



**Date:** April 23, 2025 **Agenda Item:** 7.1

**To:** Board of Trustees

**From:** Shawna Warren, Superintendent

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

**Subject:** **2025-2026 Budget Assumptions**

**Recommended Motion:**

THAT the Board of Trustees approve Budget Assumptions for 2025 - 2026 as presented at the April 23, 2025, Public Board meeting.

**Background:**

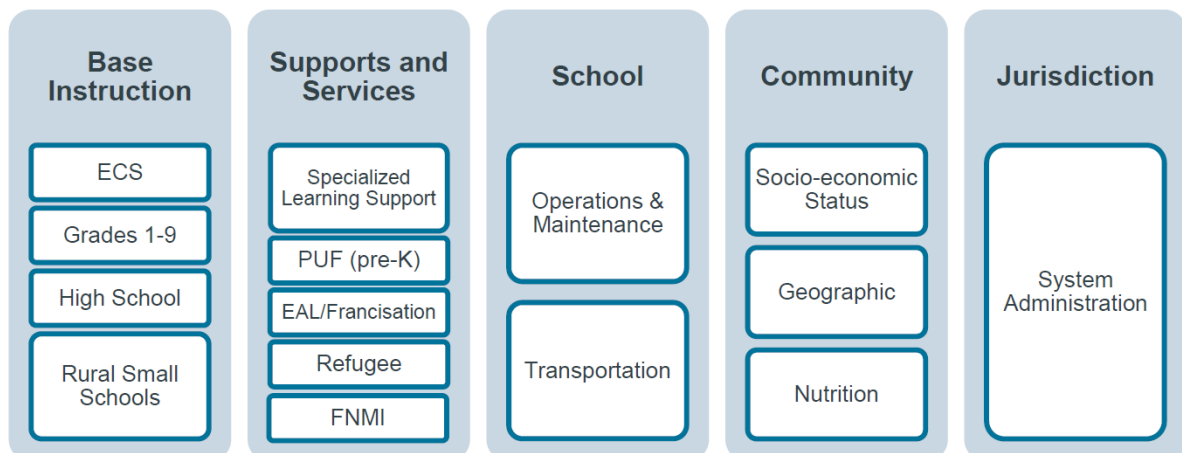
**Governance Implication**

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 an Adjusted Enrolment Method (**AEM**) 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 next school year is currently based on estimates from the division's most recent grant submission. Funding estimates will be updated when the 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.

Facility operations and maintenance is centrally managed by the Facility 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.

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):**

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.

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.

- **Supports & Services (S&S):**

The Supports & Services (**S&S**) Grants provide 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 **S&S** funding is disbursed based on child/student needs related to supports required for learning.

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.

Funds are also allocated centrally to have trained professionals provide services for support in schools. Support such as Speech Language Pathologists, Therapy Aides, Social Workers and Occupational Therapists are again common examples. S&S funding for grades one to twelve is also allocated 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 **S&S** out of other funding envelopes to support the needs of the Division.

- **Alternative Programming:**

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, Building Futures, Summer School and Home Education) and Specialized Programming.

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

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.

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

Funding is provided through Family Support for Children with Disabilities (**FSCD**) and is provided through Children and Family Services. Funding is based on approved contracts 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. This is dependent on approval of funding from the Federal Government or provincial legislation.

- **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. Some funding is allocated centrally to provide common support across the Division.

- **Curriculum & Instruction:**

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.

- **School Leadership Support**

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 the 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.

Equitable access to reliable and secure technology is essential for teaching, learning and operations across the Division. It is assumed that funds will continue to be allocated to sustain core technology infrastructure and services, including network maintenance, device and hardware renewal, software licensing, Division website support and virtual learning platforms. Investment in technology is viewed as foundational to student engagement, staff efficiency and responsive service delivery.

- **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 Division 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 in alignment with their legislative responsibilities as defined in the Education Act and Leadership Quality Standard (**LQS**).
- 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 Adjusted Enrolment Method (**AEM**) derived from the estimated enrolment and the standard cost for teachers. Allocations are based on the funded enrolments and the **AEM**.
- **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 **AEM** 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 **AEM** 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 Counsellor/Social Worker Allocation:**  
Each school is provided a base allocation to support counselling/social work in the schools and the allocation increases with the **AEM** 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.

