

**MAY 20, 2021**

## 2021-22 Budget Report

The 2021-22 Budget Report for Elk Island Public Schools (EIPS) was presented to the Board of Trustees for information. Every spring, the Division prepares a budget for the upcoming school year—based on funding from the province, the *Funding Manual for School Authorities 2021-22 School Year*, projected student-enrolment numbers and corresponding staffing estimates. For the most part, the 2021-22 budget is similar to the 2020-21 spring budget, except it does include cost estimates for COVID-19. Overall, it's a conservative budget—because of the ongoing pandemic and uncertainty about enrolment and other external factors—that supports the mission, values and priorities of EIPS.

### REVENUE AND EXPENSES

In total, EIPS' operating budget is \$197.18 million for the 2021-22 school year—a \$4.36 million decrease from the previous year's fall budget. Of that, \$190.33 million is projected to come from the Division's annual revenue and \$6.85 million from operating reserves (see pg. 1, "EIPS Reserves"). Overall, EIPS' annual revenue is down by \$6.49 million from the previous year. The main budget changes are detailed below.

### KEY REVENUE AND EXPENSES HIGHLIGHTS

- In the 2020-21 school year, EIPS received significant funding from the federal government to help manage costs related to COVID-19—a \$6.11 million on-time Safe Return for Class grant. Because it was a one-time grant, it's not included in the 2021-22 budget.
- Expenses will drop by \$5.23 million—primarily because of the completion of the Wye Elementary demolition project and changes to Infrastructure Maintenance and Renewal (IMR) funding. Essentially, IMR carryforward amounts are lower, and Alberta Education converted some of the money to capital funding, which isn't considered an expense.
- Funding for services and supports will increase by \$1.09 million, earmarked for Program Unit Funding and First Nation, Métis and Inuit education. Plus, Alberta Education launched a new grant for moderate language delays (\$412,000).
- The Bridge Funding for New Framework grant increased by \$790,000. It's uncertain if the grant will continue in the 2022-23 school year.
- School Generated Funds and facility rental revenue will return to normal, similar to the 2018-19 actuals. As a result, fees, gifts, donations, and sales and services will also increase by roughly \$4.2 million.

### EIPS RESERVES

The Division's accumulated surplus is projected to be \$14 million as of Aug. 31, 2022—which includes operating reserves (\$7.53 million), capital reserves (\$690,000) and investment in tangible capital assets (\$5.78 million).

Last year, the province introduced *Bill 5: Fiscal Measures and Taxation Act*. The act requires ministerial approval before school divisions access operating reserves—including School Generated Funds (SGF), schools and departments reserves, allocated reserves and unallocated reserves. What

that means is EIPS can't access its operating reserves beyond what's submitted in the spring budget. As such, the Board's developed a thorough two-year plan for the Division's reserve usage.

As mentioned above, for operating reserves, the Division plans to use \$6.85 million during the 2021-22 school year. Of that, \$2.19 million will help support schools and departments. Another \$4.66 million will help cover costs for professional learning; consultant support; mechanical coolers; non-recurring supplies, services and equipment; and pandemic-related costs, such as a Focus on Learning Loss initiative, developing social-emotional supports for those negatively impacted by COVID-19 and continued COVID-19 cleaning measures.

In terms of capital reserves, the Division anticipates using \$400,000 for ageing equipment at schools and needed information technology. As well, the projected Division Unallocated Reserve is \$1.72 million more than the recommended 2% of operating expenses.

## **SCHOOLS AND DEPARTMENTS**

Looking ahead, EIPS projects a higher student enrolment in September 2021. The Division anticipates a total student count of 17,204, which is up 235 students from the previous year. Meanwhile, it also projects a slight drop in the number of full-time equivalent (FTE) employees working within the Division—dropping to 1,319.57 FTEs from 1,316.84 FTE.

Turning to schools, allocations will change. The reason: increased standard costs, benefit expenses, and changes to Program Unit Funding. Additionally, School Generated Funds will return to more normal levels, similar to the 2018-19 actuals—and will include extracurricular activities. As well, with operations returning to normal, EIPS will no longer offer the out-of-school learning option.

New in 2021-22, schools will use reserves to develop support plans for students negatively affected by COVID-19. Specifically, the Division's launching two new initiatives, each earmarked with \$500,000. The first is a Focus on Learning Loss project. Schools will develop plans to address achievement gaps resulting from the disruption in learning throughout the pandemic. The other initiative involves developing plans to support the social and emotional well-being of students impacted by the pandemic.

For EIPS departments, allocations are also changing. Like with schools, the change is primarily the result of increased benefit expenses and reserve support. Specifically, departments will use reserves to hire consultants to better support students; offer professional learning; conduct work related to Alberta Education's new curriculum; build teacher capacity in literacy; and complete mechanical cooling system in EIPS modular unit classrooms.

In terms of compensation, EIPS anticipates employee costs to stay the same—a 0% increase to staff salaries. However, certificated standard costs will increase by 1.7%—primarily because of grid movement and increases to benefit costs. Similarly, classified standard-cost changes will increase again because of grid movement and benefits costs. As well, the 2021-22 budget projects a slight increase in non-salary inflationary costs for both schools and departments.



# BOARD HIGHLIGHTS

Overall, instructional costs comprise 79% of the total budget, equating to \$9,370 per student. Meanwhile, system administration spending will equate to 2.3% (\$4.45 million) of total expenses, which is below the \$6.30-million targeted grant provided by Alberta Education. All unused funds will go toward other Divisional uses—as per guidelines listed within the *Funding Manual for School Authorities 2021-22 School Year*.

## BUDGET APPROVAL

On May 26, at the regular Board meeting, trustees will discuss the 2021-22 Budget Report further and vote to approve or amend it. Once approved by the Board, schools and departments can begin planning for the upcoming school year. The complete [EIPS 2021-22 Budget Report](#) is available at [eips.ca](http://eips.ca).

*NOTE:* As with all budgets, any changes to funding, reserve usage, enrolment numbers and standard costs can affect the initial budget. As such, in the fall, EIPS will update its 2021-22 budget—no longer a provincial requirement—with the final student-enrolment numbers, revenue and expense variations, carryforward amounts and any reserve spending changes.

## Budget Report: Alberta Education

The Board received for information the Alberta Education Budget Report 2021-22. The report takes the 2021-22 Budget information and consolidates it into a standardized format, which is submitted to the province (see pg. 59, "[Budget Report for the Year Ending August 31, 2022](#)").

## Board Members

Trina Boymook, *Chair* | Colleen Holowaychuk, *Vice-Chair* | Randy Footz | William (Skip) Gordon | Annette Hubick | Don Irwin | Jim Seutter | Harvey Stadnick | Heather Wall

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