

Date	December 9, 2025
To	Board of Trustees
From	Ron Thompson, Superintendent of Schools
Subject	Proposed School Budget Amendment and Additional Funds for Infrastructure and Technology Projects for 2025-2026
Originator	Todd Burnstad, Chief Financial Officer
Resource Staff	Ariff Asaria, Jeremy Higginbotham, Ernest Kwan, Amanda Wong, Christopher Wright
Reference	Education Act - Section 139 2024-25 Funding Manual for School Authorities Board Policy CO.BP Fiscal Oversight and Accountability Administrative Regulation CVB.AR Guidelines for Surplus Funds for Central and School Decision Units

ISSUE

School divisions are obligated to submit a balanced budget and to operate within the funds the Division has available. This fundamental principle is monitored and enforced by Alberta Education and Childcare.

Based on the Division's audited financial statements for the year ended August 31, 2025, schools ended the year with a net surplus of \$15 million and central decision units with a net surplus of \$10.7 million.

As such, Administration is proposing one-time funding allocations to schools and Infrastructure and Technology and Information Management (TIM) that would be distributed in the form of budget amendments. These amendments would provide access to these funds in addition to the approved [2025-2026 Approved Budget](#).

RECOMMENDATION

1. That a one-time school budget amendment for \$15 million, to allow schools to access their operating surplus from 2024-2025 to support staffing and classroom supports in 2025-2026, be approved
2. That a one-time budget amendment of \$8.8 million to the Infrastructure and Technology and Information Management (TIM) central units to support infrastructure and technology improvements in support of schools be approved.

BACKGROUND

In accordance with the *Education Act*, the Board is responsible to ensure effective stewardship of the Board's resources. [Board Policy CO.BP Fiscal Oversight and Accountability](#) provides direction for the Division in support of this responsibility, and includes direction:

- For the management of Division finances to be based on a foundation of integrity, prudence and public accountability.
- For the Board to approve:
 - The annual distribution of funds and any updates that are required throughout the year.
 - The annual operating budget and any expenditure of \$1.2 million or more that is not accounted for in the current year budget (in alignment with Board Policy [CHA.BP Delegation of Authority](#)).

A school board's Accumulated Operating Surplus (AOS) is the total amount of money a school division has saved over time because of conservative budgeting and unspent funds.

The Division started the 2024-2025 school year with an AOS of \$36 million (which represents approximately three per cent of our total operating expenses). The Division reported an additional operating surplus of \$36 million during the 2024-2025 year as a result of unforeseen events including:

- Provincial adjustments to some grant funding rates subsequent to the Division's approved budget, resulting in additional revenue for the Division.
- Reduced staffing-related expenses due to support staff labour action.
- Reduced Operations and Maintenance expenses as a result of: lower insurance-related incidences, milder temperatures, a change in the way the Division purchased electricity and the elimination of the carbon tax.
- Timing delays related to the hiring of staff, for both schools and central cost centers, partially due to lack of qualified applicants applying for open positions.
- Higher than anticipated investment income.

These factors resulted in the Division ending the 2024-2025 with an AOS of just under \$72 million or 5.5 per cent of our operating expenses. This brings us close to the six per cent maximum threshold limit allowed by Alberta Education and Childcare without having to seek an exception or the requirement to seek Ministerial approval before accessing surplus funds (per the [2024-2025 Alberta Education Funding Manual, Section K3](#)).

During the support staff labour action, schools experienced reduced staffing costs for nine weeks. After job action ended on March 19, 2025, some staffing levels remained lower than they were prior, which resulted in further unanticipated reductions in staffing costs, totalling \$15 million. For comparison purposes, schools ended the 2023-2024 school year with a net surplus of \$1.8 million.

RELATED FACTS

The current [Administrative Regulation CVB.AR](#) does not permit individual schools or central decision units to carry forward any unused funds between fiscal years. Earlier versions of the Division's Administrative Regulation CVB.AR allowed for schools and central decision units to carry forward up to three per cent of their operating surplus between school years. At the same time, schools that ended the year in a deficit were expected to repay the deficit in the following year using their budget allocation. When the administrative regulation was updated to align with legislation changes, schools and central decision units were no longer able to carry forward any surplus and any deficits incurred were also absorbed into the total division ending accumulated surplus balance.

In support of Division Strategic Plan Priorities 1 and 3, if the proposed release of funds for schools is approved, the funds would be directed to facilitate staffing and provide support in the classroom. The budget amendment would provide access to the individual school's ending surplus balance. With these funds being released in December, additional support could be in place as school resumes following the winter break.

There were 24 schools that ended the year in a deficit position. These deficits were absorbed into the overall Division surplus, and although these schools will not be receiving a budget amendment, they will still be able to access funds from the Equity Fund, which is \$10 million for the current school year.

Also in support of Division Strategic Plan Priorities 1 and 3, building on outstanding learning opportunities for all students in safe and welcoming learning environments, funds earmarked for Infrastructure and Technology and Information Management central units would support:

- classroom and facility upgrades that support the student learning environment, enhance security and support programming such as Career and Technology Studies and Career and Technology Foundations
- improving the functional condition of our facilities while reducing deferred maintenance
- enhancements to enterprise technology systems that support parent, student and staff digital experiences and facilitate the management and security of information
- the Division's technology evergreening strategy, optimizing student-device ratios and evergreening core technology system components such as servers and cloud infrastructure

OPTIONS

Based on the information provided in this report, the following options are considered most appropriate:

1. Approve the one-time school budget amendment for \$15 million, to allow schools to access their operating surplus from 2024-2025 in 2025-2026, and/or a one-time budget amendment of \$8.8 million to the Infrastructure and Technology and Information Management (TIM) central units to support infrastructure and technology improvements in support of schools.
2. Approve a different amount to release to schools and/or the Infrastructure and Technology and Information Management (TIM) central units, based on a percentage (for example, release 50 per cent of the proposed amendment amount).
3. Take no action at this time. The funds will remain in the Division's Accumulated Operating Surplus (AOS) balance for future use (subject to Ministerial approval if the balance exceeds the maximum limit).

CONSIDERATIONS and ANALYSIS

The Division is approaching the six per cent maximum limit allowed for our AOS. If the Division exceeds this limit at the end of the 2025-2026 school year, the Division will need to submit a detailed plan to the Minister of Education and Childcare outlining how these excess surplus funds will be used in future years.

The proposed budget amendments, in addition to the initiatives already planned and approved for 2025-2026 that are being funded by accessing the AOS, will result in a projected ending operating surplus of approximately \$38.7 million (equal to approximately three per cent of our total operating expenses) which is in line with the balance reflected in the 2025-2026 Board Approved budget. In other words, the proposed budget amendments offset the higher-than-anticipated ending surplus balance that was realized at the end

of the 2024-2025 school year, and will bring our accumulated balance closer to our projection for the current school year ending August 31, 2026.

NEXT STEPS

If approved, the budget amendment will be processed before the end of December. Schools will then be notified of the amendment and informed that the funds are intended to facilitate staffing and support in the classroom.

TB:ja