



Date: April 24, 2024 **Agenda Item:** 7.1

To: Board of Trustees

From: Shawna Warren, Superintendent

Originator(s): Sean Nicholson, Associate Superintendent, Corporate Services

Governance Policy: [Board Policy 225: Role of the Board](#)
[Board Policy 230: Board Committees](#)
[Board Policy 700: Superintendent of Schools](#)

Additional Reference: *Education Act*

Assurance Domain: Governance

Superintendent Leadership Quality Standard (SLQS)

SLQS Competencies ([SLQS](#) / [Board Policy 700](#)):

School Authority Operations and Resources
Supporting Effective Governance

Subject: **2024 -2025 Budget Assumptions**

Purpose:

For approval. Motion required.

Recommended Motion:

THAT the Board of Trustees approve Budget Assumptions for 2024 - 2025 as presented at the April 24, 2024, Public Board Meeting.

Background:

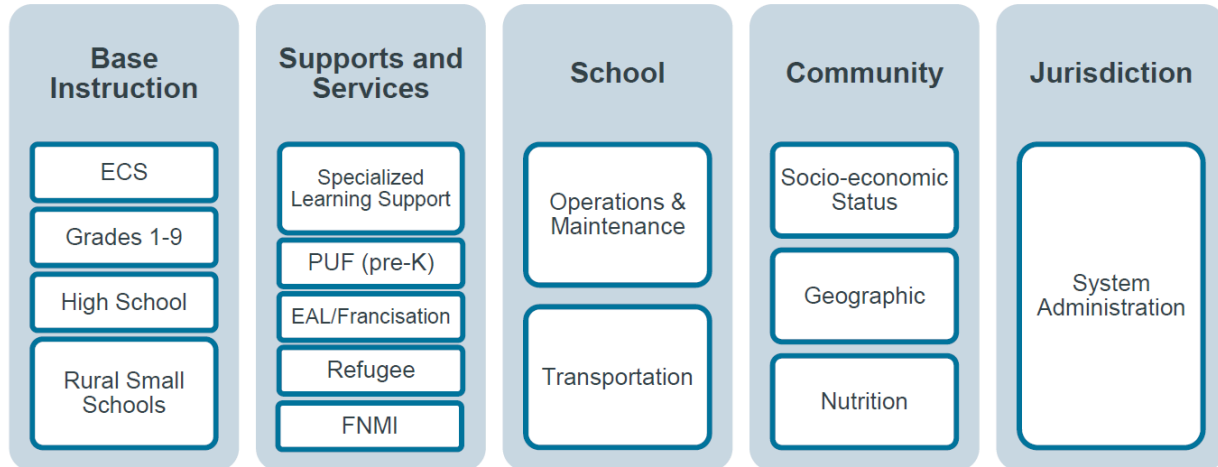
Governance Implication

The Board shall ensure effective stewardship of the Board’s resources, within the context of the strategic plan, approved budget assumptions and establish priorities at the outset of the budget process. As per the Education Act 139(2)(a), the board shall, in each year, on or before May 31, prepare and submit to the Minister a budget for the fiscal year beginning on the following September 1. The Board of Trustees reviews and approves the budget on an annual basis. These assumptions are used to develop the budget and provide information to support these responsibilities.

Alberta Education Funding:

Alberta Education provides funding to school boards through the annual Education Funding Manual for School Authorities. Funding is allocated primarily on a Weighted Moving Average (**WMA**) for instruction, and facilities operations and maintenance. School Boards have the responsibility and are in the best position to determine how to allocate these funds to meet student needs at the local level.

Alberta’s funding model consists of 15 major grant allocations:



Transportation Funding:

Transportation is centrally managed by Transportation Services. Funding for the 2024-2025 school year is currently based on estimates from the division 2023-2024 grant submission. Funding for the 2024-2025 school year will be updated when the 2024-2025 application is complete and approved by Alberta Education.

As per the Funding Manual, transportation funding is targeted funding and must be used for the purpose it was allocated for and cannot be transferred to support other program areas.

