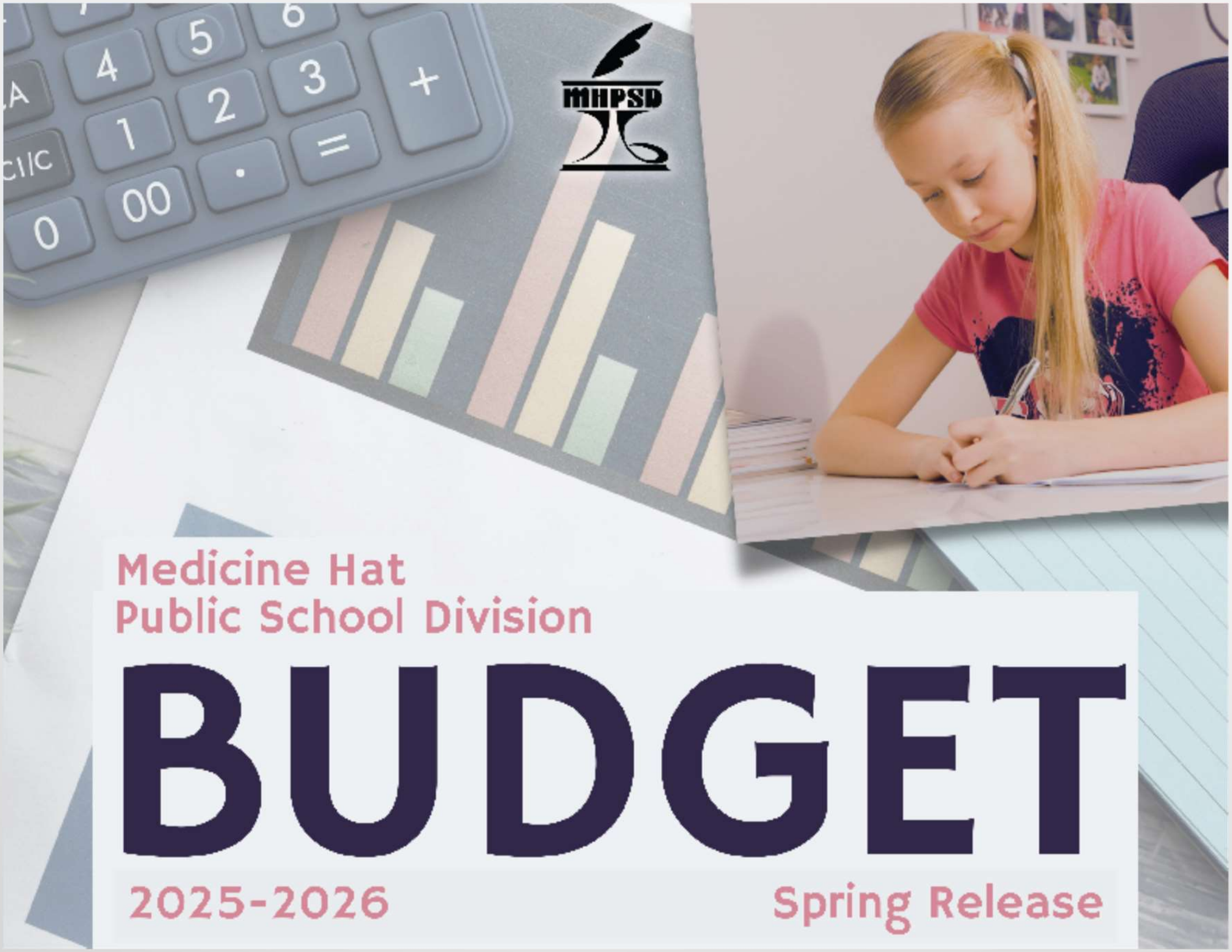
Enclosure No. 2

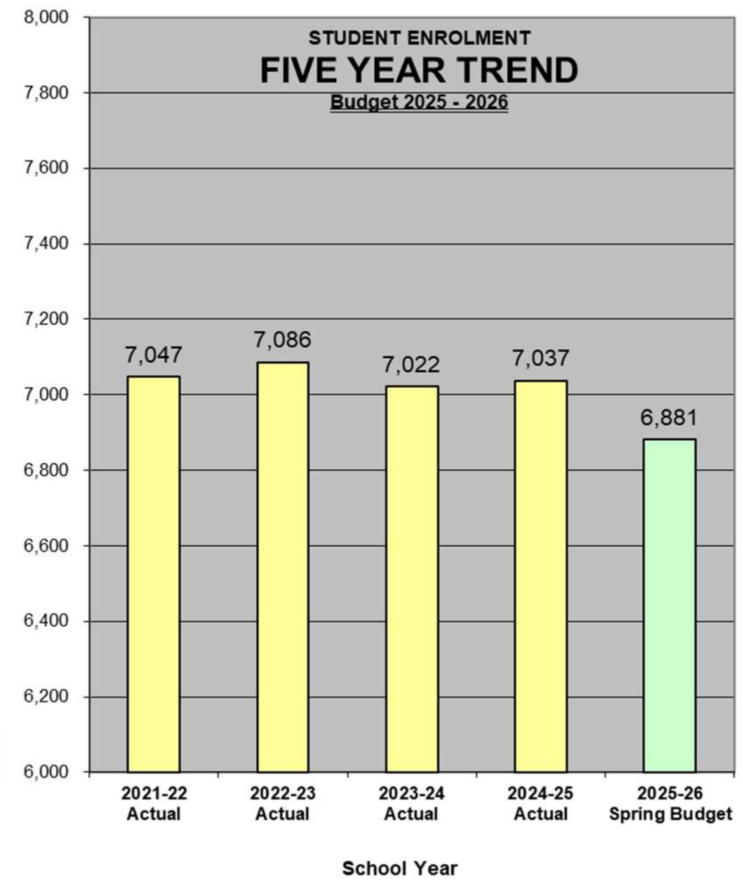


Board Meeting – May 27, 2025

Enrolment

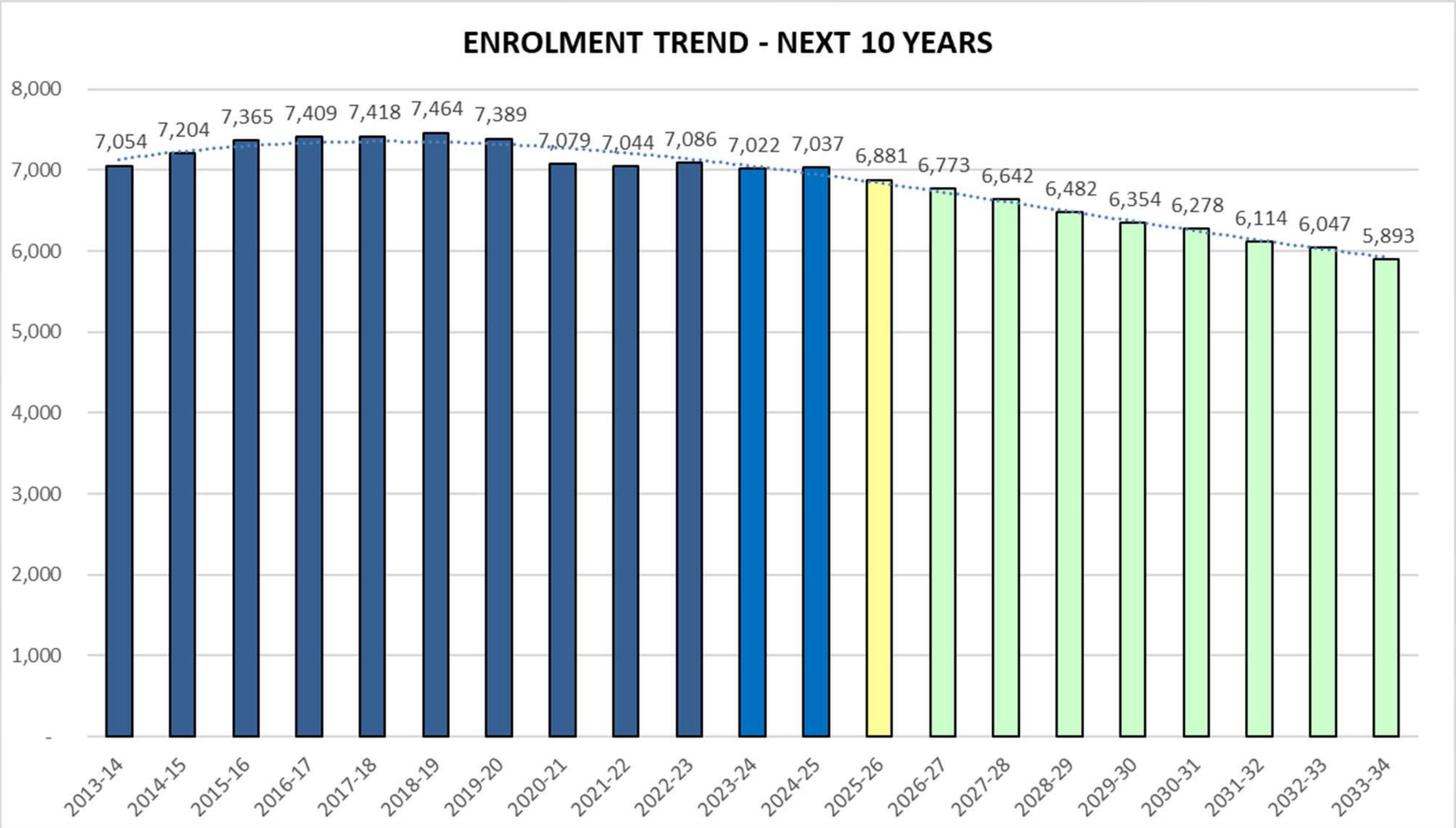
Enrolment

