



## MEMORANDUM

April 15, 2025  
Regular Board Meeting

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**TO** Board of Trustees

**FROM** Eric Cameron, Audit Committee Chair

**ORIGINATOR** Scott McFadyen, Associate Superintendent

**RESOURCE** Jason Krefting, Director Financial Services

**GOVERNANCE POLICY** Board Policy 2: Role of the Board  
Board Policy 8: Board Committees  
Board Policy 12: Role of the Superintendent

**ADDITIONAL REFERENCE** BP 2: Resource Stewardship  
BP 8: Appendix 8.5 Audit Committee  
*The Education Act*

**SUBJECT** **2025-2026 BUDGET ASSUMPTIONS**

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### PURPOSE

For approval. Recommendation required.

### RECOMMENDATION

That the Board of Trustees approves the Budget Assumptions for 2025-2026, as recommended by the Audit Committee and presented at the Regular Meeting of April 15, 2025.

### BACKGROUND

The Board of Trustees reviews and approves the budget on an annual basis, performs Board functions required by governing legislation and Ministerial directives, and is responsible to adhere to the Board Annual Work Plan. The Board is required to provide a 2025-2026 budget to Alberta Education by May 31st. These assumptions are used to develop the budget. The 2025-2026 budget assumptions provide information to support these responsibilities.

## **REPORT SUMMARY**

The budget assumptions for the 2025-2026 school year provide the assumptions that the budget is built around. The assumptions include key components of the budget including revenues, allocations to schools, enrolments, and key expenditures including staffing.

Administration or members of the Audit Committee would be pleased to respond to any questions.

SM:nm



**Parkland School Division  
2025-2026- Budget  
Budget Assumptions – April 2025**

The following table outlines the assumptions used to develop the 2025-2026 operating budget for Parkland School Division (PSD), the basis for the assumption and the risk associated if the assumption is not correct.

Category	Assumption	Basis for Assumption	Associated Budget Risk
<b>Alberta Government Funding</b>	Funding is calculated based on the 2025-2026 funding manual.	The funding manual drives the methodology for determining the Provincial funding for PSD.	The risk is high as the provincial government provides the majority the Division’s funding (91%-95%) and any changes to the provincial funding manual could have a significant impact on PSD. The current political climate in the USA may have a negative impact on our government funding.



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<b>Category</b>	<b>Assumption</b>	<b>Basis for Assumption</b>	<b>Associated Budget Risk</b>
<p><b>Teacher compensation</b></p>	<p>Average teacher compensation (salary + Benefits) is \$111,040 excluding the Alberta Teachers' Retirement Fund (ATRF) Pension of \$8,593.</p> <p>The previous compensation rate budgeted was \$110,435 excluding ATRF.</p>	<p>Actual salaries based on the current centrally negotiated items and the collective bargaining agreement, plus forecasted benefit rates and changes on the grid. The increase in ATA salary is covered by the Government of Alberta.</p> <p>The ATRF pension is not included in the Division's average cost as it is fully funded by the government.</p> <p>Benefit rates include the following changes over the prior year:            Canada Pension Plan-Cap ↑ \$2,800,            CPP Enhancement Program- Rate ↑ 4.0% on next \$9,900 above cap,            Life Insurance ↑ 5% (Base Rate ↔0%, PSD forfeit of base rate to surcharge of 5%)            Extended Disability ↑ 10.2% (Base Rate ↑ 5%, PSD forfeit of base rate to surcharge of 5%)            Extended Health ↑ 4.1% (Rate ↑ 4.1%, PSD discount remains at 5%)            Dental ↑ 5.1% (Base Rate ↑ 5.1%, Discount remains at 5%)            Vision ↔0.0% (Rate ↔ 0.0%, Discount remains at 5%)</p>	<p>Risk is high as the current contract expired August 31, 2024. Negotiations are ongoing.</p>



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<b>Category</b>	<b>Assumption</b>	<b>Basis for Assumption</b>	<b>Associated Budget Risk</b>
<b>Federal Government Funding</b>	Funding is calculated based on the average of the actual rates received in 2024-25, the funding manual for 2025-26 and the number of students who are expected to attend for the 2025-26 school year.	The federal government calculates the funding based on the Alberta Education funding manual.	The risk is high as the actual Federal rates are based on multiple variables and actual enrolments. The final calculation, including the rate and the number of students, is not available until February or March of the following year. Jordan's Principle funding within the 2024-2025 year has not been finalized and the Federal Government has changed the approval process making it difficult to accurately budget the amount the Division will receive.
<b>Athabasca Delta Community School (ADCS)</b>	The school will operate within the funding envelope provided through Alberta Education and tuition paid by Athabasca Chipewyan First Nation and Mikisew Cree First Nation.	The Division has a funding arrangement for ADCS with Alberta Education and tuition agreements with the aforementioned First Nations Bands with students attending the school. Budgets for the school and supporting departments will be done based on the anticipated revenues through these agreements.	Risk is high as the actual September enrolments are unknown at the time the budgets are created. In addition, the Division has a large receivable for Tuition that has not been paid, but is expected to be covered by Indigenous Services Canada (ISC). Future funding will come directly from ISC.



