District Operating BUDGET 2018–19

CHRIST has no body but yours,
no hands, no feet on earth but YOURS.

~ *St. Teresa of Ávila*

The following documents are integral in the development of our District Operating Budget 2018-19

- District Plan for Continuous Growth 2018-21
- Statement of 21st Century Learning
- Katholos – Education for Life for All
- District Guiding Principles for Budget 2018-19
- Three-Year Education Plan 2017-20
- Annual Education Results Report 2016-17
- Three-Year Capital Plan 2019-22
- Audited Financial Statements August 31, 2017
- The Five Marks of Catholic School Identity

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BIBLE

OUR FOUNDATION

The mission of Edmonton Catholic Schools is to provide a Catholic education that inspires students to learn and that prepares them to live fully and to serve God in one another.

Inspired by

- Love of the Father • Faith in Jesus Christ • Hope from the Holy Spirit

We believe in God and we believe

- that each person is created in the image and likeness of God
- that each child is a precious gift and sacred responsibility
- in the goodness, dignity and worth of each person
- that Christ is our model and our teacher
- in celebrating and witnessing our faith
- in transforming the world through Catholic education
- that Catholic education includes spiritual growth and fulfillment
- that learning is a lifelong journey
- that all can learn and develop their gifts
- in building inclusive Christ-centred communities for service to one another
- that all have rights, roles and responsibilities for which they are accountable
- that Catholic education is a shared responsibility in which parents have a primary role

Vision

Our students will learn together, work together and pray together in answering the call to a faith-filled life of service.

Eight Characters of Catholic Education

- Community
- Humanness
- Rationality
- Justice
- Tradition
- Sacramentality
- Spirituality
- Hospitality

Core Values

- Dignity & Respect
- Honesty
- Personal & Communal Growth
- Loyalty
- Fairness

A Statement of 21st Century Learning in Edmonton Catholic Schools

Preparing our students for a world not yet realized

In keeping with our Foundation Statement, the students and staff of Edmonton Catholic Schools commit to 21st century learning. In support of hopeful Christ-centred living, in a society transformed by globalization, technological innovation, and human ingenuity, 21st century learning complements our commitment as a Catholic community of learners, leaders and educators.

Edmonton Catholic Schools fosters faith-based learning that deeply engages all staff and students in 21st century learning opportunities. All facets of the learning system -- curriculum, instruction, assessment, professional learning, accountability and resource allocation -- are in support of 21st century learning. Students will be creative, digitally aware, critical-thinking global citizens, analysts, communicators and producers engaged in learning that is conceptual and authentic within a faith-based environment.

Guided by our moral compass and focused on the common good, students and staff will be self-directed, adaptable, discerning and curious, as they engage individually and collaboratively in 21st century learning.

A Defining Statement of Inclusive Education in Our District - Katholos: Education for Life for All

In accordance with our District Foundation Statement, all *resident students and their parents/caregivers are welcomed into our schools. The Learning Team is committed to collaborating, identifying, applying and monitoring practices enabling all students to reach their potential, spiritually, socially, emotionally, physically and academically within the Programs of Study alongside their peers.

resident student as defined by the School Act

MANAGEMENT DISC AND ANALYSIS

Funding and the Provincial Environment

In its 2018-19 budget, the Province continues to fund districts on a per student rate based on enrolment which provides funding for enrolment growth and supports small class sizes. We are aware of the continued significant fiscal challenges facing the Province over the next few years and we recognize the importance it has placed on education. Our efforts will continue to ensure this funding is focused in the classroom by ensuring all students have the opportunity to reach their full potential.

The District's budget for 2018-19 is forecasting total revenues of $527.7 million and planned expenditures of the same resulting in a balanced budget. The forecast net operating deficit for the current 2017-18 year is projected to be $12.2 million. This operating deficit is mainly the result of increased operational costs over budget in the areas of Early Childhood Services and Grades 1-12 Instruction. A draw-down of prior years' surplus funds will be used to balance the 2017-18 operating deficit. The District is projecting to have $11.6 million of Accumulated Surplus from Operations at the end of the 2017-18 fiscal year or 2.2% of total expenditures.

