

CALGARY BOARD OF EDUCATION

Minutes of the Regular Meeting of the Board of Trustees (the "Board") held in the Multipurpose Room, Education Centre, 1221 – 8th Street SW, Calgary, Alberta on Tuesday, May 29, 2012 at 3:00 p.m.

MEETING ATTENDANCE

Board of Trustees:

Trustee P. Cochrane, Chair
Trustee C. Bazinet
Trustee J. Bowen-Eyre
Trustee L. Ferguson
Trustee P. King
Trustee G. Lane
Trustee S. Taylor

Administration:

Ms. N. Johnson, Chief Superintendent of Schools
Mr. D. Stevenson, Deputy Chief Superintendent of Schools
Mr. F. Coppinger, Superintendent, Facilities and Environmental Services
Ms. C. Faber, Superintendent, Learning Innovation
Ms. D. Lewis, Superintendent, Learning Services
Ms. D. Meyers, Superintendent, Finance and Supply Chain Services
Mr. K. Peterson, Acting Superintendent, Human Resources
Mr. R. Peter, Chief Communications Officer
Ms. L. Safran, Acting General Counsel and Corporate Secretary
Ms. J. Barkway, Office of the Corporate Secretary
Ms. A. McNaught, Recording Secretary

Stakeholder Representatives:

B. Anderson, Canadian Union of Public Employees, Local 40
L. Robb, Calgary Board of Education Staff Association
J. Regal, Alberta Teachers' Association, Local 38

1 | CALL TO ORDER, NATIONAL ANTHEM AND WELCOME

Chair Cochrane called the meeting to order at 3:00 p.m. and the singing of the national anthem was accompanied by students from Branton School band by way of a DVD recording.

Chair Cochrane acknowledged and welcomed representatives from the aforementioned organizations.

2 | CONSIDERATION/APPROVAL OF AGENDA

Ms. Barkway noted the following proposed changes to the Agenda: under Item 6, Public Comment, there was one proposed presenter; under Item 5.1, there was an Addendum circulated that referenced changes in the report; and no items were pulled from Item 8, Consent Agenda.

MOVED by Trustee Lane:

THAT the Agenda for the Regular Meeting of May 29, 2012, be approved as submitted, subject to the revisions noted above.

The motion was
CARRIED UNANIMOUSLY.

3 | **AWARDS AND RECOGNITIONS**

There were no awards or recognitions.

4 | **RESULTS FOCUS**

4.1 Early Learning

Superintendent Lewis introduced the Early Learning presentation highlighting the importance of the early years and new ways the CBE is working to get to know its youngest students so that learning can be personalized for each of them as they begin their formal learning journey. Ms. J. Green, System Principal, Early Learning, Ms. S. Walker, Supervisor of Speech-Language Services and Ms. E. Gouthro, Director, Learning Services, continued the presentation, which is abridged below, and was accompanied by a PowerPoint presentation.

There are two terms used to describe early years programming in Alberta, Early Childhood Service (ECS) and Kindergarten. The majority of children will participate in one year of ECS programming, usually their Kindergarten year. Children who have been identified with exceptional needs are eligible to receive up to three years of ECS programming. Currently, Kindergarten is optional in Alberta, and the CBE is funded for 475 hour programs, which are half-day programs. The CBE also offers full-day Kindergarten (in 18 schools by the 2012/13 school year) and Early Development Centres.

The foundation for achievement of the Mega Result is laid in the early years. The CBE has a team of professionals, the Enhanced Supports Team, who works with families, teachers and school learning teams to design personalized learning opportunities for each child. A video was shared showing how early learning professionals work together to develop a comprehensive understanding of each child. Using that information learning opportunities are designed that engage children in playful, exploratory learning to develop their understanding.

Through its work in early learning, the CBE has demonstrated leadership within the district and at the provincial level. CBE has partnered with Alberta Education on a project to implement a new assessment, The Early Years Evaluation Teacher Assessment (EYE-TA) exploring what is possible moving forward in 21st century learning environments and emphasizing data-informed decision making, collaboration and development of the whole child.

Trustees posed questions, which were addressed by Administration, and are summarized as follows:

- Early Development Centres (EDC) provide intervention for children identified with a severe level of need between the ages of 2½ and 5 years old. According to Alberta

Education's criteria for early learners, many needs are in the area of speech and language and others with global delays.