	2024-25 Fall Actual	Increase/ (Decrease) from Prior Year	2025-26 Spring Budget
Pre-Kindergarten (Community/ELP)	309	(10)	299
Kindergarten	378	12	390
Traditional Schools - Grades 1-12	5,900	(101)	5,799
Other Programs (HUB/Coulee Collegiate)	351	(58)	293
	6,938	(157)	6,781
International Students	99	1	100
	7,037	(156)	6,881



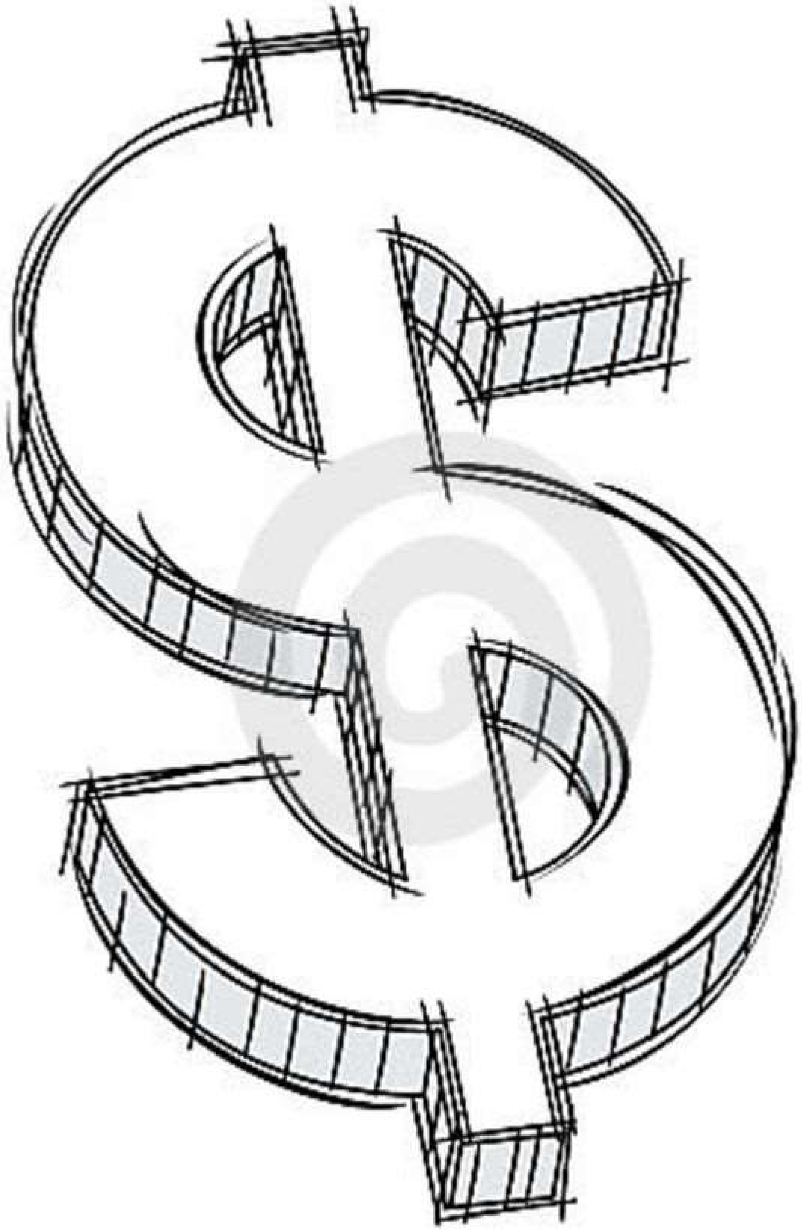
5 Year Reduction = (166) Students

Enrolment Cont.

