EDMONTON PUBLIC SCHOOLS

Recommendation Report

Date	November 24, 2026
To	Board of Trustees
From	Ron Thompson, Superintendent of Schools
Subject	Additional Funds for Infrastructure and Technology Projects for 2026-2027
Originator	Todd Burnstad, Chief Financial Officer
Resource Staff	Terri Gosine, Ernest Kwan, Amanda Wong, Christopher Wright
Reference	*Education Act* - Section 139 2026-27 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, 2026, the Division ended the year with an accumulated operating surplus (excluding School Generated Funds) of $65 million, or just under five per cent of our total expenses as reported in the prior year audited financial statements. As per the Funding Manual, the maximum percentage allowed for operating reserves is six per cent.

As such, Administration is proposing a one-time release of accumulated operating surplus funds to the Infrastructure and Technology and Information Management (TIM) departments that would be distributed in the form of budget amendments. These amendments would provide access to these funds in addition to the approved 2026-2027 Approved Budget.

RECOMMENDATION

That a one-time budget amendment of $12 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 for ensuring 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 2025-2026 school year with an AOS of $72 million (which represents approximately 5.5 per cent of our total operating expenses). The Division reported an operating deficit of $7 million during the 2025-2026 year, bringing the AOS to $65 million or just under five 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 2026-2027 Alberta Education Funding Manual, Section K3).

For the current school year, the Province has provided additional targeted grants to address class size and complexity in schools. For 2026-2027, these grants have provided $78 million for the Division to be used to hire additional staff. As these grants were province-wide, school divisions like Edmonton Public Schools are experiencing timing delays related to the hiring of staff. Although these grants are targeted and can only be used for the intended purpose, they are drawing on the same staff that the Division would have been hiring as part of normal operations, which will result in the Division generating a surplus.

RELATED FACTS

The current Administrative Regulation CVB.AR, Guidelines for Surplus Funds for Central and School Decision Units , does not permit individual schools or central decision units to carry forward any unused funds between fiscal years. Earlier versions of 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 Priority 1, ‘Expand impactful and innovative learning for all students’, and Priority 3, ‘Centre good relationships to enhance belonging, safety and well-being for students and staff’, 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

- enhancing Division technologies that elevate digital learning for students and educators, empower parents and guardians to support their children's learning journeys, and strengthen protections for student privacy and online safety.

OPTIONS

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

1. Approve the one-time budget amendment for $12 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 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 2026-2027 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 amendment, in addition to the initiatives already planned and approved for 2026-2027, that are being funded by accessing the AOS, will result in a projected ending operating surplus of approximately $34 million (equal to approximately three per cent of our total operating expenses).

NEXT STEPS

If approved, the budget amendment will be processed before the end of December.

TB:ja