



FALL UPDATE TO THE 2017-2018 BUDGET

Lethbridge School District No. 51

Department of Business Affairs
November 28th, 2017



Fall Update to the 2017-2018 Budget

What has changed since the legally adopted budget in the spring?

Revenues

Government of Alberta

Government of Alberta revenue increase mainly consists of the following:

- Increased enrolment - \$651,000 (enrolment increased .93% over budget projections from 11,170 students to 11,247 students)
- Increase in overall differential funding grants of \$465,090. Mainly related to Inclusive Learning grant due to increased ESL and enrolment.
- Increase in Projects/Contract revenue due to \$1.254 million Classroom Improvement Fund, Increase in Regional Collaborative Services Delivery (RCSD) grant and School Nutrition Grant for \$115,000.

Fees

Decrease in estimated optional fees at some school sites.

Other Sales and Services

Increase in amount of tuition revenue received from International Students. Increase in the number of students who have paid and committed to attending our district from other countries.

Expenses by Program

Instruction

Increase in Instruction relates to additional staffing hired from the one-time Classroom Improvement Fund received of \$1.254 million. There are 8.33 FTE teachers and 10.37 FTE Support staff positions hired from the Classroom Improvement Fund. Approximately an additional 10.57 FTE teachers and 11.23 FTE support staff were hired to address enrolment growth and other site needs.

Operations and Maintenance

Plant Operations and Maintenance expenditures mainly decreased due to a reduction for amortization on school facilities that needs to be recognized. There was an offsetting reduction in revenue recognized for this purposes in Alberta Education Revenues.

Transportation

No change to budgeted expenditures.

Administration

Increase in Administration relates to adding an Occupational Health and Safety Officer position.

The administration budget represents 3.18% of the total updated budget, which is below the 3.6% limit prescribed by Alberta Education.

External Services

External Services represents the costs of the International Services Program. The increase represents the costs associated with additional international students.

Operating Surplus/Deficit

There is an increase in the operating deficit due to the use of one-time reserve funds in the budget update. Schools and programs, such as Inclusive Education, are utilizing one-time funds to provide services to students.

Accumulated Surplus from Operations

The change in the Accumulated Surplus from Operations (AOS) since the spring report is due to a smaller year-end deficit in 2016-2017 than anticipated, which was the result of additional revenues received during the year and average salary costs being lower than anticipated.

AOS will be lower at the end of August 31, 2018 than originally anticipated due to school sites allocating one-time reserves to enhance budget expenditures. One-time reserves have been allocated to be spent on staffing in Inclusive Education, West Lethbridge Middle School startup costs, Elementary literacy assessment, class size support, plant operations and maintenance utility costs due to new facilities and carbon tax levy costs, and school and program based priorities.

Capital Reserves are less than anticipated at August 31, 2017 and August 31, 2018 due to equipment purchases in 2016-2017 funded from capital reserves.

Expenses by Object

Certificated Salaries and Benefits

This increase represents the hiring of an additional 18.9 FTE teachers, plus an increase in budgeted professional learning costs.

Non-certificated Salaries and Benefits

This increase represents the hiring of an additional 22.8 FTE support staff. This increase is mainly in educational assistant positions.

Services, Contracts, and Supplies

Increase in services, contracts, and supplies relates to the use of one-time funds to replace equipment, furniture, purchase literacy resources, and additional classroom resources and classroom enhancements.

Amortization Expense

Decrease in original estimate of supported amortization due to the age of some of the school facilities and increase in non-supported amortization due to the purchase of equipment and vehicles in 2016-2017. The estimate has been adjusted to reflect the amortization of these capital assets.

Interest on capital debt

Interest on capital debt is the amount of interest on debt that is paid on behalf of the District by the Province of Alberta. Supported Debt is represented by Debentures that were incurred for school facilities construction. This is the last year of debenture payments.

Certificated Staffing FTE

A total of 18.9 FTE teaching staff added in the budget update. Due to the one-time Classroom Improvement Fund grant, teacher FTE increased by 8.33 FTE and due to increased enrolment and class size concerns 10.57 FTE teachers added.

Non-Certificated Staffing FTE

A total of 22.8 FTE support staff added in the budget update. Due to the one-time Classroom Improvement Fund grant, support staff FTE increased by 10.37 FTE. Due to the use of one-time reserve funds, enrolment growth and areas of identified need, an additional 12.43 FTE support staff are added in the budget update.

Eligible Funded Students

Eligible funded students are enrolments that are funded by Alberta Education, not the head count at September 30th. Funded enrolment increased over the May budget at Grades 1 to 12. Funded enrolment decreased at Preschool over original projections.

Highlights of the 2017-2018 budget as compared to the 2016-2017 budget may be found in the Executive Summary to the budget in the November 2017 AERR report.