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Budget Briefing 2014-15 through 2016-17

May 2, 2014

learning | **as unique** | as every student



**Calgary Board
of Education**

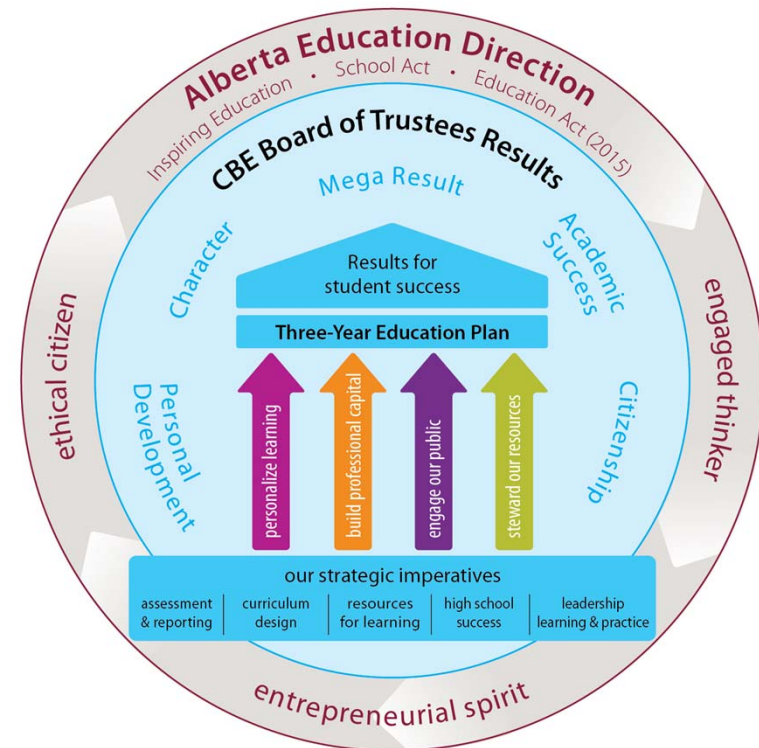
Our Vision and Values

Our Mega-Result

Each Student, in keeping with his or her individual gifts, will complete high school with a foundation of learning to function effectively in life, work and continued learning.