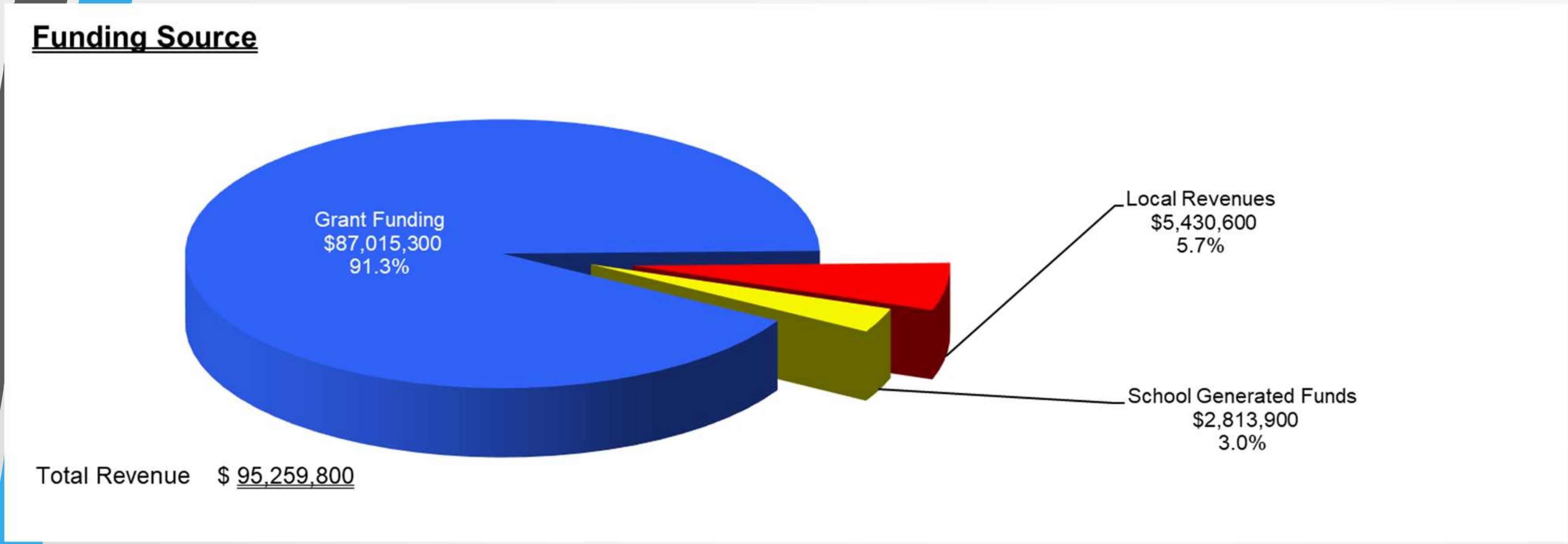


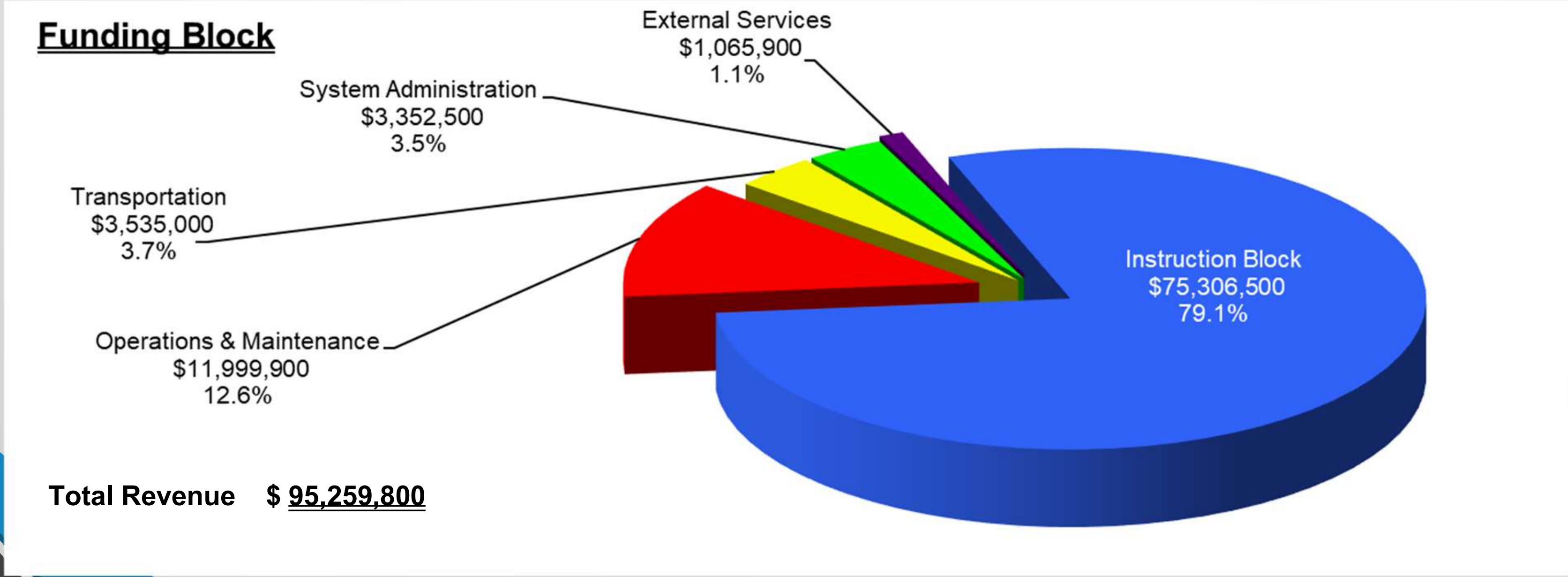
The GOA workforce planning data projects a decline in enrolment over the next 9 years based on population growth in Medicine Hat.