- **Service and Supports Allocation**

Each school is intended to support specialized learning needs who may require additional support from the school. Four allocations are provided in consultation with Education Services to help support this objective:

- Program Unit Funding (**PUF**): Each eligible school is provided an allocation from the Centrally managed PUF funding to support coded PUF students in their schools.
- First Nations, Métis and Inuit (**FNMI**) Allocation: An allocation is provided to each school based on the number of self-identified First Nations, Métis and Inuit students in their school.
- Specialized Learning Supports (**SLS**) Allocation: Each school is provided an allocation based on a Tiered System that has been developed to group grades one to twelve students of various needs together and fund them at different rates.
- English as an Additional Language (**EAL**): Each school is provided with an allocation based on the number of students who have been assessed as needing additional language support

- **Other Allocations:**

Other Allocations may be provided for items such as Knowledge and Employability Grades 8-12 Allocation (K&E), Nutrition Programs, School Council Engagement and Dual Credit, as funding is received based on students' need or application for funding.

**Status & Relationship to Superintendent Leadership Quality Standard (SLQS):**

This report aligns with the [SLOS](#) in the following way:

- |                    |   |
|--------------------|---|
| <b>COMPETENCY:</b> | (6) School Authority Operations and Resources   |
| <b>INDICATORS:</b> | <ul style="list-style-type: none"> <li>a. providing direction on fiscal and resource management in accordance with all statutory, regulatory and school authority requirements;</li> <li>b. ensuring effective alignment of the school authority's human resources to achieve the school authority's education plan; and</li> <li>e. establishing data-informed strategic planning and decision-making processes that are responsive to changing contexts.</li> </ul>         |
| <b>COMPETENCY:</b> | (7) Supporting Effective Governance   |
| <b>INDICATORS:</b> | <ul style="list-style-type: none"> <li>d. ensuring that the board's plans, resource allocations, strategies and procedures lead to the achievement of its goals and priorities;</li> <li>e. ensuring that the board's fiscal and resource management is in accordance with all statutory, regulatory and board requirements; and</li> <li>f. supporting the board in the fulfilment of its governance functions in the fiduciary, strategic and generative realms.</li> </ul> |

**Governance Implications:****Education Act**

Board responsibilities

33(1) A board, as a partner in education, has the responsibility to  
(i) ensure effective stewardship of the board's resources

Financial reporting to the Minister

139(2) The board shall, in each year, do the following:

(a) on or before May 31, or another date specified by the Minister, prepare and submit to the Minister a budget for the fiscal year beginning on the following September 1

**Funding Manual for School Authorities 2025/26 School Year**

The funding manual assists school jurisdictions, charter schools, accredited funded private schools and private ECS operators in accessing and understanding Alberta Education funding. It provides details on the funding available for the school year and includes applicable formulas, funding rates, criteria and reporting requirements. Funding from Alberta Education supports the provision of approved education programs for students and children in Early Childhood Services (ECS) to Grade 12.

**Policy 225: Role of the Board**

Resource Stewardship

39. Within the context of the strategic plan, approve budget assumptions and establish priorities at the outset of the budget process.

40. Review and approve annual budget and allocation of resources.

46. Approve student fees annually.

**Policy 230: Appendix A - Committee of the Whole**

In addition, the Board gathers privately for professional development, to review the function of the Board and strategic planning purposes. The Board also uses this opportunity to explore matters to a greater depth, seek clarification from Administration and discuss matters requiring a deeper level of understanding prior to consideration of the matter at a Regular Board meeting.

**Policy 700: Superintendent of Schools**

The Superintendent of Schools provides the Board with information, advice, and support required for the fulfillment of its governance role. The Superintendent plays a critical and collaborative role in supporting the leadership of the Board by advising, informing, and supporting the Board to address current and emerging issues.

**Administrative Procedure 400: Budget Development**

The allocation of funds is a consultative process that is key to the system and its schools operating in an effective and efficient manner. The appropriate distribution of funds is a



necessity for a healthy school division. Involvement by stakeholders in the development of the budget process is key to having the final budget understood, accepted and properly administered.

[Administrative Procedure 410: School Budget Allocations](#)

The school allocation of funds shall be administered through a consultative process.

Administration is prepared to respond to questions at the April 23, 2025, Public Board meeting.