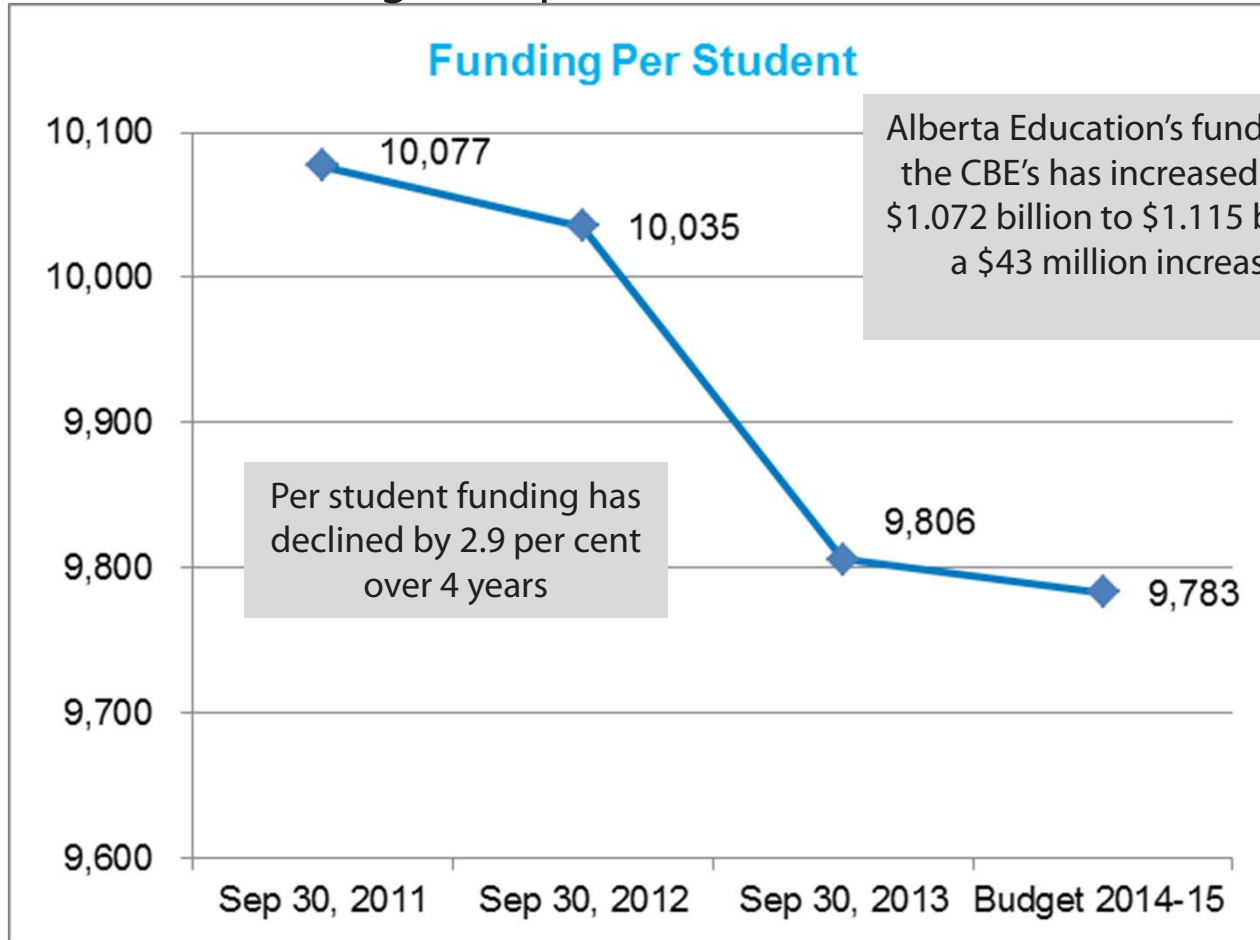
Our Values

- **Students** come first
- **Learning** is our central purpose
- **Public education** serves the common good



The budget challenge

Provincial funding, on a per-student basis, has decreased over time.



Alberta Education's funding to the CBE's has increased from \$1.072 billion to \$1.115 billion, a \$43 million increase.

Per student funding has declined by 2.9 per cent over 4 years

Had funding per student remained at 2011-12 levels the CBE's funding would have increased by \$76 million for 2014-15 rather than the projected \$43 million.

Funding gap – Final Estimate

Alberta Education announced that it would fund enrolment increases and has slightly increased the rates in two grant categories.

Revenues for the CBE will increase, but they will not be enough to fund increased costs.

Existing funding deficit (structural deficit)	(15,300,000)
+ Increase in expenses	(56,800,000)
Increased funding required	<u>(72,100,000)</u>
Projected increase in revenue	44,400,000 *
Funding gap	<u>(27,700,000)</u>

Increase: Alberta Education funding - \$43.6 million

Increase: Salaries and Benefits costs - \$47.6 million

* Actual revenue increase subsequently calculated is \$50.6 million

Budget Update

On April 1, 2014, the Board of Trustees passed a motion to approve the full use of all available reserves to balance the 2014-15 budget.

Use of reserves (\$'000)

Funding gap	(27,700,000)
Use of reserves	21,743,000
Un-funded deficit	<u>(5,957,000)</u>

Applying all available operating reserves leaves an almost \$6.0 million gap.

Incremental Sources and Uses of Funds

Incremental Sources	(\$'000)
Alberta Education	43,557
Fees – all sources	8,941
Other sources	(1,906)
Use of reserves	9,926
Total Incremental Sources	60,518

These tables show the year-over-year incremental change in sources and uses of funding.

Incremental Uses	(\$'000)
Directly to schools	28,900
Supports to schools	17,200
Capital investment	7,200
Core program increases	7,218
Total Incremental Uses	60,518

Total funding deployed directly to schools: \$743.5 million

Total capital investment is: \$23.2 million

Key Budget Recommendations

Budget 2014-15:

- Allocates an additional \$28.9 million directly to schools (\$743.5 million)
- Increases to other school support funding of \$17.2 million to \$157.2 million
- Anticipates approximately 180 additional school-based staff
- Maintains at 2013-14 levels, ratio of students to school-based staff
- Invests \$23.2 million (increase of \$7.2 million) in needed non-facility capital projects
- Addresses known non-discretionary cost increases
- Generally maintains core programming, services and supports
- Does not subsidize fee based programming from the core budget. This applies to Transportation / Noon Supervision / Instructional Supplies and Materials programs
- Balances

Impacts on Student Learning

Student engagement and achievement advanced through personalized instruction and assessment.

