

Nov. 28, 2019



Board Members

Trina Boymook, Chair

Heather Wall, Vice-Chair

Randy Footz

William (Skip) Gordon

Colleen Holowaychuk

Annette Hubick

Don Irwin

Jim Seutter

Harvey Stadnick

For more information
please contact:

Trina Boymook

Board Chair

P 780 417 8101

Laura McNabb

Director, Communication Services

P 780 417 8204

www.eips.ca



2019-20 Fall Budget Report

The Board approved the EIPS 2019-20 fall budget for the period of Sept. 1, 2019 to Aug. 31, 2020. The Board originally approved the 2019-20 operating budget on June 25, 2019. Every fall, the budget is updated to account for current information regarding enrolment numbers, revenue changes, actual carry-forward amounts, expenses and planned reserve spending. Overall, the EIPS 2019-20 Budget supports the [mission](#), [values](#) and [priorities](#) of EIPS. The complete 2019-20 Budget Report is available at eips.ca/download/218292.

Overview

In June 2019, the Board approved its 2019-20 spring budget. Given the late release of the province's 2019 Budget—tabled in October 2019—the spring budget was based on more assumptions than usual. While a conservative approach was used to develop it, the Division didn't foresee the elimination of two important grants—class-size reduction funding and the School Fee Reduction Grant—totalling \$9 million in cuts.

To partially offset that loss, the province has created a one-time transition grant for all school boards. The grant is meant to help school boards shift to a new provincial funding framework, given the investment in education will hold steady, at \$8.2 billion annually, until 2023. The one-time transition grant is based on two different per-student funding rates: an urban rate of \$203 per student, and a rural rate of \$365 per student. Within EIPS, 59 per cent of students are urban, and 41 per cent are rural. Despite the mix, the province classified EIPS as an urban school division. As such, it's only providing funding at the urban rate—negatively impacting the Division by \$1.1 million.

In addition, EIPS' insurance rates increased by approximately \$1.5 million (274 per cent). The reason: a hardening Alberta market and a higher volume of property losses among subscribers because of weather-related claims such as fires and floods. As a result of both the grant cuts and higher insurance rates, the Division was left with a \$5.5 million shortfall from the spring budget.

Factoring in these variables, EIPS' total 2019-20 operating budget is \$199.33 million, which includes a \$7.96-million draw from its operating reserves. The use of reserves will alleviate issues related to grant changes, support schools and departments and defer the reality of less funding one more year. After such time, the Division's Unallocated Operating Reserve is expected to drop to \$2.61 million, or 1.31 per cent of the total budget, by Aug. 31, 2020, which is below the Board's two per cent threshold. Meanwhile, the projected accumulated surplus is \$11.79 million, as of Aug. 31, 2020—made up of operating reserves (\$4.33

million), capital reserves (\$727,317) and investment in tangible capital assets (\$6.73 million).

Revenue and Expenses

The Division's annual revenue for the 2019-20 school year is \$191.37 million, down by \$4.19 million from the spring budget. The primary reason: The elimination of the class-size funding and the School Fee Reduction Grant. Meanwhile, budgeted expenses increased by \$2.24 million, which is related to higher insurance rates, and planned spending for schools and departments.

In terms of student enrolment, it increased to 17,400, which is up by 230 students from the year previous. For staffing, the number of full-time equivalent employees working within EIPS increased by 0.9 per cent to 1,384 employees. Compensation remains the same, meaning all staff salaries have a zero per cent economic increase, and inflationary costs are related to grid movement and benefits expenses. In total, instruction costs comprise 78.2 per cent of the total budget, which equates to \$9,321 per student. And, the Board and system administration spending is 3.3 per cent of the total budget, which is lower than the 3.6 per cent maximum set by Alberta Education.

Budget 2020-21

Overall, the EIPS 2019-20 budget provides stability for schools and maintains essential services. Looking ahead, EIPS does have difficult choices to make for subsequent budgets—given the new provincial funding framework, the Division's Unallocated Operating Reserve being below the Board's allowable threshold, projected enrolment increases and evolving student needs. Over the coming months, the Board will examine the programs and services it offers within the Division and put plans in place to effectively manage the Division's resources, all under the caveat of supporting students and staff as best as possible.

Alberta Education Fall Budget Update

The Board approved the Alberta Education Fall 2019 Update to the 2019-20 Budget report. Every year, school boards submit a budget update to the province. The report is used by Alberta Education to oversee budgeting and planning processes and financial-monitoring oversight. EIPS' Fall 2019 Update identifies changes made to the budget, such as revenue, expenses, annual surplus, accumulated operating surplus, staff and student enrolment figures since originally approved in June 2019.

Trustee Reports Roundtable

Trustees shared information and highlighted recent events:

- *Vice-Chair Heather Wall* attended several school council meetings, which included questions from parents about the 2019-20 budget.
- *Trustee Annette Hubick* attended a school council meeting at Brentwood Elementary. Parents expressed their appreciation for the Division's response to the provincial budget and concerns about funding for the 2020-21 school year.
- *Trustee Don Irwin* attended the Teacher Board Consultation Committee meeting held on Oct. 28, 2019. Teacher representatives commented positively about messaging issued by the Superintendent following the release of the provincial budget. He also attended several school council meetings—many parents asked how they can support the Division, given the provincial budget.
- *Trustee Jim Seutter* thanked the department of Financial Services for its work preparing the 2019-20 Fall Budget.
- *Trustee Harvey Stadnick* attended Fort Saskatchewan High's Jazz Dinner, which was excellent. He thanked the school for the invitation and congratulated students and staff involved.