REVENUE



Revenue Sources





GRANT REVENUE

	Fall Budget 2024-25 (Current Year)	Increase (Decrease)	%	Spring Budget 2025-26 (Next Year)
Summary				
Instructional Block	$ 68,090,600	$ (58,500)	(0.1%)	$ 68,032,100
Operations and Maintenance	11,526,100	319,100	2.8%	11,845,200
Transportation	3,556,200	(21,200)	(0.6%)	3,535,000
External Services	530,500	-	-	530,500
System Administration	3,026,200	46,300	1.5%	3,072,500
Total Grant Funding	$ 86,729,600	$ 285,700	0.3%	$ 87,015,300

- **Grant Rates**
  - Base grants are 50% of our grant funding **- 0%** increase
  - Weighted Moving Average (WMA) change – This is a reduction in funding for boards with declining enrolment like ours.

	New	Current
Year 1 (2025/26)	70%	50%
Year 2 (2024/25)	30%	30%
Year 3 (2023/24)	0%	20%

  - Other grant rate increases - averaging 2.32%

MHPSD

GRANT REVENUE

	Total Variance
Items Without Offsetting Expense Variance	
• Instruction	$ 100,900
• Operations and Maintenance	296,600
• Transportation	(21,200)
• Board and Administration	46,300
• External Services	-
Sub-total	$ 422,600
Items With Offsetting Expense Variance	
• Instruction	$ (159,400)
• Operations and Maintenance	$ 22,500
• Transportation	$ -
• Board and Administration	$ -
• External Services	$ -
Total - Items with Offset Funding	(136,900)
Grand Total	$ 285,700

		Increase (Decrease) from 2024/25
Base Grant Rate Increase	0%	$ -
Base Grants - Preliminary Enrollment Decline	-106	(482,300)
Base Grants - Updated Enrollment Decline	-50	(175,900)
Base Student Funding	(156)	(658,200)
Other Grants		(6,100)
Mental Health Grant		(347,300)
Total Instruction Grants		(1,011,600)
ATA Settlement - Complexity Fund **Estimate**		1,112,500
Net Revenue Change - Instruction		$ 100,900

