

# Council of School Councils Budget Briefing *2014-15*

Updated April 10, 2014

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



**Calgary Board  
of Education**

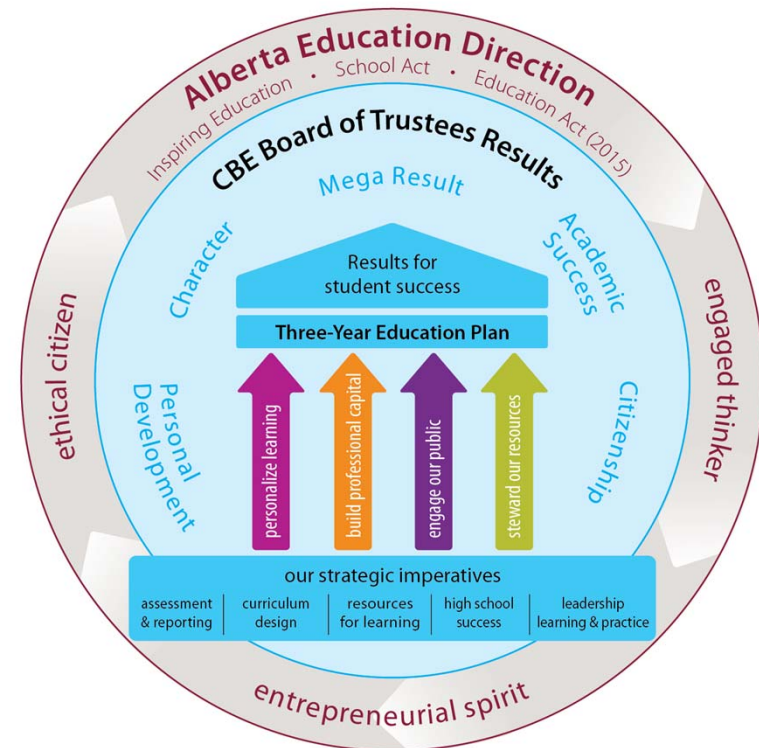
# Our Vision and Values

## 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

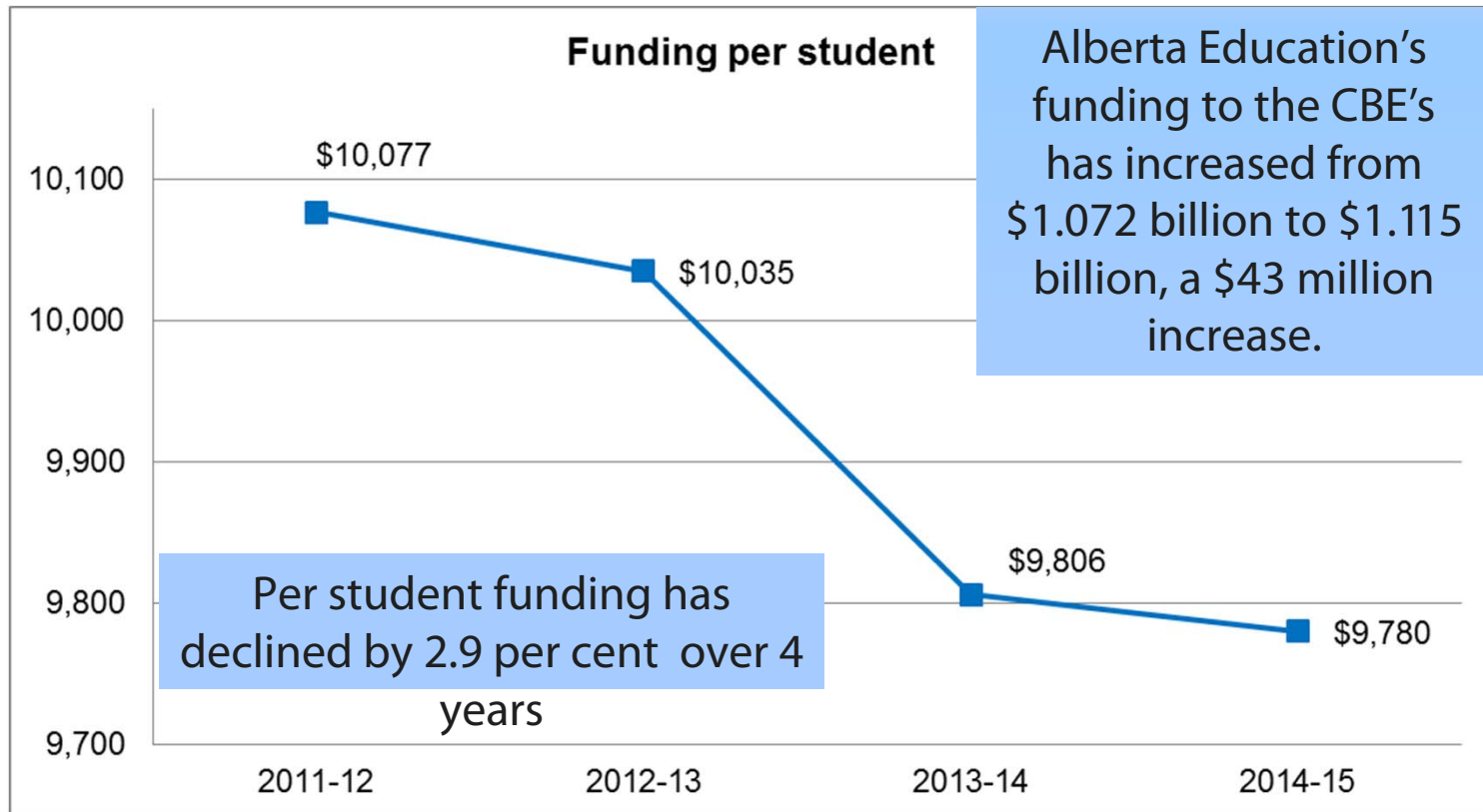
- **Students** come first
- **Learning** is our central purpose
- **Public education** serves the common good



The best solution is a full system solution that reflects our values.  
We are choosing between needs and need, not needs and wants.