Facility Operations and Maintenance Funding:

The Operations and Maintenance (O&M) Grant is provided to school authorities to address the authority’s responsibility for the operation and maintenance, safety and security of all school buildings, including costs relating to the supervision of this program (Funding Manual 2024-2025).

Facility operations and maintenance is centrally managed by the Facilities Services Department. The funding allocation is based on the total projected funding for three grants:

1. Operations and Maintenance (**O&M**) grant.
2. Infrastructure, Maintenance and Renewal grant (**IMR**).

3. Capital Maintenance and Renewal (**CMR**) grant.
 - 2024-2025 funding amount: \$870,644 (2023-2024: \$355,263).

Targeted program allocation supports the day-to-day upkeep of school facilities as well as the maintenance and renewal of Division owned buildings.

Centrally Managed Instructional Programs:

The funding framework provides the flexibility to school boards to utilize the funds in a manner that they deem the most effective use of resources to deliver educational services to its stakeholders. The Board may also direct funds to centrally managed instructional programs to reflect district priorities. The following are centrally managed allocations:

- **Program Unit Funding (PUF):**

A Board may provide an early childhood services program consistent with the goals and standards adopted or approved by the Minister and the Education Act (Education Act, Section 21).

The Early Childhood Services (ECS) Program Unit Funding (PUF) Grant is provided to school authorities for children with a severe disability or severe language delay who require additional supports beyond that offered in a regular ECS program (Funding Manual 2024-2025).

PUF is centrally managed to ensure universal services can be offered and are in place through Occupational Therapists, Speech Language Pathologists and positions as needed. Allocations are given out to schools to support the hiring of Education Assistants but are still monitored centrally.

- **Specialized Learning Supports (SLS):**

A Board, as a partner in education, has the responsibility to provide a continuum of supports and services to students that is consistent with the principles of inclusive education (Education Act Section 33(1)(e)).

The Specialized Learning Support (SLS) Grant provides additional funding for the entire school jurisdiction to provide a continuum of supports and services to children/students in an inclusive learning environment. School jurisdictions are responsible for ensuring their SLS funding is disbursed based on child/student needs related to supports required for learning (Funding Manual 2024-2025).

Learning Supports refers to the mobilization of resources (including expertise, facilities, human and community services) required to demonstrate shared, system-wide responsibility for all children and students, and the application of these

resources to ensure quality teaching and leading and optimum learning for all (Assurance Domain).

Working together as a team of trustees, parents, community, staff and students, we create safe, respectful and collaborative learning environments where students are prepared to meet and excel at the challenges presented by the global community (Policy 105 Vision, Mission and Values).

Funding is also allocated centrally to have trained professionals provide services for support in schools. Support such as Speech Language Pathologist, Therapy Aides, and Occupational Therapists are again common examples. All of the SLS funding for grades one to twelve is provided to schools based on a Tiered System that has been developed to group students of various needs together and fund them at different rates. The Division will contribute additional funding towards SLS out of other funding envelopes to support the needs of the Division.

- **Alternative Programming:**

A board, as a partner in education, has the responsibility to deliver appropriate education programming to meet the needs of all students enrolled in a school operated by the board and to enable their success (Education Act Section 33(a)).

The Board values learning choices, believing that one size does not fit all. The Board recognizes that to prepare students for their futures, we must meet their diverse needs along the way (Board Policy 105 Vision, Mission and Values).

Funding is allocated centrally to ensure the maintenance of specialized programming at the school level such as the CASA Mental Health Service Classrooms, Learning Centres (Outreach Programming, Alternative Programming, Summer School and Home Education) and Specialized Programming.

- **HYPE (Mental Health Capacity Building (MHCB) in Schools Initiative:**

A board, as a partner in education, has the responsibility to collaborate with municipalities, other boards and community-based service agencies in order to effectively address the needs of all students and manage the use of public resources (Education Act Section 33 (1)(f)).

Mental Health Capacity Building (MHCB) works to promote positive mental health in children, youth and families in the communities where they live.

The initiative is based on research and best practice that demonstrates that mental and emotional wellbeing can be developed, nurtured and supported through promotion and prevention efforts.

MHCB programming builds the capacity of knowledge and skills, and bolsters protective factors in children and youth so they can achieve the best possible health outcomes across their lifespan.