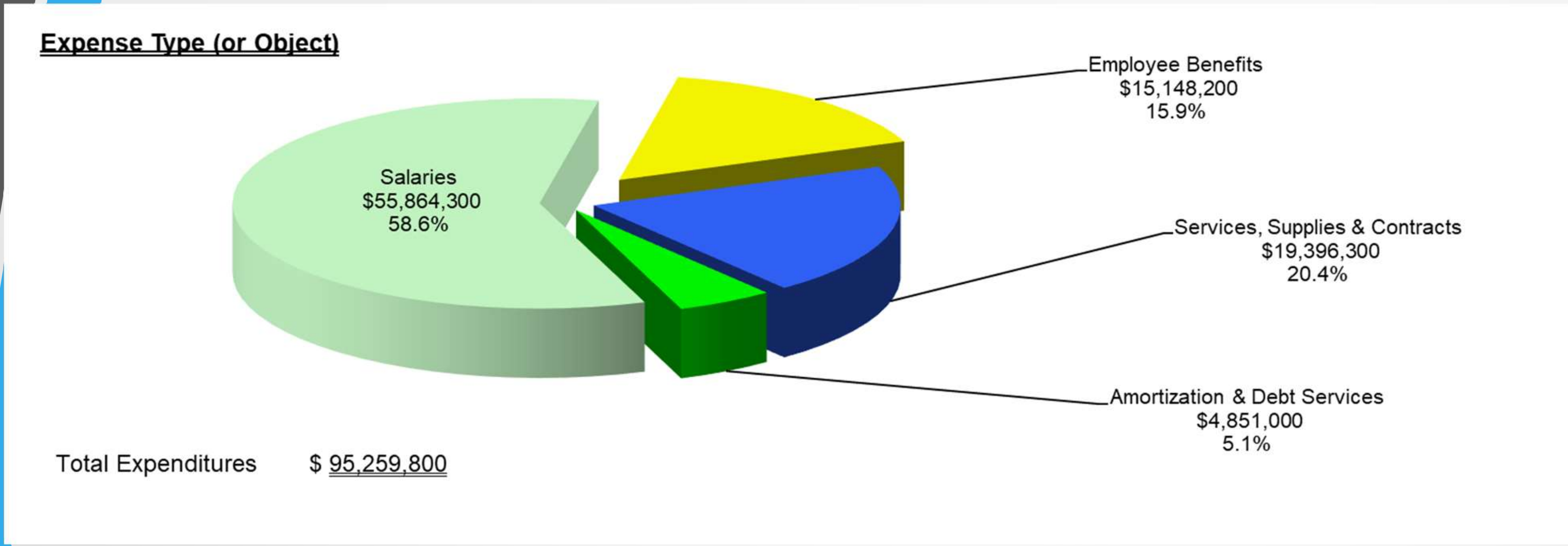
Revenue Summary

	Fall Budget 2024-25 (Current Year)	Increase (Decrease)	%	Spring Budget 2025-26 (Next Year)
OPERATIONS (SUMMARY)				
Revenues				
Government of Alberta	$ 86,729,600	$ 285,700	0.3%	$ 87,015,300
Fees	1,952,900	610,000	31.2%	2,562,900
Sales of Services and Products	4,175,000	36,900	0.9%	4,211,900
Investment Income	795,000	(73,300)	(9.2%)	721,700
Donations and Other Contributions	703,000	-	-	703,000
Other Revenue	32,000	13,000	40.6%	45,000
Total Revenues	$ 94,387,500	$ 872,300	0.9%	$ 95,259,800

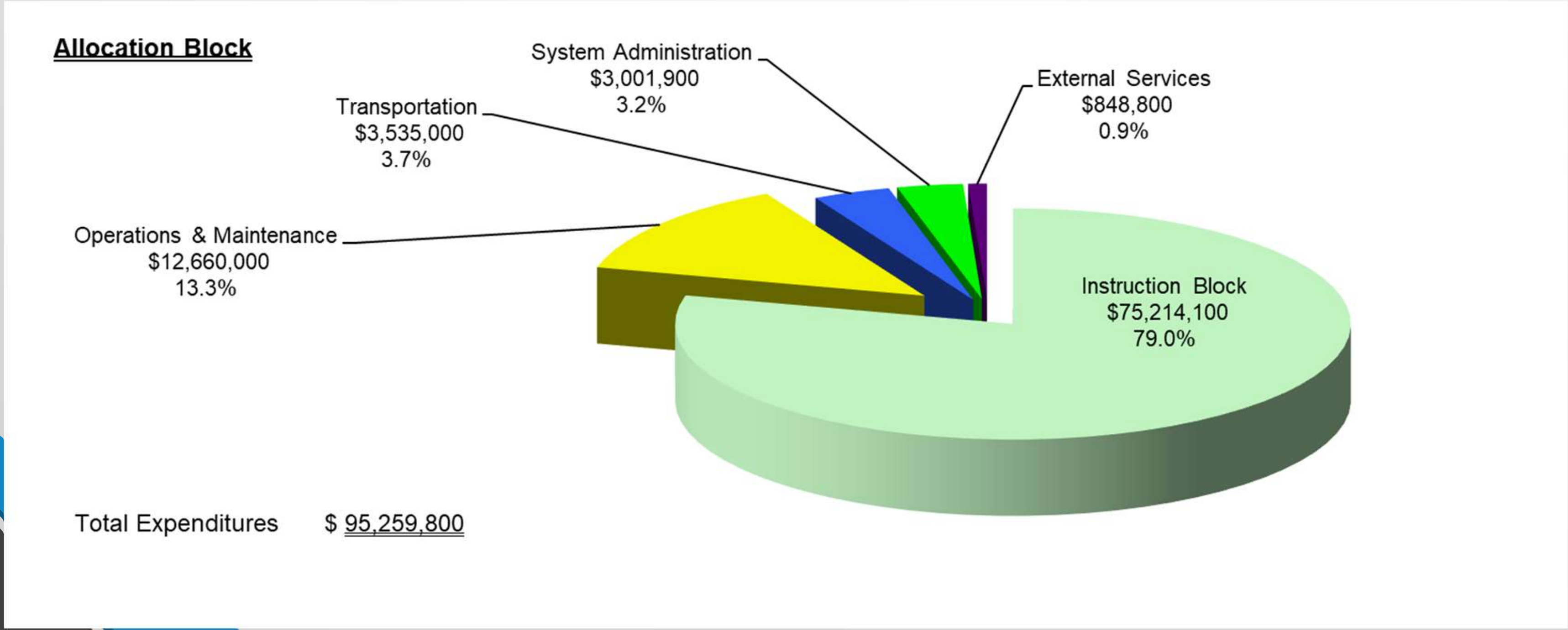
Total Revenue increase $872,300
Add: Grant items with offsetting expense reduction $158,100
Less: Fee increase for new licensed P&L with offsetting staffing cost increase ($610,000)
Discretionary revenue increase $420,400 or .45 of 1%