Teachers have time and opportunity to learn together to build their collective capacity to meet student learning needs to ensure student success

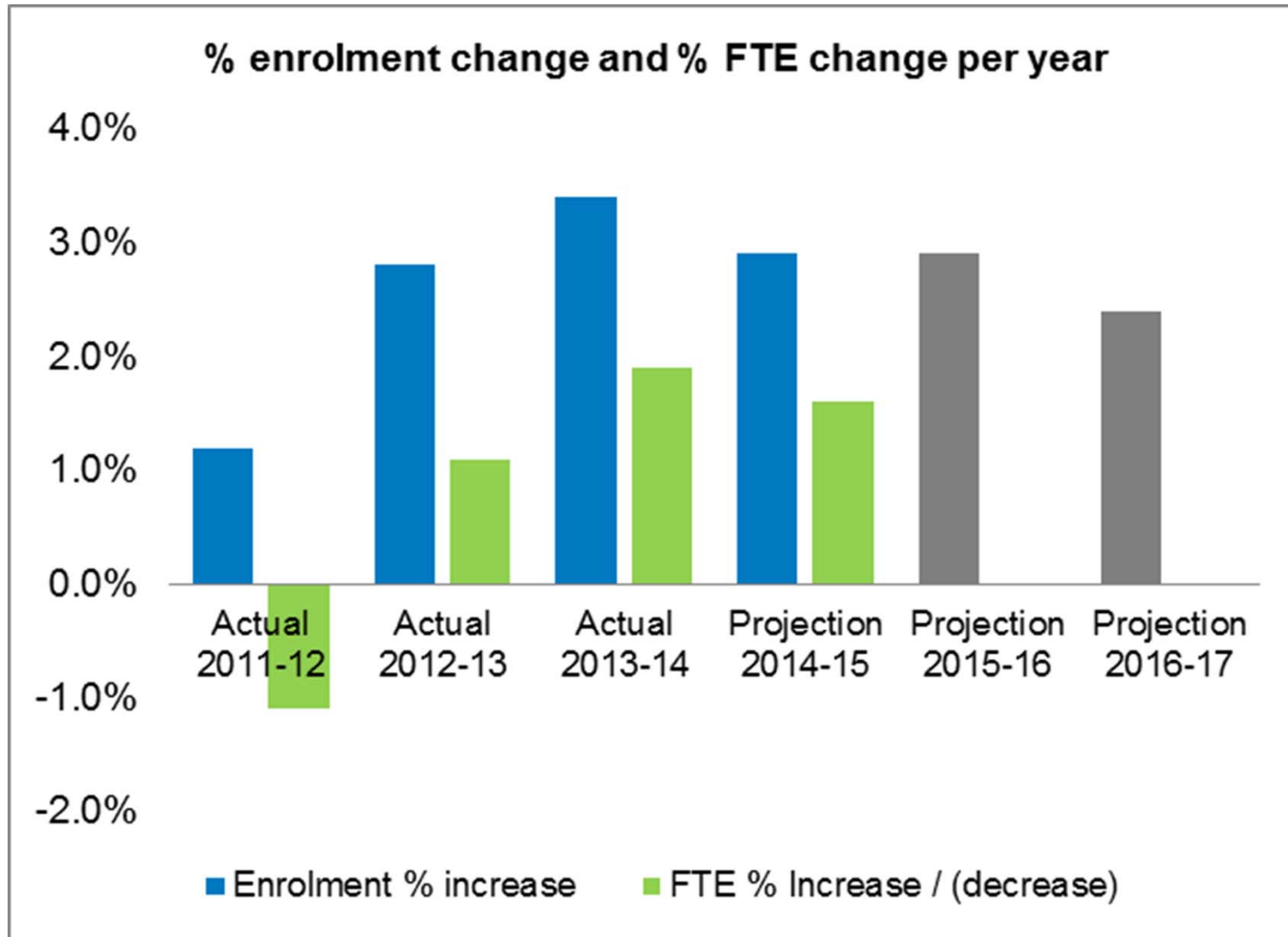
Schools organize for instruction and make choices about the deployment of their resources to best meet the learning needs of students.

