

**DATE:** January 17, 2012  
**TO:** Board of Trustees  
**FROM:** Edgar Schmidt, Superintendent of Schools  
**SUBJECT:** Fall 2011 Update to the 2011-2012 Budget - Revised  
**ORIGINATOR:** Brian J. Smith, Executive Director, Finance and Infrastructure  
**RESOURCE**  
**STAFF:** Sandra Bassett, Cheryl Hagen, Angela Komick, Madonna Proulx

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#### **ISSUE**

Alberta Education requires jurisdictions to provide the budget update as information to the Board of Trustees each fall reflecting changes in revenue, enrolment, current staffing, and other key budget assumptions. This was provided and submitted. Further study on the budget information was completed and a revised Budget Update has been prepared to reflect the breakdown of expense components related to core services.

#### **BACKGROUND**

Each School and Central decision unit prepared a revised budget in the fall based on updated September 30<sup>th</sup> enrolment, current staffing FTEs, as well as the planned use of surplus and repayment of deficit funds. Examination of the Spring Budget Report identified the need to adjust components within the expense categories so that a comparison of the Fall and Spring Budgets would be made.

#### **CURRENT SITUATION**

The 2011-2012 Fall Budget Update for EPSB has been prepared as a balanced budget. The revised budget is based on budget expenses of \$920.3M. Alberta Education requires Boards to report the government contributions to the Teacher Retirement Fund (ATRF), which is estimated at \$35.5M. Budget expenses net of ATRF are \$884.8M, which is an increase of \$33.1M from the approved budget of \$851.7M. The overall increase in budget is as follows:

- 1) Reinstatement of provincial funding - \$13.1M
- 2) Increase in revenues due to enrolment and other adjustments - \$5.1M
- 3) Increase of net surplus carryforwards - \$14.9M

#### **KEY POINTS**

- The 2011-2012 Budget update reflects an operating deficit of \$33.9M, which will be offset by transfers from accumulated operating reserves.
- Enrolment increased from the approved budget by 0.5% or 366 eligible funded students.
- Certificated staffing (continuing contract teachers) has increased by 120.3 FTE.
- The 2011-2012 Budget update includes spending plans for reinstated provincial funding of \$13.1M.
- Projected accumulated operating surplus at August 31, 2012 is \$1.7M.
- Identification of the components of the core service charges into non-certificated salaries and benefits and services, contracts and supplies results in a clearer presentation of the expenses for the Spring 2011–2012 Budget.

The following information is provided in response to the request of Conference Committee January 10, 2011 (Trustee Request #154), for further clarification on the breakdown of the funding and teaching FTE's.

- The report states that Edmonton Public has added 120.3 permanent FTE (teachers) since the Spring 2011 Budget Report (under the section Certificated Staff FTE's):
  - The 120.3 FTE includes 56.7 FTE due to the increase in student enrollment and 63.6 FTE due in part to the restoration of the funding announced by the premier.
  - If the district's enrollment remains unchanged and the restored funding continues beyond 2011-2012, the District should be able to maintain the additional 120.3 permanent FTE, all other factors remaining unchanged.
  - The 120.3 permanent FTE are filled by either existing teachers who moved from probationary to continuing contract, teachers with probationary contract extensions or new probationary contract teachers.

#### **ATTACHMENTS & APPENDICES**

ATTACHMENT I - Fall 2011 Update to the 2011-2012 Budget – Alberta Education

BJS/ej