Student Basic Education Fees and Transportation Fees

The District's school fee policy and fee schedules continue to be subject to the reporting requirements of Alberta Education which include, in part, a requirement to consult with parents before the Board of Trustees sets, increases or decreases any fee or cost. The District continues to be confident that its stakeholder engagement processes meet the requirements of Alberta Education and that parents and students still desire enhanced educational opportunities in particular course offerings.

Beginning in the 2017-18 school year and continuing forward into this year, the Government of Alberta has eliminated transportation fees for those residing 2.4 kilometers or more from the designated school they attend for regular or special education programming; those who have a disability, or disabilities, that prohibit them from using regular transportation services; and children attending an Early Childhood Services program, such as kindergarten, for noon-hour transportation. Further to this, the Government of Alberta continues to subsidize transportation fees for eligible students who take ETS so that they pay only the difference between the cost of a monthly public transit pass and per-student provincial transportation funding. In order to ensure the student transportation system is as efficient as possible, the District is implementing certain changes in 2018-19 including tiered busing at many of our schools as well as increased shared busing with the Edmonton Public School Board (EPSB). Despite these initiatives, a bus pass fee increase of $2 per month for junior and senior high students is needed. The District remains committed to continuing to work closely with EPSB Transportation to realize further efficiencies in providing the best transportation system possible.

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Classroom Improvement Fund (CIF)

In May 2018, the Province announced it would continue the CIF that was first initiated as part of the 2017-18 school year. For 2018-19, the allocation to the District is $4,708,000 as compared to $4,591,000 for 2017-18. In accordance with provincial guidance, the focus of the 2018-19 CIF will be on addressing the classroom experience by hiring teachers and support staff and by supporting students with complex needs and/or English language learners.

Stakeholders' Input

In order to gather input for this 2018-19 Budget, the District continued to actively consult with its stakeholders including parents, principals, and all our employee groups (ATA, Unifor, AUPE and Out of Scope). The feedback received provided important information on allocations, centrally funded support, professional learning, inclusive education programming as well as other issues tied to meeting the diverse needs of our students. We also heard from parents on funding priorities including class size, inclusive education support, funding for technology, school buildings and infrastructure, 21st century learning skills and maintaining a Catholic identity.

The media has continued to report that some groups have concerns with the funding to Catholic schools. We remain committed to our students and parents who have made the choice to support our Catholic schools. Our outstanding academic results, prudent fiscal management, educational innovations, and firm commitment to our Catholic values have been recognized by all our stakeholders. We value this support and continue to advocate for our separate, publicly funded Catholic school districts.

Support for Inclusive Education

As the needs in classrooms continue to increase and be diverse, we have increased our supports in the classroom for the 2018-19 school year. These supports are direct supports and services to our students and are determined based on the student needs and voices of the school teams. As well, as we strive to provide both flexible and responsive pathways to learning, we have increased Programs of Choice for our families that include additional Pathways programs, Genesis Inclusive Support Transition (GIST) Classrooms, Whatever is Needed (WIN) Junior and Knowledge & Employability (K&E) programming. Mental Health continues to be an ongoing focus as well, as ongoing professional development, resources aligned with our Mental Health Strategic Plan, and partnerships with Alberta Health Services continue.

Fiscal Challenges

The Province's current funding does not address all of the District's cost challenges. For example, existing union agreements require the funding of grid movement within job classifications. Our District growth over the last several years has taxed our internal resources; however, we continue to maintain a small and efficient administrative staff. Alberta Education's Funding Manual rates have remained the same for all student categories over the past three years while grid movement and other operational costs continue to climb.

District Cost Containment and Efficiencies

The District also continues to focus on cost containment and efficiencies. Various projects include looking at electrical consumption and savings opportunities for the District as part of a partnership with the University of Alberta, energy management systems to review building performance and bulk ordering opportunities to take advantage of volume discounts.