Funding is provided by Alberta Health Services and allocated to support student mental health capacity building in schools.

- **Mental Health in Schools Pilot Grant (MHIN Two Year Pilot Program Grant):**

A board, as a partner in education, has the responsibility to establish and maintain governance and organizational structures that promote student well-being and success and monitor and evaluate their effectiveness (Education Act Section 33 (1)(h)).

The Mental Health in Schools Pilot Grant is provided to school authorities to support the development of a school-based services model to integrate and expand access to mental health services for children and youth from elementary to high school (Funding Manual 2024-2025).

Funding is allocated to support the delivery of a continuum of supports and services in schools. Alberta Education announced a two-year pilot project, focusing on supporting the mental health of students in schools. 2024-2025 is year two of the pilot.

- **S.H.I.N.E (Disability services):**

A board, as a partner in education, has the responsibility to collaborate with municipalities, other boards and community-based service agencies in order to effectively address the needs of all students and manage the use of public resources (Education Act Section 33 (1)(f)).

Funding is provided through Family Support for Children with Disabilities (**FSCD**) and is provided through Children and Family Services. Funding is based on allocation and is provided to provide supports to students in schools.

- **Jordan's Principle:**

Is centrally managed and allocation is based on application to the federal government for funding to support First Nations students.

- **First Nations, Métis and Inuit Program (FNMI):**

The First Nations, Métis and Inuit (FNMI) Grant is allocated to assist school authorities in providing system, program and instructional supports while adhering to Assurance Framework requirements. School authorities must plan and monitor education outcomes for First Nations, Métis and Inuit students. The FNMI Grant

enables school authorities to drive the closure of the systemic education gap. The FNMI Grant supports the implementation of Truth and Reconciliation Commission recommendations (Funding Manual 2024-2025).

Funding is allocated to support Indigenous students across the Division.

- **Curriculum & Instruction:**

The Board envisions a well-rounded education where students are motivated and supported to pursue their unique path to future success (Policy 105 Vision, Mission and Values).

Optimal Learning for all Students is the priority for Sturgeon Public Schools. The domains of Teaching and Leading, Learning Supports and Governance support this priority and integrate local context to ensure students of Sturgeon Public Schools meet, and excel at, the challenges presented by the global community (Education Plan 2023-2026).

Funding to support the implementation of the new curriculum in grades 4 to 6 is not captured in the jurisdiction profile but is outlined in the 2024-2025 Funding Manual. The Curriculum Learning and Teaching Resources Grant is provided to school authorities for learning and teaching resources to support the implementation of the new curriculum in grades 4 to 6. The Curriculum Professional Learning and Collaboration Grant is provided to school authorities to support teachers in implementing the new curriculum. Grant funding will be calculated using the actual September count date enrolments for the current school year.

Funding is allocated to:

- support student growth and achievement to ensure students achieve provincial learning outcomes and demonstrate strength in literacy and numeracy within real-world applications;
- ensure effective student assessment and evaluation practices; and
- support teacher mentorship and new curriculum implementation.

2023-2026 Education Plan

- **School Leadership Support**

The Board values excellence in teaching (Policy 105 Vision, Mission and Values).

Research indicates that leadership development has a positive effect on school and student performance. School leaders who are granted the autonomy to make important decisions require leadership support. When the core responsibilities of leadership are defined, school leaders are able to respond with practices which improve teaching and learning.

Funding is allocated to ensure teaching and leadership excellence occurs in all schools for the success and high achievement of students. This includes providing professional development opportunities and working alongside school Principals in the development of instructional practice, supervision of staff and scheduling and planning for the successful operation of a school facility. This also includes creating opportunities for Vice Principals and aspiring Sturgeon Public leaders to build capacity and community in alignment with the Division's vision and values.

- **Technology Services:**

Funds are allocated to support technology services for Division Office and schools. These services include the maintenance of the networks, maintenance of software licenses, purchases of computer hardware, Division website maintenance, virtual learning support and other technology services.