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<b>Category</b>	<b>Assumption</b>	<b>Basis for Assumption</b>	<b>Associated Budget Risk</b>
<b>Enrolment</b>	The Division enrolments are projected to be 12,855 students, an increase of 188 students or 1.5% over the September 27, 2024 enrolments.	The Division enrolments have been estimated by advancing students by one grade and applying the average change from grade to grade over the last 5 years. Pre-kindergarten and kindergarten enrolments were based on historical numbers and discussions with the Associate Superintendent, Student Supports & Services.	The risk is medium as funding is currently based on the adjusted enrolment; growth is not fully funded until the second year a student enters our Division.
<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 medium as variables such as ridership and the impact of inflation elevate the risk. The low Canadian dollar is leading to increase costs for our contractors.
<b>Fees</b>	School and Transportation fees are set at cost recovery.	The schools and department forecast fee for the following year is based on the best information available at the time.	<p>The risk is medium 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 PSD to look at all 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>



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<b>Category</b>	<b>Assumption</b>	<b>Basis for Assumption</b>	<b>Associated Budget Risk</b>
<b>Operating Reserves</b>	The Division maintains operating reserves within the caps identified by Alberta Education.	PSD is required to have a minimum operating reserve balance of 1% of the prior year’s total audited operating expenses and a maximum of 6% of the prior year’s audited operating expenses.	Risk is medium as the reserves available to the Division are limited due to the maximum and minimum reserve requirements. This provides less flexibility from one year to the next and any reserves in excess of the operating reserve limits will be clawed back by Alberta Education.
<b>Inclusive Education</b>	The Division allocates funding to the schools and Student Supports and Services to support Inclusive Education within PSD.	Inclusive Education funds are allocated to support all students within PSD. The funds are used for support and services needed to effectively program for our students. Some examples of supports and services include specialized programs (eg, STEPS classrooms and Relating Everyday Academics & Life Skills (REAL) Program), specialized learning supports, professional development for staff and adapted materials.	Risk is medium as identified needs continue to grow and put pressure on existing resources, which may require allocations from other priorities.
<b>Human Resources</b>	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 medium as staffing will be based on projected enrolments and school allocations. The availability of staff may be impacted by the current labour relations environment.



**Parkland School Division  
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Category	Assumption	Basis for Assumption	Associated Budget Risk
<b>Services and Supplies Costs</b>	It is assumed that goods and services costs will increase in 2025-2026. Sites will budget costs within their given allocations.	Inflation has been trending at decade high numbers.	Risk is medium, inflation will decrease purchasing power.
<b>Insurance</b>	Rates increases will be at inflationary level	The Division's insurance reciprocal (ARMIC) expects rate increases to inflationary levels.	Risk is medium. ARMIC's rates could change based on the plans claim history and catastrophic events across the globe (wildfires in Jasper and California).
<b>Support Staff-Compensation</b>	<p>Average costs will be budgeted on current salaries.</p> <p>Benefits will be budgeted based on forecasted rates by group (CUPE, IUOE, Non-union Group and Executive)</p>	<p>Average salaries are used for all school-based positions and are determined by using actual salaries for current staffing.</p> <p>Benefit rates include the following changes over the prior year:</p> <p>Canada Pension Plan-Cap ↑ \$2,800,            CPP Enhancement Program- Rate ↑ 4.0% on next \$9,900 above cap,            Life Insurance ↔ 0.0%            Accidental Death/Dismemberment ↔ 0.0%            Long-term Disability ↑ 4.0%            Extended Health ↑ 4.0%            Dental ↑ 4.0%            Local Authorities Pension Plan ↔ 0.0%</p>	<p>Risk is low.</p> <p>The Canadian Union of Public Employees (CUPE) collective agreement expires August 31, 2028.</p> <p>The International Union of Operating Engineers (IUOE) collective agreement expires August 31, 2028.</p>





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<b>Category</b>	<b>Assumption</b>	<b>Basis for Assumption</b>	<b>Associated Budget Risk</b>
<b>System Administration</b>	System and Administration is targeted funding and the Division must operate within the target.	System and Administration spending is restricted as per the funding manual.  System and Administration covers Board Governance, Office of the Superintendent including Instructional Service and Educational Administration, Business Administration, General Services Management, and the administrative building.	Risk is low as the Division has been able to meet our needs within the administration funding.
<b>Allocation Model</b>	The Division has an allocation model to distribute revenues to our schools in an equitable manner using a combination of fixed and variable allocations	The fixed allocation provides every school, regardless of size and location, the resources to provide a quality education. The variable allocation provides funding for each student above a base threshold. Other allocations provide funding to address areas that the Division has identified as requiring additional support (K-4, FNMI, CTF, Inclusion).	The risk is low as funding is based on the funding manual and the allocations are based on Division needs.
<b>Utilities</b>	Utilities have been budgeted based on estimated consumption and current rates.	Current contract rates were used, and consumption was estimated based on past experience.	Risk is low as the Division has a contract where a portion of rates are based on market rates until December 2025. The Division is currently working on finding a new contract when existing one expires.



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<b>Category</b>	<b>Assumption</b>	<b>Basis for Assumption</b>	<b>Associated Budget Risk</b>
<b>Operations &amp; Maintenance / Infrastructure Maintenance Renewal Funding</b>	Operations & Maintenance will operate within the funding received for both operating and Infrastructure Maintenance Renewal (IMR)	Operations and Maintenance will adjust projects and services based on the amount of available funding.	Risk is low as funding increase will help to offset inflation, supply chain issues and rising utility costs.