Budget Process

Our budget process for 2018-19 started in late 2017 with the selection of the Core Budget Committee. This committee is comprised of six principals, two from each division, several members of the senior executive team and employees with expert knowledge of District operations. The committee's role is to prepare, discuss and recommend the priorities and allocation methods that best achieve our District's goals. The process begins with a series of meetings with the Core Budget Committee and subsequently with the senior executive team and the Audit and Finance Committee to compile our final budget. The Audit and Finance Committee is comprised of all the members of the District's Board of Trustees and it recommends approval of the budget to the Board before final approval at a public meeting.

There are many processes that precede the completion of our final budget. These are highlighted as follows:

- We first create and circulate targeted stakeholder surveys. The feedback received is accessed and then incorporated into our budget plan.
- We engage our employee groups in discussions on budget priorities.
- We perform an environmental scan of the economy and review current educational developments.
- We complete a high level risk assessment of concerning issues in the District.
- We update our District Plan for Continuous Growth and review it with the Core Budget Committee, the senior executive team and the Audit and Finance Committee.
- We review all of our Foundational Statements.
- We develop our budget principles.
- We assess the provincial budget and the supporting funding manual rates as well as the goals set out by Alberta Education.
- We determine our enrolment projections and this forms the basis for most funding estimates.
- We set District priorities to align with our educational and Catholicity goals and the goals set out by the Province.
- We determine our centralized supports and department requirements.
- We review our allocation model to ensure there is maximum support for students in the classroom.
- We review our "School Allocation Needs Funding Model" with an advisory committee assessing specific school needs and recommending additional financial support to schools in need.
- We determine, assess and review our budget assumptions throughout our budget preparation.
- We present the budget components at various meetings with the Core Budget Committee, principals and the Board of Trustees Audit and Finance Committee .
- We present our completed budget to the Trustees for approval at a public meeting.

Budget Principles – "Today's Dollars for Today's Students"

Our guiding principles are the basis on which we allocate our funding to ensure every student has the opportunity to reach their full potential spiritually and intellectually:

- We allocate resources to ensure the District can effectively celebrate and promote our Catholicity and provide all students opportunities to understand and realize the treasure of their God given gifts.
- We ensure that all Alberta Education mandated educational requirements are met and we continue to focus on literacy, numeracy, cross-curricular competencies, and conceptual and procedural knowledge within all learning environments.
- We ensure that student success is the direct or indirect focus of all budget allocations.
- We recognize the increasing complexities and diversities of our classrooms and the requirement to appropriately fund these challenges by supporting these needs for all students and staff.
- We plan for the long-term stability of our schools and school communities to ensure future generations have optimal learning opportunities.
- We provide the opportunity for students to have enhanced educational opportunities while ensuring compliance with legislated fee requirements with respect to fees and financial support from the community.

Budget Assumptions

The District's 2018-19 budget is prepared based on the information provided in the Alberta 2018-19 budget and the supplemental information provided in Alberta Education's Funding Manual. The key budget assumptions used for Operating Budget 2018-19 are as follows:

- We will continue to be funded by enrolment using the registered students at September 30, 2018 and our student enrolment will increase by 836 students or 2.0% over 2017-18 actual enrolment.
- We have used the Alberta Education Funding Manual rates and funding formulas.
- The District will continue to fund schools on enrolment and provide additional funding allocations for schools based on assessed needs of students in the classroom.
- Inflationary costs will be managed internally by departments and schools.
- The District's 2018-19 budget includes the CIF Program.
- Our site based funding model will continue our focus on expenditure control and managing our resources efficiently and effectively.
- Basic school fees will continue to not be charged to parents in 2018-19 and the Province's funding will offset this funding not charged to parents.
- Bus fees will not be charged for students attending their designated school if the travel distance is greater than 2.4 kilometers and the Province's funding will fully offset this parent cost. Students traveling to Programs of Choice will continue to pay fees.
- Bus pass fee increase of $2 per month for junior and senior high students is proposed.