- **Other Centrally Managed Items:** Other items like Insurance, Board Pooled Staffing (Maternity Leave, Sick Leave, Secondment), Amortization, Alberta Teacher Retirement Fund (ATRF), Communications, Occupational Health & Management are centrally managed.

School Allocation:

The majority of education funding is allocated to schools to meet the needs of student learning. The Budgeting Principles Allocation Model provides equitable resource distribution to each school based on the following principles:

- Equity: The Board allocates resources equitably to all schools based on the learning needs of all students.
- School principals are learning leaders and are responsible for utilizing allocated funds in a prudent and effective manner to deliver learning services.
- The basis of allocation is primarily enrolment driven recognizing the value of a strong basic allocation rate.
- Additional support is provided for unique student learning needs, including English as an Additional Language (EAL) and students with complex learning needs.
- The basis of allocation to schools and allocation rates will be reviewed and updated annually based on available funding from Alberta Education.

This is a funding allocation model only; the allocation factors below do not represent targeted spending. Each school can utilize its funding allocation, with proper consultation within its community, in the best way possible to meet student needs so that the goals of the Board can be achieved.

- **Certificated Staff Allocation:**
Funding allocation to schools based on the Weighted Moving Average (**WMA**) derived from the planned class size and the standard cost for teachers. Allocations are based on the funded enrolments and the WMA.
- **School Support Staff Allocation:**
Funding allocation to schools is based on a per-student rate derived from the support staff FTEs per student. Allocations are based on the funded WMA only and the projected standard cost of school-based support staff.
- **Finance Clerk Allocation:**
Each school is provided an allocation to support a Finance Clerk position to handle the financial needs of each school.
- **School Principal Allocation:**
Each school is allocated a Full-Time Equivalent (FTE) for principal administration time. Removing teaching assignments allows more time for Principals to build their capacity to be instructional leaders. Principals, however, with permission from the Superintendent, may choose to teach classes.
- **School Vice Principal Allocation:**
Each school is provided an allocation for Vice Principal administration time based on the WMA of the school. These allocations range from 0.50 to 2.00 depending on the school size.
- **Operating Budget Allocation:**
Each school is allocated an operating budget (Supplies Budget) of four to eight per cent of the above allocations for operational expenses.
- **School Counselor/Social Worker Allocation:**
Each school is provided a base allocation to support counseling/social work in the schools and the allocation increases with the WMA of the school.
- **Learning Support Lead (LSL) Allocation:**
Funding is allocated to schools to support teachers, parents and students to ensure Individual Program Plans, Learning Plans, student assessment and program coordination are in place for students with additional learning needs. This allocation is based on the number of needs identified in the school by the Learning Services Team in collaboration with the school principal.

- **Other Allocation:**

Other Allocations may be provided for items such as Nutrition Programs, School Council Engagement and Dual Credit as funding is received based on students or application for funding.

Administration is prepared to respond to questions at the April 24, 2024, Public Board meeting.

Attachment(s):

1. 2024-2025 Assumptions and Risk Summary

The following table outlines the assumptions used to develop the 2024/2025 operating budget for The Sturgeon Public School Division, the basis for the assumption and the risk associated if the assumption is not correct.

2024/2025 Budget Assumptions and Risk Summary			
Category	Assumption	Basis for Assumption	Associated Budget Risk
Revenues and Resources Available:			
Operating Reserves	The Division maintains operating reserves within the caps identified by Alberta Education.	<p>The Division is required to have a minimum operating reserve balance of 1% of the prior year's total audited operating expenses and a maximum of 3.77% of the prior year's audited operating expenses for the 2023-2024 school year.</p> <p>The maximum limit is increased to 6% for the 2024-2025 School Year</p>	Any reserves in excess of the reserve limits will require approval to carry forward or will be clawed back by Alberta Education.
Alberta Government Funding	Funding is calculated based on the 2024-2025 funding manual.	The funding manual drives the methodology for determining the Provincial funding for the Division.	The risk of the funding manual changing in a year is low, but the Division receives the majority of its funding and any changes to the provincial funding manual could have a significant impact. Stabilization funding is an example of this.