- Many of the children who attend EDCs are referred by health providers in the community. The program is also advertised on the CBE website, with school principals and teachers, brochures in the community, school learning fairs and at Kindergarten orientation.
- In response to a question about funding for the Enhanced Supports Team, Program Unit Funding pays in house speech/language pathologists and assistants. The CBE has contracts with Alberta Health Services for occupational therapists and physiotherapists. Alberta Education provides additional funding for family-oriented programming for children identified as eligible.

5 | **OPERATIONAL EXPECTATIONS**

5.1 Annual Monitoring of OE-5: Financial Planning

Chair Cochrane noted that Trustees are to determine whether the Chief Superintendent is in compliance with Operational Expectations OE-5: Financial Planning based on the Board's previously approved interpretation and indicators. She pointed out that any decision or comment of the Board of Trustees around non-compliance of the Operational Expectation is in no way intended to be a vote of non-confidence for the Chief Superintendent.

Chief Superintendent Johnson began the introduction of the report by pointing out critical firsts that the two documents, the OE-5 Monitoring Report and the Operating Budget report, represented: it was the first monitoring report presented under the new governance model; the first monitoring report with pre-approved interpretations and indicators; and the first multi-year financial plan, as Alberta Education provided three years of budget information.

Superintendent Meyers continued the introduction of the monitoring report advising it was also the first time the monitoring report related to the Operating Budget was presented at the same time as the Operating Budget.

Trustees posed questions, which were addressed by Administration, and are summarized as follows:

- In response to a question about why the operating budget was referred to as balanced when the spending exceeds the revenue, Administration advised that reserves were used to balance the budget as the *School Act* prohibits incurring debt without Ministerial approval.
- There were changes from the original Budget Assumptions Report presented on March 20, 2012 and this Budget Report in three areas:
 - Estimation of capital lease payments – the benefits would be reaped in the current fiscal year meaning the impact would come through reserves;
 - Staff parking at schools – a savings of \$1 million was anticipated related to the full cost recovery for staff parking in schools but that has been put on hold pending further review due to some Collective Agreement requirements; and
 - The reserves increased \$3 million due to the switch from capital lease payments and an additional \$2 million was related to changes in estimations from second quarter forecasts.

- Budget strategies aimed at “dedicating the maximum possible resources to optimize learning for students in classrooms” means Administration endeavoured to put as much funding as possible into the Resource Allocation Method (RAM). Funding to schools increased by \$21 million and the administrative expenditure was reduced from 3.7% to 3.4% ensuring that the Three Year Education Plan is being supported as much as possible.
- Administration believes the strategy of reducing capital spending temporarily in order to alleviate some of the financial issues is a fiscally sound measure. It is a better measure than laying off staff, and does not impair the level of spending that was required at the capital level. This was addressed in more detail at the May 15, 2012 Board of Trustees meeting.
- In response to the question as to how the CBE is protected against running an unexpected deficit due to unforeseen events, Administration advised that it is required to strive for 1% in maintenance reserves, and hopes to eliminate any structural deficits within three years. Unforeseen events that could impact the bottom line include changes in revenues received from the government and possibly matters with staff, especially if decisions are made at the provincial level in that regard.

MOVED by Trustee Bowen-Eyre:

THAT the Board of Trustees tables further consideration of the Operational Expectations OE-5: Financial Planning Monitoring Report to allow the Board to consider the 2012/2013 Operating Budget.

The motion was
CARRIED UNANIMOUSLY.

6 | **PUBLIC COMMENT**

Mr. L. Leach – Association for Responsive Trusteeship in Calgary Schools (ARTICS)

Mr. Leach introduced himself as the Chair of ARTICS. He advised that ARTICS had hoped for more detail in the budget; five line items for expenses is not enough detail. He shared that more detail may help the public get a better sense of where money is being spent.

7 | **MATTERS RESERVED FOR BOARD ACTION**

7.1 Presentation and Consideration of the 2012/2013 Operating Budget

Superintendent Meyers presented the Operating Budget for 2012/2013 for Board approval and submission to Alberta Education. She provided some budget highlights, which included: \$21 million increase to schools (RAM); 163 new Full-Time Equivalent (FTE) positions; 1,472 anticipated student enrollment increase; reduction in Board Governance and Administration costs from 3.7% to 3.4%; a balanced budget; and a plan to eliminate the structural deficit by 2014/2015.