Edmonton Catholic School District (ECSD) Goals

Edmonton Catholic Schools District Goal - CATHOLICITY	**Live and enhance the distinctiveness of Catholic education**
ECSD Goal one	**ECSD students are successful**
ECSD Goal two	**ECSD supports First Nations, Métis and Inuit students' success**
ECSD Goal three	**ECSD respects diversity and promotes inclusion**
ECSD Goal four	**ECSD has excellent teachers, and school and school district leaders**
ECSD Goal five	**ECSD is well governed and managed**

OUR BUDGET

Budgeted Statement of Operations with Expenses by Program

Budget 2018-19 is a budget with revenues of $527.7 million and expenses of the same amount. Over 93% of our revenue is dependent on funding provided by the Province. Total budget revenue increased by $18.8 million over forecast 2017-18 revenues, largely as the result of enrolment increases that have affected several funding envelopes. Expenses by Program show that 78.6% of all expenses are directed to instruction, while 2.9% is used for administration.

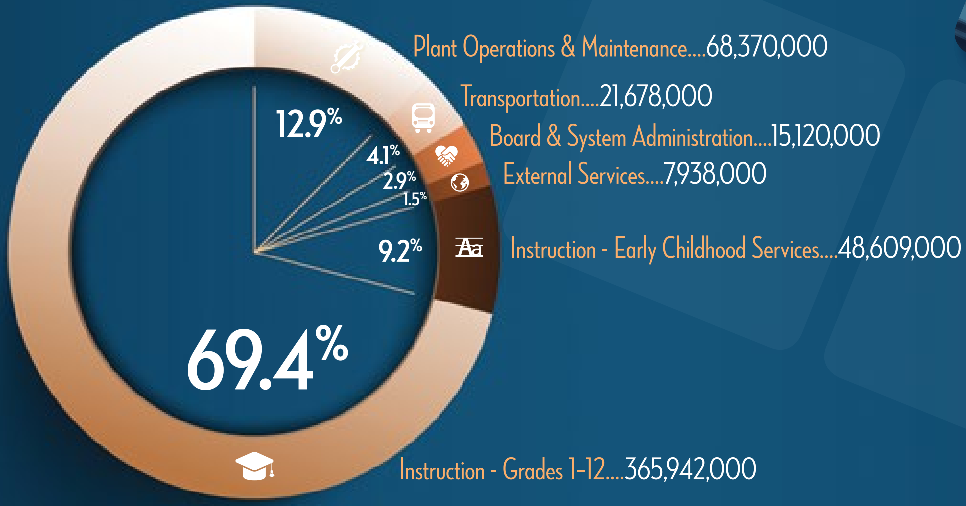
Budgeted Statement of Operations with Expenses by Program	2016 - 17 ACTUAL	2017 - 18 BUDGET	2017 - 18 FORECAST	2018 - 19 BUDGET
REVENUES				
Alberta Education	451,589,429	472,994,000	472,813,000	490,065,000
Other - Government of Alberta	578,528	400,000	431,000	431,000
Federal Government & First Nations	7,488,932	6,804,000	7,373,000	7,867,000
Other Alberta School Authorities	110,000	110,000	110,000	55,000
Fees	15,180,779	12,525,000	14,460,000	14,830,000
Other Sales and Services	5,279,029	5,154,000	5,731,000	5,800,000
Investment Income	558,766	580,000	893,000	800,000
Gifts and Donations	5,210,047	5,500,000	4,154,000	4,802,000
Rental of Facilities	2,051,270	2,585,000	2,547,000	2,555,000
Fundraising	447,821	500,000	389,000	452,000
Gains on Disposal of Capital Assets	-	20,000	-	-
TOTAL REVENUES	**488,494,601**	**507,172,000**	**508,901,000**	**527,657,000**
EXPENSES				
Instruction - Early Childhood Services	44,097,052	41,979,000	48,114,000	48,609,000
Instruction - Grades 1-12	353,682,369	358,118,000	363,216,000	365,942,000
Plant Operations & Maintenance	54,949,616	65,357,000	64,194,000	68,370,000
Transportation	21,053,533	20,276,000	22,656,000	21,678,000
Board & System Administration	14,854,167	14,424,000	15,079,000	15,120,000
External Services	7,644,024	7,018,000	7,852,000	7,938,000
TOTAL EXPENSES	**496,280,761**	**507,172,000**	**521,111,000**	**527,657,000**
OPERATING SURPLUS (DEFICIT)	**(7,786,160)**	**-**	**(12,210,000)**	**-**