Students and teachers have access to learning tools (e.g. IRIS), resources, and environments that help create flexible, responsive, and personalized learning opportunities and support student success

Groups of students who would most benefit from extended early learning experiences will have access to full-day kindergarten

School learning environments will be impacted as increased costs for supplies and maintenance are not fully addressed.

Enrolment vs. Staffing Change



Student to School-Based Staff Ratio

	2014-15 Budget*	2013-14 Sept 30	2012-13 Sept 30	2011-12 Sept 30
Enrolment	113,995	110,763	107,132	104,182
School-based staff	7,943	7,807	7,592	7,541
Student to staff ratio	14.4	14.2	14.1	13.8

*Student numbers will be updated following Sept. 30, 2014 reconciliation
 School-based staff numbers do not include Area Office staff.

Capital Investments - Summary

Non-Facility Capital Investments - Summary	Amount (\$'000)
Ongoing IRIS deployment – Key learning support	1,200
Student Information System Replacement	3,100
School Enhancement – Maintain learning environment	3,580
Desk top and lap top refresh	3,700
Wireless upgrade	1,470
Infrastructure Maintenance and Growth	1,110
Corporate Performance Management	1,200
Other projects - various	7,840
Total non-facility capital projects	<u>\$23,200</u>

Student Fees

The budget assumptions report presented to the Board of Trustees on April 1, 2014 stated, in part:

“All revenue from Alberta Education related to transportation, noon supervision, and instructional materials and supplies (ISM) is fully applied to the cost of these services. There will be no contribution from the instructional budget to support fee-based programs and services.

Fee revenue for transportation, noon supervision, and instructional supplies and materials will fully fund the gap between Alberta Education funding and direct program costs, including waivers and bad debts.”

This assumption has been incorporated into budget 2014-15 and results in fee increases for transportation, noon supervision, and instructional supplies and materials.

Student Fees - Historical

Fee	Date		
	2013-14	2012-13	2011-12
ISM	\$15 K \$30 Gr. 1-6 \$105 Gr. 7-9 \$132 Gr. 10-12	\$15 K \$30 Gr. 1-6 \$105 Gr. 7-9 \$132 Gr. 10-12	\$15 K \$30 Gr. 1-6 \$105 Gr. 7-9 \$132 Gr. 10-12
Transportation	\$215 K \$295 Gr. 1-9	\$215 K \$295 Gr. 1-9	\$215 K \$295 Gr. 1-6 \$335 Gr. 7-9
Noon Supervision	\$200-220 \$135-145 (Bused)	\$185-230 \$65-85 (Bused)	\$240-295 \$0 (Bused)

Student Fees - Proposed

Fee	2014-15		
	Annual	Monthly	Daily*
ISM			
Kindergarten	\$15	N/A	\$0.08
Grades 1-6	\$30	N/A	\$0.16
Grades 7-9	\$137	N/A	\$0.74
Grades 10-12	\$152	N/A	\$0.82
Transportation			
Kindergarten	\$330	\$33.00	\$1.78
Grades 1-9	\$330	\$33.00	\$1.78
Noon Supervision			
Kindergarten through grade 6	\$250-280	\$25.00 - \$28.00	\$1.35 - \$1.50

***For illustrative purposes only.** Daily rates are based on 185 instructional days. The maximum daily amount that could be incurred by an individual student is \$3.46. The 2013-14 rate is \$2.54. Adjusting for the phase in, the rate would have been \$2.95 per day. Example based on a grade 1-6 student taking transportation, staying for 5-day noon supervision and paying the ISM fee.

Current Pressures

While the use of all available operating reserves has allowed us to maintain core programming and services, there is always more to be done. Current budget pressures include, for example:

- Commissioning 12 new schools
- Full roll-out of IRIS to all schools
- Desk-top and lap-top technology replacement
- Transition of libraries to digital learning commons
- Enhanced access and capacity for internet
- Future collective agreements
- Non-discretionary increases (utilities, insurance, licencing, etc.)

Next Steps

- The Budget Report will be presented to the Board of Trustees on May 6 for information
- Schools are in the process of making their resource allocation decisions
- The Budget Report will return to the Board of Trustees on May 20 for final approval
- The CBE's budget transmitted to Alberta Education on, or before, May 31, 2014



Calgary Board of Education