

May 3, 2022

BACKGROUND

Prairie South Budget

The intent of this backgrounder is to provide a summary of the larger additional operating expenses. Actual budget documents vary due to amortization and tangible capital assets.

- **Carbon Tax:** 25% increase. With the most recent increase, the carbon tax will be roughly 75% of our contracted price for natural gas.
- **Crowns:** we hear Crowns are asking for rate increase in the 4%+ range which would be on top of carbon tax.
- **Heating Costs:** increase of \$85,000.
- **Fuel:** 70% increase year over year – about a \$300,000 increase this budget year and potentially another \$400,000 next budget year if prices continue at these rates.
- **School Buses:** 27% increase in cost this year vs. last year which is about \$300,000.
- **Clean Fuel Standard:** this starts in January 2023 and will be added to fuel, electricity and heat.
- **Insurance:** 20% increase in each of the last two years. The Federal Budget included a special tax on insurance companies which will drive rates up further.
- **Staffing Costs Escalation:** Approximately 2.5 million dollars.
- **CPP and EI:** approximately \$350,000 additional staffing increase due to rate and limit increases.
- **Technology:** 11% increase over two years but varies by product.
- **Freight:** will become challenging for our rural schools as fuel surcharges increase.
- **CommunityNet:** \$78,000 increase.