<p>Enrolment</p>	<p>The Division enrolments are projected to increase by less than 1% for the upcoming year.</p>	<p>The Division enrolments have been estimated using Barager, feedback from school leaders and historical data.</p>	<p>The risk is high as funding is based on the WMA enrolment. Any change in the estimate will affect the funding received through an adjustment in February/March.</p>
<p>Transportation Program</p>	<p>Transportation operates within its funding envelope (grants and fees).</p>	<p>The cost of running the regional transportation system will be supported through transportation grants and transportation user fees. Service will be adjusted as required to operate within the funding envelope.</p>	<p>The risk is high. Variables such as ridership and the impacts of inflation elevate the risk.</p>
<p>Operations & Maintenance / Infrastructure Maintenance Renewal Funding</p>	<p>Operations & Maintenance will attempt to operate within the funding received.</p>	<p>Operations and Maintenance will adjust projects and services based on the amount of available funding.</p>	<p>Risk is moderate with rising construction costs, inflation and utilities.</p>
<p>Fees</p>	<p>School and Transportation fees are set at cost recovery.</p>	<p>The sites forecast fee for the following year is based on the best information available at the time.</p>	<p>The risk is high for Transportation fees as final ridership is unknown and the impact of inflation could change rapidly along with changes in funding from the Government of Alberta will cause the division to look at all of the transportation rates.</p> <p>The risk is low for School fees as they are charged on a cost recovery basis and expenditures are adjusted as needed.</p>

<p>Other Revenues</p>	<p>Other revenues have been based on historical trends and projections.</p>	<p>The Division receives other revenues from the federal government, Alberta Health Services and Children and Family Services. Investment income projections have estimated a three basis point decrease for the upcoming year.</p>	<p>The risk is low as most revenues change with a change in expenses.</p> <p>Investment income risk is moderate as this depends on the Bank of Canada rate increase/decrease.</p>
<p>Expenses:</p>			
<p>Teacher compensation</p>	<p>Average teacher compensation (salary + Benefits) will increase to \$111,070 for the 2024/2025 School Year (2023-2024: \$107,820)</p>	<p>A reduction in staff has led to an increase in the cost of current staff.</p> <p>The following benefit rate will increase: CPP Enhancement Program was introduced in January 2024 Extended Health ↑ 11% Dental ↑ 12.% Life ↓ 4% Extended Disability Benefit ↓ 4%</p>	<p>Risk is moderate as a new round of local bargaining has not yet started and the average cost can change as staffing levels change.</p>
<p>Support Staff- Compensation</p>	<p>Average costs will be budgeted on current salaries. Benefits will be budgeted based on forecasted rates by group.</p>	<p>Average salaries are used for all school-based positions and are determined by using actual salaries for current staffing and projected increases. The following benefit rate will increase: CPP Enhancement Program was introduced in January 2024 Extended Health ↑ 11% Dental ↑ 12.% Life ↓ 4% Extended Disability Benefit ↓ 4%</p>	<p>The risk is high. The Canadian Union of Public Employees (CUPE) collective agreement expired on August 31, 2020, and negotiation has not been completed.</p>

Human Resources	Staffing will be budgeted by site, based on the staffing requirements determined by the site administrator, to meet the needs of the students within the allocations provided to the schools.	Staffing decisions are made according to the availability of resources and delivery of educational programming and services.	Risk is moderate as staffing will be based on projected enrolments and school allocations.
Insurance	Rate increases will be at an inflationary level.	The Division's insurance reciprocal (ARMIC) expects rate increases to inflationary levels.	The risk is moderate. ARMIC's rates could change based on the plans' claim history and catastrophic events across the globe.
Utilities	Utilities have been budgeted based on estimated consumption, current usage and projected rates.	Current contract rates were used, and consumption was estimated based on past experience and market projections.	Risk is moderate as the Division is locked into a fixed rate, but usage can vary depending on the weather. Carbon tax increases also increase costs.
Services and Supplies Costs	It is assumed that goods and services costs will increase in 2024-2025. Sites will budget costs within their given allocations.	Inflation has been trending at decade high numbers due to supply chain challenges and Covid-19 issues.	The risk is moderate, inflation will decrease purchasing power.