EXPENSES

Expenditures



Approx. **75%** of spending is on salaries and benefits



Impact of Negotiations on Budget - ATA

Mediator's Proposal

- Part 1 - Teacher monetary increases are paid by the GOA in a separate grant once finalized – the Division does not need to fund this from our 0%.
- Part 2 – There is a proposed new fund to address complexity in the classroom
    - 2025/26 - $125 million
    - 2026/27 and 2027/28 - $140 million each year
  - April 30 - The provincial working group **started** conversations about allocation. There are many ways this could be done: enrolment, student needs, socio-economic factors.
  - If we **estimate** our share of fund based on our % of provincial enrollment that would be $1.1 million.

Teachers voted NO to the above proposal in early May, so negotiations are ongoing.

Impact of Negotiations on Budget – CUPE and Non-Unionized

- Support staff increases are **NOT** funded in a separate grant by the GOA.
- CUPE – A settlement was reached April 30th. Members ratified on May 13th. The increase for 2025/26 will be approximately 5%, which has been included in the budget.
- Non-Unionized – This is not yet finalized but estimates have been factored into the budget.

Salaries And Benefits – All Groups

	$ Change
Grid Movement	$ 485,900
Unfunded Support Settlements	664,200
Group Benefit Increases	267,600
Subsitute Costs	5,500
Subtotal - Wages & Benefits	1,423,200
Decrease in Staff FTE	(809,200)
Pension/PD	(112,100)
Total - Change in Staffing Costs	$ 501,900

Offsetting revenue reduction, no impact on bottom line

Costs increases that outpace grant increases combined with declining enrolment = **staffing reduction**

Staffing Changes

	Staff FTE			
	Teachers	Education Assistants	Other Non-Cert	Total
Fall 2024/25 Budget	387.15	142.67	162.39	692.21
Spring 2025/26 Budget	379.45	149.67	159.43	688.55
Increase (Decrease) in FTE	(7.70)	7.00	(2.96)	(3.66)
Attrition (Eg. Retirements)	15.00	8.00	6.00	29.00
Change in staff positions After Attrition	7.30	15.00	3.04	25.34

We expect to address the staffing reduction through attrition (e.g. retirements), so **no staff layoffs are anticipated**

The final composition of teachers and EA's will not be finalized until school staffing is completed in late June

Purchased Services and Supplies Summary

	Total Variance	
Items Without Matching Revenue Variance		
• Instruction	$ 248,600	- Mainly SGF
• Operations and Maintenance	(170,000)	- Goodbye carbon tax
• Transportation	(38,100)	
• Board and Administration	32,600	
• External Services	(8,500)	
Sub-total	$ 64,600	
Items With Matching Revenue Variance		
• Instruction	$ -	
• Operations and Maintenance	(6,400)	
• Transportation	(21,200)	
• Board and Administration	-	
• External Services	(4,200)	
Total - Items with Offset Funding	(31,800)	
Grand Total	$ 32,800	

Division’s Operating Budget Deficit

Statement of Operations

	Fall Budget 2024-25 (Current Year)	Increase (Decrease)	%	Spring Budget 2025-26 (Next Year)
Revenues				
Total Revenues	$ 94,387,500	$ 872,300	0.9%	$ 95,259,800
Expenses By Program				
Certificated Salaries	$ 40,754,600	$ (622,700)	(1.5%)	$ 40,131,900
Certificated Benefits	10,614,700	(130,400)	(1.2%)	10,484,300
Non-certificated Salaries	14,661,500	1,070,900	7.3%	15,732,400
Non-certificated Benefits	4,479,800	184,100	4.1%	4,663,900
Total Wages and Benefits	70,510,600	501,900	0.7%	71,012,500
Services, Contracts and Supplies	19,363,500	32,800	0.2%	19,396,300
Amortization	4,788,400	62,600	1.3%	4,851,000
Total Expenses	$ 94,662,500	$ 597,300	0.6%	$ 95,259,800
Final Operating Surplus/(Deficit)	$ (275,000)	$ 275,000		$ -

Operating reserves have been used the last two years to fund planned deficits. Budget 2025-26 is a **balanced net $0** budget.

