

DATE: April 14, 2020

TO: Board of Trustees

FROM: Darrel Robertson, Superintendent of Schools

SUBJECT: Revenue Generating Opportunities
(Response to Request for Information #057)

ORIGINATOR: Todd Burnstad, Chief Financial Officer

**RESOURCE
STAFF:** Janice Aubry, Karen Mills, Lorne Parker

REFERENCE: [Annual Update on Operational Efficiencies 2018-2019, January 28, 2020](#)
[Education Act](#)
[School Fees Regulation](#)
[School Transportation Regulation](#)

ISSUE

At the November 26, 2019, public Board meeting, Trustee Draper stated that Edmonton Public Schools is dependent on the provincial government as 94 per cent of the Division's budget comes from government. She asked what revenue-generating opportunities Edmonton Public Schools could explore to expand its revenue sources and what revenue sources we currently have.

BACKGROUND

Public education in Canada is a provincial responsibility. The Government of Alberta provides 94.3 per cent of Edmonton Public Schools' operational funding. The remainder of the funding comes from fees (2.3 per cent); other sales and services (1.6 per cent); gifts, donations and fundraising (0.9 per cent); the federal government (0.2 per cent) and additional sources, including rental and investment income (0.7 per cent).

In October of this year, the government introduced a revised funding framework.

The Division is transitioning to this new funding framework from the Province. It has been communicated that the framework includes a freeze until 2022-2023 on the total amount of educational funding from the province at \$8.223 billion a year. We also understand that across the province approximately 15,000 additional students are added to the total enrolment each year.

With a frozen educational budget in the Province, this will mean that the relative amount available funding per student will decrease.

The new funding framework includes a revised formula on how to fund the total numbers of students in each division on a weighted moving average over a three-year period of time. What this means for a growing division is that the total number of students are not fully funded as growth is averaged over a three-year period.

CURRENT SITUATION

School divisions are very limited in the opportunities available to generate revenue, particularly revenue of a significant amount. School divisions can reallocate money by finding efficiencies, as demonstrated in the annual update on operational efficiencies report presented at the January 28, 2020 public Board meeting. However, this is not actual revenue generation (i.e., “new” or additional money) but rather a modification of existing services and revenue sources.

The *Education Act* stipulates that student transportation fee and school fee amounts must be restricted to cost recovery only and cannot be used to generate revenue.

The Division did identify some potential sources with revenue generating possibility. The Division’s Infrastructure unit has provided educational facility and capital planning support and project management to school jurisdictions through contracted services. The primary purpose of this work was to assist other jurisdictions who did not have the staff capacity or experience. It also served as professional learning for Edmonton Public staff. Therefore, while it had the potential to be revenue generating, the work was offered on a cost recovery basis. However, given the current education funding model and provincial economic situation, we do not have the staff capacity to offer the services and we anticipate that other divisions will not have funds available to outsource such services. The Province’s decision to manage all new school construction projects has also reduced the number of requests for project management assistance.

The Division’s Curriculum and Resource Support unit also provides services such as consulting and access to professional learning days to external partners on a cost-recovery basis. At one time, these services were designed as revenue generators. However, due to changes in staffing levels, the unit has not had the capacity to offer such services on any sort of scale that would generate significant revenue.

Resources are offered for sale to other school jurisdictions through the Division's Distribution Centre, but the staff time required to ensure the resources are current and the relatively low volume of sales results in negligible revenue.

Another opportunity identified as potentially revenue generating was selling online curriculum resources developed by the Division. As a large Division, we have access to employee expertise and capacity that smaller jurisdictions may not. Curriculum supports developed by Edmonton Public Schools have been shared widely within and beyond the province. Plans for selling some of our in-house created digital resources were being discussed. However, given the sudden need for online supports as a result of the cancellation of classes due to COVID-19, the Division has made all the online resources available at no charge to families and educators through the Resource Hub, accessible via epsb.ca. (Note: The Resource Hub was launched on March 20. As of April 7, the site has had 27,976 visits from 40 countries, with 5,431 downloads.) While the resources could be monetized in the future, there are no plans to do so at this time.

The Division does apply for grants for which it is eligible, but these funds are targeted and are directly offset by the services and related expenses incurred for delivery of the programming or services for which the grant was intended.

KEY POINTS

- Revenue generating opportunities for schools are limited by legislation and staff capacity.
- Opportunities previously identified by the Division as having revenue-generating potential are not currently feasible.

TB:km