**Attachment(s):**

1. 2025-2026 Assumptions and Risk Summary

## 2025/2026 Budget Assumptions and Risk Summary

Category	Assumption	Basis for Assumption	Associated Budget Risk
<b>Revenues and Resources Available:</b>			
<b>Operating Reserves</b>	The Division maintains operating reserves within the caps identified by Alberta Education.	The maximum limit has increased recently to 6% of operating expenses	Any reserves in excess of the reserve limits will require approval to carry forward or will be clawed back by Alberta Education.  There is currently a level of uncertainty around if any fund from the recent Job Action will be clawed back, which will affect reserves balances.
<b>Alberta Government Funding</b>	Funding is calculated based on the most recent funding manual.	The funding manual drives the methodology for determining the Provincial funding for the Division.	The risk of the funding manual changing in year is low, but the Division receives most of its funding and any changes to provincial funding manual could have a significant impact. The removal of Stabilization funding in an example of this
<b>Enrolment</b>	The Division enrolments are projected to see a slight increase but are expected to remain relatively stable for the upcoming year.	The Division enrolments have been estimated using Barager, feedback from school leaders and historical data. Some adjustments have been made based on current registrations	The risk is high as funding is based on the AEM enrolment. Any change in estimate will affect the funding received though an adjustment in February/March of each school year.
<b>Transportation Program</b>	Transportation operates within its funding envelope (grants and fees).	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.	Risk is high. Variables such as ridership and the impacts of inflation elevate the risk. The change in eligibility criteria will result in a loss of funding and how the bridge funding will be provided is currently unknown
<b>Operations &amp; Maintenance / Infrastructure Maintenance Renewal Funding</b>	Operations & Maintenance will attempt to operate within the funding received.	Operations and Maintenance will adjust projects and services based on the amount of available funding.	Risk is High with rising construction costs, inflation, and utilities always in flux.  Recent uncertainty around tariffs will create additional unknown costs
<b>Fees</b>	School and Transportation fees are set at cost recovery.	The sites forecast fee for the following year is based on the best information available at the time.	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. This has been proven with the change in the eligibility criteria for the upcoming school year. A 10% increase in fees has been projected  The risk is low for School fees as they are charged on a cost recovery basis and expenditures are adjusted as needed.
<b>Other Revenues</b>	Other revenues have been based on historical trends and projections.	The division receives other revenues from the federal government, Alberta Health services and Children and Family Services.	The risk is low as most revenues change come with a chance in expenses. Investment income risk is moderate as this depends on the bank of Canada rate increase/decrease
<b>Expenses:</b>			

<p><b>Teacher compensation</b></p>	<p>Average teacher compensation (salary + Benefits) will increase to <b>\$112,800</b> for the 2025/2026 School Year (<b>2024-2025: \$111,070</b>)</p>	<p>A reduction in staff and an increase in benefits has led to an increase in the cost of current staff.</p> <p>The following benefit rate will increase:  Life 4%  Accidental Death &amp; Dismemberment - No Change  Extended Disability Benefits 9%  Extended Health (1%)  Dental (0.25%)  Vision (5%)</p>	<p>Risk is moderate as local bargaining has been completed and the average cost can change as staffing levels change.</p> <p>Historically these increase have been funded by the Government of Alberta</p>
<p><b>Support Staff- Compensation</b></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.</p> <p>The following benefit rate will increase:  Life 4%  Accidental Death &amp; Dismemberment - No Change  Extended Disability Benefits 9%  Extended Health (1%)</p>	<p>The risk is moderate as The Canadian Union of Public Employees (<b>CUPE</b>) collective agreement has recently been ratified</p>
<p><b>Human Resources</b></p>	<p>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.</p>	<p>Staffing decisions are made according to availability of resources and delivery of educational programming and services.</p>	<p>Risk is moderate as staffing will be based on projected enrolments and school allocations.</p>
<p><b>Insurance</b></p>	<p>Rates increases will be at inflationary level.</p>	<p>The Division's insurance reciprocal (<b>ARMIC</b>) expects rate increases to inflationary levels.</p>	<p>Risk is moderate. ARMIC's rates could change based on the plans claim history and catastrophic events across the globe.</p>
<p><b>Utilities</b></p>	<p>Utilities have been budgeted based on estimated consumption, current usage, and projected rates.</p>	<p>Current contract rates were used, and consumption was estimated based on past experience and market projections</p>	<p>Risk is moderate to high as the division is locked into a fixed rate, but usage can vary depending on weather. The removal of the carbon tax should create some cost relief.</p>
<p><b>Services and Supplies Costs</b></p>	<p>It is assumed that goods and services costs will increase in 2024-2025 with imposed tariffs. Sites will budget costs within their given allocations.</p>	<p>Although inflation is still a factor, recent tariffs have created a potential for increased costs. This effect of this is still unknown.</p>	<p>Risk is moderate, inflation will decrease purchasing power.</p>