Budgeted Statement of Expenses by Account

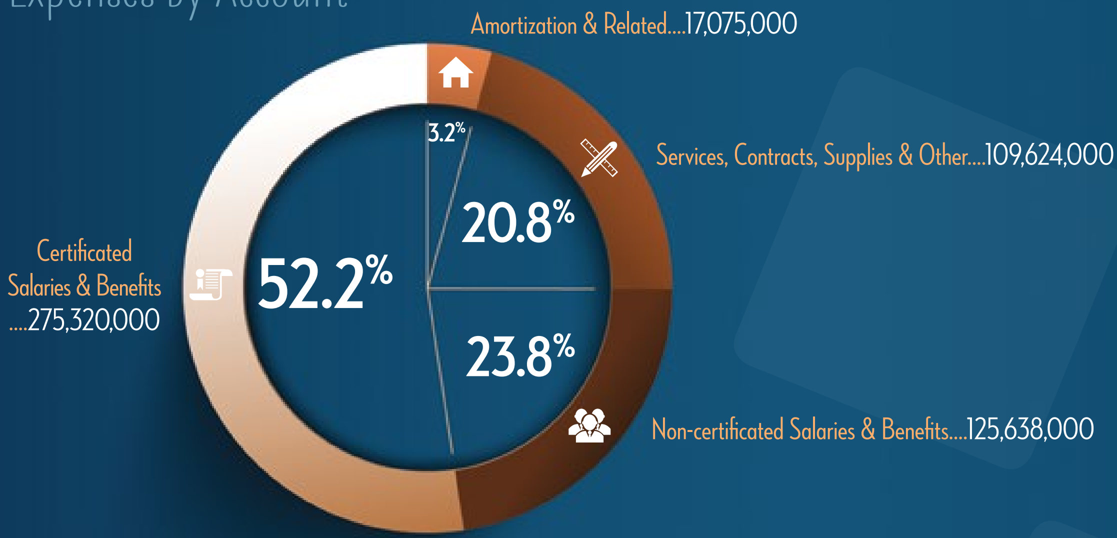
Certificated salaries and benefits account for 52.2% of all budgeted expenses and total salaries and benefits account for 76% of all expenses.

Budgeted Statement of Expenses By Account	2016 - 17 ACTUAL	2017 - 18 BUDGET	2017 - 18 FORECAST	2018 - 19 BUDGET
EXPENSES				
Certificated Salaries	216,337,706	218,246,000	220,923,000	224,160,000
Certificated Benefits	48,957,849	50,124,000	50,421,000	51,160,000
Non-certificated Salaries & Wages	91,575,746	88,813,000	99,970,000	101,435,000
Non-certificated Benefits	22,076,334	21,815,000	23,853,000	24,203,000
Services, Contracts, and Supplies	103,386,579	108,419,000	108,748,000	109,099,000
CAPITAL AND DEBT SERVICES				
Amortization - Supported Assets	9,396,401	14,637,000	12,860,000	13,783,000
Amortization - Unsupported Assets	4,024,370	4,588,000	3,784,000	3,292,000
Interest on Capital Debt - Unsupported	468,580	460,000	460,000	450,000
Other Interest and Finance Charges	11,008	10,000	32,000	15,000
Losses on Disposal of Capital Assets	29,571	20,000	20,000	20,000
Other Expenses	16,617	40,000	40,000	40,000
TOTAL EXPENSES	**496,280,761**	**507,172,000**	**521,111,000**	**527,657,000**

Expenses by Program



Expenses by Account



Alberta Education Funding

Total Alberta Education funding increased by $17.3 million over forecast 2017-18 funding.

