

DATE: December 8, 2020

TO: Board of Trustees

FROM: Darrel Robertson, Superintendent of Schools

SUBJECT: COVID-19 update on Division costs
(Response to Request for Information #081)

ORIGINATOR: Todd Burnstad, Chief Financial Officer

**RESOURCE
STAFF:** Amanda Wong, Andre Joseph

REFERENCE: [Request for Information #078 – September 22, 2020, Board Meeting](#)

ISSUE

At the October 6, 2020, public Board meeting, Trustee Janz requested that administration provide a rough estimate of what the Division has spent, what it is anticipating spending and what are other anticipated budget impacts from COVID-19 that may need to be considered for the 2020-2021 school year.

BACKGROUND

On August 25, 2020, the federal government announced \$2 billion dollars in funding to support schools across the country with re-entry during the global pandemic. Referred to as the *Safe Return to Class Fund*, Alberta's share is \$262.8 million, with \$37.4 million being directed to support the Division. Additional details around the distribution of the federal funds was outlined in RFI #078, which was presented at the September 22, 2020, Board meeting.

In addition, the Division has requested permission to access up to an additional \$28.2 million from our accumulated operating surplus, to cover possible additional costs not originally anticipated in the 2020-2021 budget.

COVID-19 additional costs are being tracked by the following categories:

- Additional learning supports (staffing requirements)
- Adaptation of learning spaces
- Testing
- Facility Alterations
- Personal protective equipment
- Cleaning supplies and sanitization
- Additional cleaning and custodial
- Transportation
- Remote learning supports
- Additional equity funds

CURRENT SITUATION

The total financial impact of COVID-19 and our re-entry strategy is difficult to estimate. This becomes even more difficult as shifts are required in response to changing restrictions like the recent provincial announcement on November 24, 2020, which requires Grades 7 to 12 students to move to online learning until January 11, 2021.

The federal funding is being provided in two equal installments; the first payment has already been received by the Division and the second payment will be made later in the school year. In order to receive the second part of the grant, school boards were required to submit a completed financial template to Alberta Education by November 30, 2020, showing how the funds have been spent to date, committed or anticipated to be incurred. This includes all eligible staffing/contracting that was put in place for the entire school year and any related committed facility upgrades.

The November 30 federal template has been included as Attachment I. Out of the total funding of \$37.4 million, as of October 31, 2020, the Division has spent or has committed eligible COVID-19 costs of \$30.9 million, and is anticipated to spend the remaining \$6.4 million during the current school year. This exceeds the 50 per cent threshold of \$18.7 million required in order to receive the second half of the funds.

Attachment II reflects the total estimated COVID-19 costs of \$68.3 million, and additional details around the federal funds that have already been incurred or committed to date and which have been included on the federal template (Attachment I). After applying the federal funds, the remaining balance of additional COVID-19 related costs of \$30.9 million will be covered through current year operations or through access to our operating surplus.

We will continue to monitor, update and track our COVID-19 related costs throughout the year.

ATTACHMENTS

ATTACHMENT I	Federal Funding for Alberta Safe Return to Class Fund Template
ATTACHMENT II	COVID-19 Forecasted Operating Costs Update

TB:ja

3020 The Edmonton School Division
Federal Funding for Alberta for a Safe Return to Class Fund

Allocation for:	
September 2020	\$ 18,676,525
January 2021	\$ 18,676,525
Total Allocation for Safe School Re-Entry	\$ 37,353,050

Expenditures allocated to the federal funding:	Operating	Capital	Total
<i>Additional Learning Supports (Staff and Substitute costs) [Note 1]</i>	\$ 29,000,000	\$ -	\$ 29,000,000
<i>Adaptation of Learning Spaces</i>	\$ 1,500,000	\$ -	\$ 1,500,000
<i>Testing (Temperature Checks/ Swab Test)</i>	\$ 500,000	\$ -	\$ 500,000
<i>Facility Alterations (Air Systems)/ Utility Costs</i>	\$ -	\$ -	\$ -
<i>Personal Protective Equipment (masks/ faceshields etc.)</i>	\$ 1,750,000	\$ -	\$ 1,750,000
<i>Cleaning Supplies & Sanitization</i>	\$ 1,528,050	\$ -	\$ 1,528,050
<i>Additional Cleaning & Custodial [Note 2]</i>	\$ 2,000,000	\$ -	\$ 2,000,000
<i>Health & Safety Training</i>	\$ -	\$ -	\$ -
<i>Online Learning and Teacher Training (PD/ Equipment)</i>	\$ -	\$ -	\$ -
<i>Supports for Special Needs Students (Staff & Equipment)</i>	\$ -	\$ -	\$ -
<i>Transportation (Cleaning and Routing) [Note 3]</i>	\$ -	\$ -	\$ -
<i>Remote Learning Support (Technology costs: equipment, licenses, etc.) [Note 4]</i>	\$ 1,075,000	\$ -	\$ 1,075,000
Total Expenditures	\$ 37,353,050	\$ -	\$ 37,353,050

Federal Funding Allocation Outstanding	\$ -
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Note 1:

Please include any expenditures relating to salaries or benefits under this category.

Note 2:

Under this category, please include expenditures relating to staff (including substitutes and custodians) which are needed for additional cleaning due to Covid-19.

Note 3:

This includes additional expenditures for transportation due to Covid-19. Examples: cleaning for buses, routing

Note 4:

Remote Learning Support (Technology costs: equipment, licenses, etc.): non-salary expenditures (primarily technology requirements) related to supporting remote working and online education.