Superintendent Meyers also provided some context for the budget, namely: new governance policies and new interpretations of the policies set by the Board; multi-year financial plan made possible by the three years budget provided by Alberta Education; and the adoption of the format of the Alberta Education Budget Report. She discussed the difference between a deficit, the amount that expenses exceed revenue, and a

structural deficit, the extent that deficit is met by one time funding sources such as the use of reserves.

Trustees posed questions, which were addressed by Administration and are summarized as follows:

- Of the 163 new FTE positions, 114 are in schools and 49 are in Service Units. Of the 114 in schools, 78 are teaching staff and 35 are support staff.
- Transportation costs for 2012/13 are \$40 million. Page 9-60 shows them as \$39 million because the expense has been offset by some funding that came from other blocks of the CBE global budget. The cost has remained the same.
- In response to a question about whether other parts of the budget can be used to offset transportation costs, Administration advised that feedback from the engagement survey specifically indicated that parents did not want funding redirected from other places to support transportation.
- The funding of transportation costs has been a problem all over the province. Administration is endeavouring to have the formula for metro Boards reviewed and revised by the province as it is inadequate and has been for a long time.
- Relative to the structural deficit, gapping applies when looking at the previous year's results as it only impacts the actuals. The impact of gapping isn't really incorporated within the budget.
- The \$9 million anticipated savings in Service Units referenced on page 9-54 represents 0.7%. Reductions were approached differently this year, including entire redesigns focusing on working smarter and delivering services in the most effective and efficient ways.
- The new equity of opportunity referenced on pages 9-56 and 9-57, Government of Alberta Grant Funding Changes, is a new category of funding with three components. CBE only qualifies for the first component, namely per student funding.
- The Infrastructure Maintenance Renewal (IMR) funding has remained the same for five years, an average of \$18 million. The CBE maintenance requirement increases each year by \$36 to \$40 million. With no increase in IMR funding this year, and project costs escalating approximately 5%, the CBE will be doing approximately 5% less maintenance work this year. Deferred maintenance will increase by approximately \$20 million above the already \$800 million backlog.
- The "hold harmless" is in the new Inclusive Education Grant. It is referred to by the province as transitional and it is unclear how long the transition will last. The CBE is in discussions about things that have not been addressed in the new formula.
- Deferrals are removed because both the revenue and the expenditure were part of a previous year's budget; therefore, they will not continue onward and are not representative of an ongoing activity. There are no deferred amounts in the 2012/13 budget.
- The column titles on page 9-69 refer to "approved" budgets. Those are fixed titles in the Alberta Education Budget Report and cannot be changed.
- Page 5-2 of Operational Expectations OE-5: Financial Planning Monitoring Report states that no further changes to approved budgeted amounts will be made during the year. New accounting standards state that the new standard is the spring budget, which is this budget.

- On page 9-69 under the ECS – Grade 12 Instruction expense line, the difference between the 2010/2011 amount and the 2012/2013 amount is based on the Alberta Teacher’s Retirement Fund (ATRF) of \$51 million not appearing in the 2010/2011 financials.
- In accordance with Alberta Education’s requirement, School Generated Funds no longer has its own line item, it is disbursed through the following line items: Fees; Other Sale and Services; Gifts and Donations; and Fundraising.
- Funding from Alberta Education came in a different way this year. There will be a review of the RAM in the fall to align with Alberta Education’s new funding format.
- In response to a question about stakeholder involvement in the budget, Administration advised that the Alberta Teachers’ Association (ATA), Staff Association (SA) and Canadian Union of Public Employees (CUPE) received the preliminary document and had an opportunity to offer feedback. The input of parents is an ongoing collaborative process at the school level around setting goals for the school and understanding the direction and the kind of programs the school needs to offer.
- On page 9-55, the anticipated savings relative to school fees for the next three years is shown as \$0 in the Budget Assumptions because it is not a source of funds at this point. It is a cost, which is reflected on page 9-51 of the budget.