Schedule of Alberta Education Funding	2016 - 17 ACTUAL	2017 - 18 BUDGET	2017 - 18 FORECAST	2018 - 19 BUDGET
Base Instruction	283,330,577	291,836,000	288,048,000	294,128,000
Inclusive Education	25,557,923	26,141,000	26,521,000	27,345,000
Severe Disabilities (PUF - Program Unit Funding)	25,303,482	25,660,000	30,228,000	33,164,000
DIFFERENTIAL FUNDING				
ESL Funding	9,913,417	10,512,000	10,445,000	11,064,000
FNMI Funding	3,609,109	3,747,000	3,748,000	3,898,000
Other Funding	6,619,363	12,328,000	12,380,000	12,061,000
Transportation Funding	14,330,530	14,409,000	14,065,000	14,335,000
Plant Operations & Maintenance	29,835,018	30,616,000	30,616,000	31,637,000
Targeted Funding	11,949,057	4,752,000	12,110,000	12,452,000
Infrastructure, Maintenance & Renewal	6,777,979	12,856,000	5,805,000	10,298,000
Capital Revenue Amortization	9,396,401	14,637,000	12,860,000	13,783,000
Alberta Teachers' Retirement Fund	24,966,573	25,500,000	25,987,000	25,900,000
TOTAL ALBERTA EDUCATION FUNDING	**451,589,429**	**472,994,000**	**472,813,000**	**490,065,000**

Fee Revenues*

Schedule of Fee Revenues	2016-17 ACTUAL	2017-18 BUDGET	2017-18 FORECAST	2018-19 BUDGET
Transportation	5,755,333	2,895,000	4,253,000	4,437,000
FEES TO ENHANCE BASIC INSTRUCTION:				
Technology User Fees	10,109	700,000	1,447,000	1,476,000
Alternative Program Fees	2,723,128	2,900,000	2,594,000	2,646,000
Fees for Optional Courses	1,332,788	1,400,000	1,354,000	1,381,000
Activity Fees	1,350,108	1,100,000	998,000	1,000,000
OTHER FEES TO ENHANCE EDUCATION:				
PASS, Summer School, Tutorials	398,051	200,000	79,000	81,000
NON-CURRICULAR FEES:				
Extra-curricular Fees	2,238,066	2,000,000	2,100,000	2,142,000
Non-curricular Goods and Services	280,067	330,000	721,000	735,000
Non-curricular Travel	1,093,129	1,000,000	914,000	932,000
TOTAL FEES	**15,180,779**	**12,525,000**	**14,460,000**	**14,830,000**

** Fee Revenues for 2017-18 Forecast as well as 2018-19 Budget classified in accordance with most recent Alberta Education Guidelines.*

Accumulated Surplus from Operations (ASO)

Schedule of Accumulated Surplus from Operations	2016 - 17 ACTUAL	2017 - 18 BUDGET	2017 - 18 FORECAST	2018 - 19 BUDGET
Surplus - Beginning of Year	24,752,670	20,555,000	19,906,000	11,593,000
CHANGES IN THE YEAR				
Operating Surplus (Deficit)	(7,786,160)	-	(12,210,000)	-
Board Funded Capital Additions	(881,753)	(3,100,000)	336,000	(205,000)
Disposal of Board Funded Capital Assets	29,571	20,000	20,000	20,000
Amortization of Board Funded Assets	4,024,370	4,588,000	3,784,000	3,292,000
Debt Principal Repayments	(233,008)	(243,000)	(243,000)	(253,000)
Net Increase (Decrease)	(4,846,980)	1,265,000	(8,313,000)	2,854,000
Surplus - End of Year	**19,905,690**	**21,820,000**	**11,593,000**	**14,447,000**
Days of Operation held in Operating Reserves	**10.0**	**10.8**	**5.6**	**6.8**
% OF TOTAL EXPENSES	**4.0%**	**4.3%**	**2.2%**	**2.7%**

(Days of Operation = ASO / Total Expenses x 250 Operating Days)