CAPITAL BUDGET and RESERVES

Capital Budget

EXPENDITURES	2024-25 Fall Budget	Increase/ (Decrease)	2025-26 Spring Budget
Capital Projects			
Capital Maintenance Renewal (CMR) Projects	$ 1,074,900	(5,900)	$ 1,069,000
Total - Capital Projects	1,074,900	(5,900)	1,069,000
Capital Equipment			
Computer and Technology Equipment			
Classroom - Student Computers	300,300	(59,100)	241,200
Classroom - Interactive Displays/Projectors	140,000	28,800	168,800
Classroom - Teacher Devices	600,000	(600,000)	-
Staff Computers/Monitors	15,000	(15,000)	-
PA Systems	-	65,000	65,000
Core Network Devices	75,000	177,900	252,900
Printers/Copiers/Multifunction Devices	-	4,300	4,300
Sub-total - Computer and Technology Equipment	1,130,300	(398,100)	732,200
Plant and Operations			
Vehicles	120,000	(40,000)	80,000
Equipment	46,800	(3,800)	43,000
Sub-total - Plant and Operations Equipment	166,800	(43,800)	123,000
Total - Capital Equipment Acquisitions	1,297,100	(441,900)	855,200
Grand Total - Capital Expenditures	$ 2,372,000	$ (447,800)	$ 1,924,200

Accumulated Surplus from Operations (ASO)

- Starting August 31, 2023, Alberta Education set limits on the level of operating reserves held by Divisions as listed below:
  - 2022/23 – 3.15%
  - 2023/24 – 3.20%
  - 2024/25 – 6.00%
  - 2025/26 – 6.00%

	2022/23 ASO	2023/24 ASO	2024/25 ASO	2025/26 ASO
Actual ASO % of Total Expenses	**4.65%**	**3.38%**	**3.08%**	**3.44%**
Alberta Education - Max Limit %	3.15%	3.20%	6.00%	6.00%
Max Limit $	2,978,900	3,072,500	5,664,500	5,715,600
Excess Over (Under) Limit	1,419,400	174,381	(2,757,900)	(2,442,600)

Total Reserves - Operating

	2024-25 Closing Balance (Aug 31,2025)		2025-26 Transfers Out		2025-26 Net	2025-26 Transfers In	2025-26 Closing Balance (Aug 31,2026)
Unrestricted Net Assets							
Unrestricted	$ 693,100	(1)	-	(2)		-	$ 800,000
				(3)		-	
				(8)		106,900	
	$ 693,100				106,900		$ 800,000
Operating Reserves							
Working Capital	$ 1,953,200	3)	-	(7)		259,500	$ 2,212,700
School Based:							
Mini Budget	260,300			(4)		-	260,300
Committed - MHHS Modernization	-			(9)		-	-
SGF	1,508,700			(5)		-	1,508,700
Fundraising Initiatives	-						-
Board & Administration:							
Discretionary	-						-
Total Operating Reserves	$ 3,722,200				259,500		$ 3,981,700
Total Accumulated Operating Surplus	$ 4,415,300				366,400		$ 4,781,700

Total Reserves - Capital

	2024-25 Closing Balance (Aug 31,2025)	2025-26 Transfers Out	2025-26 Net	2025-26 Transfers In	2025-26 Closing Balance (Aug 31,2026)
Capital Reserves					
Instruction Block					
Information Technology	$ -	(6) $ (732,200)		(7) $ 804,700	$ 72,500
IT Vehicles	-			(7) -	-
Other	-				-
Plant & Operations	151,100	(6) (123,000)		(7) 132,800	160,900
External Services	-				-
Transportation	-				-
Board & Administration	2,067,300				2,067,300
Total Capital Reserves	$ 2,218,400	(855,200)	82,300	937,500	$ 2,300,700
Total Operating & Capital Reserves	$ 5,940,600	$ (855,200)		$ 937,500	$ 6,282,400
Total Net Assets (not invested in Capital Assets)	$ 6,633,700		448,700		$ 7,082,400

To Learn.

To Grow.

To Build a
Better World