MOVED by Trustee Ferguson:

1. **THAT 2012-13 budgetary information regarding planned certificated salaries and benefits expenditures in the amount of \$681.50 million be approved.**
2. **THAT 2012-13 budgetary information for:**
 - **planned expenditures of \$487.45 million, which includes all planned expenditures except for the above noted certificated salaries and benefits;**
 - **planned total revenues of \$1,152.87 million; and**
 - **the planned difference between total revenue of \$1,152.7 and total expenditures of \$1,168.95 million be covered by Operating and Amortization Reserves, and Unrestricted Net Assets,****be approved.**
3. **That the following operating reserves, amortization reserve and unrestricted net assets (UNA) totalling \$16.08 million be approved for the planned application to support 2012-13 planned spending; and**

	<u>Operating Reserves</u>	<u>\$ millions</u>
a)	Utility Expense Stabilization	3.37
b)	Snow Removal	0.20
c)	General Instruction	1.00
d)	Fiscal Stability	2.00
e)	Administrative Systems Renewal	1.93
f)	System Transformation	1.50
		<u>10.00</u>
	Contribution from Amortization Reserve	6.40
	School Purchased Assets	(2.50)
	Unrestricted Net Assets	<u>2.18</u>
	Total	<u>16.08</u>

4. THAT the 2012-13 Operating Budget as presented in Attachment I of the report, reflecting total planned spending of \$1,168.95 million be approved and that required documentation be submitted to Alberta Education by May 31, 2012.

Trustees entered into debate on the four motions. Comments in support of the motions are summarized as follows:

- Not a “great news” budget as reserves are still being used and there are pressure points, such as transportation, but Student Results are being appropriately supported to achieve success by the allocations and the decisions being made in the budget.
- The additional \$21 million in RAM that will go to schools and the plan to eliminate the structural deficit without the loss of current staff are positive points. It is important to recognize that school staffing decisions are made by principals who are aware of their student profile and the needs of their community.
- It is clear that the goal of dedicating maximum possible resources to optimize learning for students in the classrooms has been a driving factor in this budget.
- Budgeting on a multi-year budget is beneficial. The focus of this budget is on students, and significant efforts have been made towards restructuring and finding efficiencies.
- This budget focuses on maximum support for students, including support for the most vulnerable students such as the 18 full-day Kindergarten programs for at risk students without provincial funding support, additional services designated to First Nations Métis Inuit (FNMI) students, English Language Learners (ELL) and students with exceptional needs.
- The Budget Assumptions document was a critical piece that helped link the budget to the Three Year Education Plan. It was clear, concise and easy to understand and will assist Trustees when talking to the public about the financial picture for the system.
- The budget shows the importance of the Board’s need to advocate to the province about the transportation formula for metro boards and IMR funding relative to the deferred maintenance backlog. IMR funding is becoming a critical piece that will constrain the CBE’s ability to support student learning very soon. As well as the issue of modernization, IMR funding affects the Career and Technology Strategy (CTS) program and safety standards in those workshops.
- A Trustee shared his belief that the budget conforms with Operational Expectations OE-5: Financial Planning. Given that the CBE is an over \$1 billion corporation, it is beneficial to exercise restraint in terms of trying to micromanage what Administration is hired to do.

Comments in opposition to the motion are summarized as follows:

- More detail around revenues and expenses would have been appreciated. Showing only five line items is too broad. Even though fees represents only 3% of the budget, more detail should be provided as that is information parents are looking for.
- Concerns about whether the Service Unit reductions will be able to provide service to schools in the same way.
- Concerns around the use of reserves on an ongoing basis and the risk of unforeseen events, as well as the deferred maintenance backlog.

- A summary format that is more understandable to the Board rather than using Alberta Education's format would have been preferable.
- Process concerns around the fact this is the first opportunity the Board has had to debate the merits of the budget and it is only a few days before it is to be submitted to Alberta Education.

Shortly prior to 8:00 p.m. Chair Cochrane received the consent of the Board to continue the meeting to the end of the Agenda.

Chair Cochrane called for the vote on the motions.

The motions were
CARRIED.

In Favour:	Trustee Bowen-Eyre Trustee Cochrane Trustee Ferguson Trustee King Trustee Lane
Opposed:	Trustee Bazinet Trustee Taylor

MOVED by Trustee King:

THAT the Board of Trustees removes from the table Operational Expectations OE-5: Financial Planning Monitoring Report for the Board's consideration.

The motion was
CARRIED UNANIMOUSLY.

MOVED by Trustee Bowen-Eyre:

THAT the Board of Trustees approves that the Chief Superintendent is in compliance with the provisions of Operational Expectations OE-5: Financial Planning.

