeted funding allocation of 7.5%
- Net effect after removing prior year contingencies and use of reserves is a decrease of 8.4%
- Net effect overall = <6.8%>

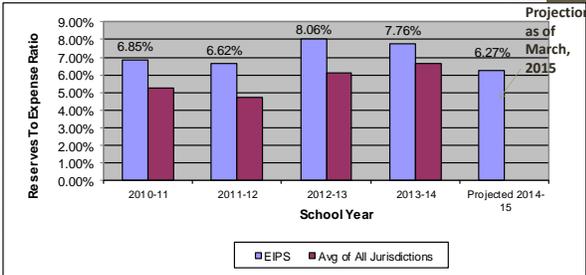
Budget Allocation

- Cost of Administration decreases to 3.2% from 3.3% and under our cap of 3.6%.
- Percentage of budget being driven out to schools increases from 79.1% to 80.3%, a percentage change of 1.2%, but an overall increase of 1.5%

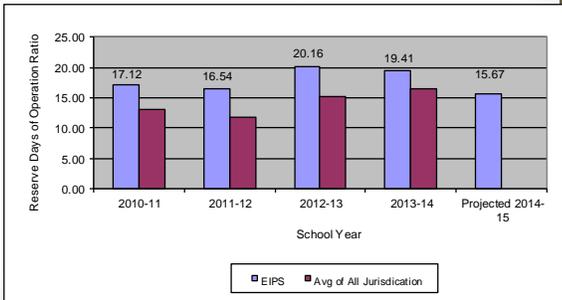
Budget Allocation - Implications

- Significant pressure on Central Services and ability to provide services on a timely basis
- IMR funding and projects significantly impaired
- Certificated FTE remains the same, but supports in the classrooms and schools will be impacted
- Will need to be focused on Division Priorities
 - What we need vs. what is nice
 - Focused on literacy, numeracy and reporting of student progress
- Boundary Exemptions: how will we balance out?
- Non – resident students – Can we accommodate?

Reserve to Expense Ratio



Days of Operation



Next Steps