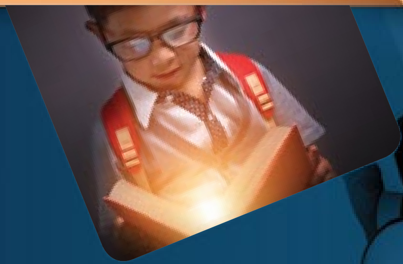
Capital Reserves

Schedule of Capital Reserves	2016 - 17 ACTUAL	2017 - 18 BUDGET	2017 - 18 FORECAST	2018 - 19 BUDGET
Capital Reserves - Beginning of Year	20,892,578	15,892,578	16,144,000	14,018,000
Board Funded Capital Additions	(4,749,050)	(3,400,000)	(2,126,000)	(2,435,000)
CAPITAL RESERVES - END OF YEAR	**16,143,528**	**12,492,578**	**14,018,000**	**11,583,000**
CAPITAL RESERVES PER STUDENT	**417**	**333**	**352**	**284**

Enrolment: Five-Year History and Five-Year Projection

Enrolment increased by 2.0% or 836 students for an expected enrolment for 2018-19 of 43,346 students.

District Enrolment by Grade	2017-18 Enrolment	September 30, 2018 Projected Enrolment	Change in Enrolment
Pre-Kindergarten	1,811	1,828	17
Kindergarten	3,216	3,257	41
Grade 1	3,260	3,258	(2)
Grade 2	3,093	3,227	134
Grade 3	3,254	3,094	(160)
Grade 4	3,092	3,290	198
Grade 5	3,073	3,133	60
Grade 6	3,010	3,113	103
Grade 7	2,886	3,018	132
Grade 8	2,882	2,934	52
Grade 9	2,920	2,945	25
Grade 10	2,869	2,935	66
Grade 11	2,925	2,999	74
Grade 12	4,219	4,315	96
TOTAL	**42,510**	**43,346**	**836**
PERCENTAGE INCREASE		**2.0%**	



	Actual Five-Year Enrolment					Projected Enrolment				
Grade	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Total Enrolment										
Pre-Kindergarten	1,530	1,715	1,754	1,736	1,811	1,828	1,847	1,869	1,888	1,907
Kindergarten	3,005	3,110	3,064	3,247	3,216	3,257	3,387	3,358	3,413	3,506
Grade 1	2,865	3,042	3,170	3,084	3,260	3,258	3,308	3,441	3,404	3,464
Grade 2	2,791	2,854	3,012	3,196	3,093	3,227	3,216	3,265	3,392	3,358
Grade 3	2,680	2,829	2,946	3,029	3,254	3,094	3,242	3,221	3,271	3,393
Grade 4	2,635	2,738	2,868	2,996	3,092	3,290	3,135	3,279	3,250	3,301
Grade 5	2,611	2,693	2,789	2,944	3,073	3,133	3,347	3,187	3,344	3,295
Grade 6	2,523	2,696	2,720	2,830	3,010	3,113	3,173	3,397	3,230	3,393
Grade 7	2,616	2,718	2,758	2,805	2,886	3,018	3,168	3,173	3,411	3,245
Grade 8	2,524	2,663	2,772	2,841	2,882	2,934	3,061	3,209	3,218	3,461
Grade 9	2,750	2,623	2,751	2,845	2,920	2,945	3,000	3,119	3,280	3,279
Grade 10	2,799	2,856	2,715	2,810	2,869	2,935	2,997	3,090	3,166	3,168
Grade 11	2,663	2,865	2,970	2,817	2,925	2,999	3,071	3,107	3,217	3,291
Grade 12	3,435	3,539	3,811	4,153	4,219	4,315	4,379	4,395	4,445	4,615
TOTAL	37,427	38,941	40,100	41,333	42,510	43,346	44,331	45,110	45,929	46,676
Percentage Growth	5.3%	4.0%	3.0%	3.1%	2.8%	2.0%	2.3%	1.8%	1.8%	1.6%

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May 2018