Trustees entered into debate on the motion. Comments are summarized as follows:

- The report clearly demonstrates that, according to the Board approved interpretation, the Chief Superintendent is in compliance and the CBE is reporting according to Alberta Education's requirements.
- It is obvious that budget decisions and strategies are designed to support the Board's values regarding student success.
- The report was well thought out and logical, and discloses the risks involved, as well as measures to be achieved. It provided a very balanced picture on which to make a judgement.
- A Trustee commended Administration for going further than what was asked for relative to budget categories under 5.3.
- A Trustee shared her opinion that Administration was not in compliance with section 5.1 as the summary format was confusing; 5.2 did not have enough detail under revenues and expenses in the budget; and 5.5 as spending all reserves does not lead to fiscal soundness in future years.

Chair Cochrane called for the vote on the motion.

The motion was
CARRIED.

In Favour:	Trustee Bowen-Eyre Trustee Cochrane Trustee Ferguson Trustee King Trustee Lane
Opposed:	Trustee Bazinet Trustee Taylor

Motion Arising

MOVED by Trustee Lane:

THAT the Board of Trustees commends the Chief Superintendent for devising a financial planning and budgeting process that addresses the new policies of the Board of Trustees and the advantages afforded by multi-year funding from the provincial government.

Chair Cochrane called for the vote on the motion.

The motion was
CARRIED.

In Favour:	Trustee Bowen-Eyre Trustee Cochrane Trustee Ferguson Trustee King Trustee Lane
Opposed:	Trustee Bazinet Trustee Taylor

8 | BOARD CONSENT AGENDA

Chair Cochrane declared the following items to be approved as submitted:

8.1 Approval of Minutes

- Regular Meeting held April 17, 2012
- Regular Meeting held May 1, 2012

THAT the Board approves the minutes of the Regular Meetings held April 17 and May 1, 2012 as submitted.

8.2 Correspondence

THAT the Board of Trustees receives the following correspondence for information and for the record, in the form as submitted:

- Letter dated May 9, 2012 from the Honourable Alison M. Redford, Q.C., Premier of Alberta, to Board Chair, Pat Cochrane, thanking the Board for its recent letter of congratulations.

8.3 Trustee Appointments to Alberta School Boards Association (ASBA) Board of Directors

THAT the Board of Trustees approves the reappointment of Trustee Lynn Ferguson as the Calgary Board of Education (CBE) representative to the Alberta School Boards Association (ASBA) Board of Directors and that Trustee Joy Bowen-Eyre be reappointed as alternate to the Board of Directors for the term June 2012 through to November 2013.

8.4 Trustee Liaison Report re: ASBA Board of Directors - Highlights

THAT the Alberta School Boards Association (ASBA) liaison report containing the ASBA Board of Directors' Meeting Highlights dated February 17, 2012, March 8-9, 2012 and May 10-11, 2012 be received for information.

8.5 Trustee Liaison Report re: Calgary Association of Parents and School Councils (CAPSC)

THAT the Calgary Association of Parents and School Councils (CAPSC) liaison report containing the March 2012 Meeting Highlights, the April Meeting Date Change, and the May 16, 2012 Meeting Agenda, be received for information.

8.6 Trustee Liaison Report re: Alberta School Boards Association (ASBA) re: Spring General Meeting

THAT the Alberta School Boards Association (ASBA) liaison report containing information related to the upcoming ASBA Spring General Meeting be received for information.

Recessed: 6:21 p.m.
Reconvened: 6:57 p.m.

9 | In-Camera Issues

In attendance for this portion of the Agenda were: all Trustees, Acting Superintendent K. Peterson, Acting General Counsel and Corporate Secretary L. Safran, and Ms. J. Barkway.

9.1 Motion to Move In Camera

MOVED by Trustee Ferguson:

Whereas the Board of Trustees is of the opinion that it is in the public interest that matters on the Private Agenda for the Regular Meeting of the Board of Trustees, May 29, 2012 be considered at an in-camera session; therefore be it

***Resolved,* THAT the Regular Meeting of the Board of Trustees moves in camera.**

The motion was
CARRIED UNANIMOUSLY.

9.2 Motion to Revert to Public Meeting

MOVED by Trustee Lane:

THAT the Regular Meeting of the Board of Trustees moves out of in camera.

The motion was
CARRIED UNANIMOUSLY.

10 | ADJOURNMENT

MOVED by Trustee King:

THAT on adjournment, the meeting adjourns to meet at the call of the Chair.

The motion was
CARRIED UNANIMOUSLY.

The meeting adjourned at 7:50 p.m., to meet at the call of the Chair.