COVID-19 Forecasted Operating Costs Update

COVID-19 Forecasted Operating Costs Update	Total	Breakdown of Federal Safe Return to Class Fund				Notes
	Estimated Costs 2020-21	Actual Costs*	Committed Costs**	Forecasted Costs***	Total	
		SEP-20 to OCT-20	NOV-20 to AUG-21	NOV-20 to AUG-21		
Additional Learning Supports (Staff and Substitute						
Additional certificated staff (temporary assignment to support quarterly model)		3,485,164	18,086,134		21,571,298	1
Additional supply staff (coverage of school staff's sick time)		481,884	-	1,500,000	1,981,884	2
Additional school support staff		79,427	196,475	321,285	597,187	1
Curriculum development (K-9 and high school online resources)		713,217	4,136,414		4,849,631	3
	\$39,890,000					\$29,000,000
Adaptation of Learning Spaces:						
Additional storage requirements		32,668	-	493,182	525,850	4
Rental and maintenance of portable sinks		-	163,650	750,000	913,650	5
Social distancing and safety marking products		10,500	-	50,000	60,500	6
	\$2,500,000					\$1,500,000
Testing (Temperature Checks/ Swab Test):						
Mobile testing		56,847	-	443,153	500,000	7
	\$1,250,000					\$500,000
Facility Alterations (Air Systems)/ Utility Costs:						
Increased utilization of ventilation systems		-	-		-	8
	\$3,000,000					\$0
Personal Protective Equipment (masks/ faceshields etc.)						
		214,277	-	1,535,723	1,750,000	6
	\$2,000,000					\$1,750,000
Cleaning Supplies & Sanitization:						
Additional disinfection systems		236,912	-	400,000	636,912	6
Additional sanitation and cleaning supplies		360,407	-	530,731	891,138	6
	\$2,750,000					\$1,528,050
Additional Cleaning & Custodial:						
Additional custodial staff		209,711	1,385,360	404,929	2,000,000	1
	\$5,510,000					\$2,000,000
Transportation (Cleaning and Routing)						
		-	-		-	9
	\$3,000,000					\$0
Remote Learning Support (Technology costs: equipment, licenses, etc.):						
Additional software licenses (assist with working remotely and online education)		344,280	-	11,701	355,981	10
Additional learning devices (to assist students and teachers with online education)		719,019	-		719,019	10
	\$2,350,000					\$1,075,000
Additional Equity Fund						
		-	-		-	11
	\$6,000,000					\$0
Subtotal - Forecasted additional costs	\$68,250,000	\$6,944,313	\$23,968,033	\$6,440,704	\$37,353,050	\$37,353,050
LESS: Federal Funding "Safe Return to Class Fund"	-\$37,353,050					
Potential balance to be covered through current year operations or through access to our operating surplus	\$30,896,950					

* Actual costs reflect expenses that have been received or incurred during the period.

** Committed costs reflect expenses that have been committed to for services or goods that will be received during the future period.

*** Forecasted costs reflect expenses that are anticipated to be received or incurred but where no commitment currently exists.

NOTES:**1 Staffing requirements (actual and committed costs)**

Actual cost reflects the comparison of actual payroll data from September 1 to October 31, 2020, against 2019 payroll data from the same period. The incremental change from the prior year was deemed to be the additional staffing costs incurred due to the COVID-19 impact. Committed costs represent the completion of the school year for staff currently in contract positions with the Division using October 2020 payroll to forecast costs to be incurred for the remainder of the year.

2 Additional supply staff (coverage of school staff's sick time)

Actual cost reflects the comparison of actual payroll data from September 1 to October 31, 2020, against 2019 payroll data from the same period. The incremental change from last year was deemed to be the best estimate of the cost for supply staff to cover certificate and non-certificated staff sick time at various schools.

3 Curriculum development (K-9 and high school online resources)

Actual costs includes actual payroll data from September 1 to October 31, 2020, for staff hired in Quarter One, as the majority of them are working on the K-9 curriculum development. Committed costs utilizes the October 2020 pay for the Quarter One staff to forecast the remainder of the year. Additionally, committed costs are also comprised of staff that will be starting in Quarter Two (mid-November), the majority of whom will be working on the high school curriculum.

4 Additional storage requirements

The charges reflect storage and moving costs to remove furniture to increase safety in regards to COVID-19 requirements. Actual costs reflect the amounts paid as of November 5, 2020.

5 Rental and maintenance of portable sinks

The charges reflect the current commitment to date (where a purchase order has been initiated) on the portable sinks initiative. Additional costs are anticipated for the remainder of the school year.

6 Personal and other protective supplies

The actual costs reported reflects charges incurred from September 1 to November 12, 2020, with respects to PPE, cleaning/sanitation supplies, and social distancing markers. In the prior year (2019-2020), approximately \$3.3 million dollars was spent specifically on the above mentioned protective supplies in preparation for 2020-2021.

7 Mobile testing

The charges are for providing mobile COVID-19 testing for any Division employee who has COVID-19 symptoms and are partially based on the number of tests performed. Costs reflect the amounts invoiced as of November 12, 2020.

8 Air ventilation systems

The Division has increased the amount of time ventilation equipment systems are running and increasing the frequency of filter changes (in order to meet the American Society of Heating, Refrigerating and Air-Conditioning Engineering (ASHRAE) standards).

9 Transportation

The Division is currently formalizing supplemental agreements with our transportation carriers with regards to additional cleaning requirements. At this time no items of this nature have been billed and the Division will not be invoiced until the agreements are finalized.

10 Technology requirements

The charges are related to the purchasing of Chromebooks, Google education licenses and other technology supports that are being used to support the needs of online teachers and students. Actual costs are reported as of October 31, 2020.

11 Additional Equity Fund

To date no significant costs have been incurred. It is likely the incremental costs as compared to prior years will be realized as the fiscal year presses on and COVID-19 further adversely impacts the opportunity for schools to deliver on priority projects/initiatives.