# The budget challenge

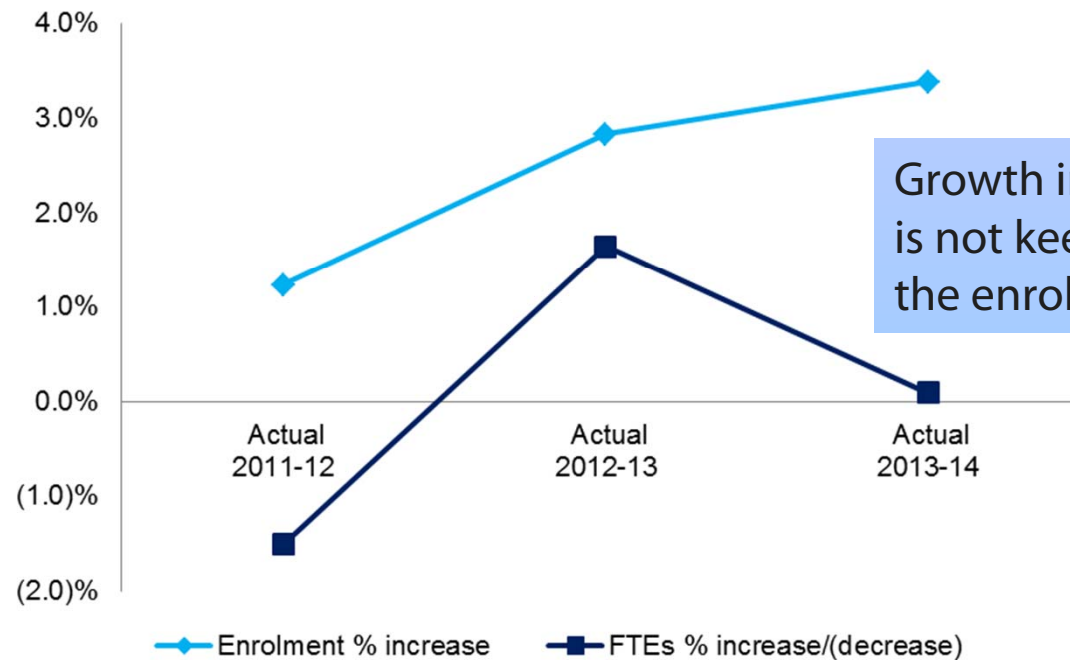
Provincial funding, on a per student basis, has decreased over time.



# The budget challenge

While per student funding decreases, costs continue to rise.

**Annual enrolment rate increase vs total FTE rate increase/(decrease)**



Growth in our staffing is not keeping up with the enrolment growth.

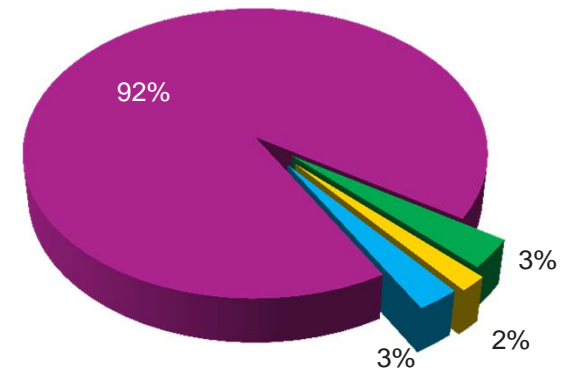
# Revenues and Expenses

**Revenues: 92 per cent** of our revenue comes from the Province.

**Staffing Expenses: 78 per cent** of our total funding is spent on staffing. Of that, 90.6 per cent (by FTEs) goes directly to schools, 9.4 per cent (by FTEs) supports all other services.

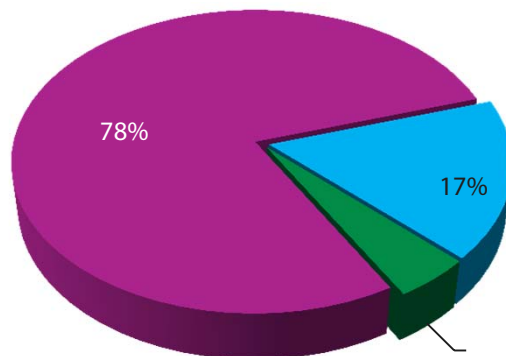
Revenue breakdown

- Alberta Education
- Fees
- Sales and Services
- Other



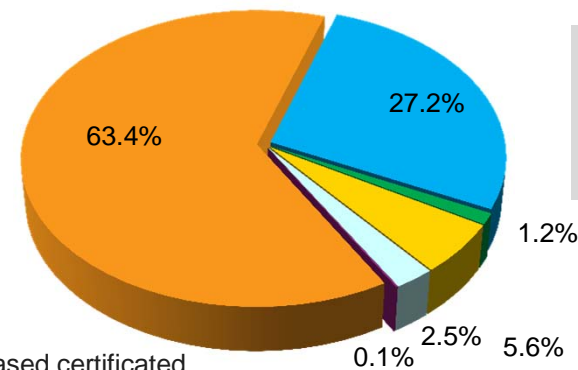
Expenses breakdown

- salaries, wages & benefits
- services, contracts & supplies
- amortization & other



Staffing complement

- School-based certificated
- School-based, non-certificated
- Non school-based certificated
- Non school-based, non-certificated
- Union exempt staff
- Superintendents



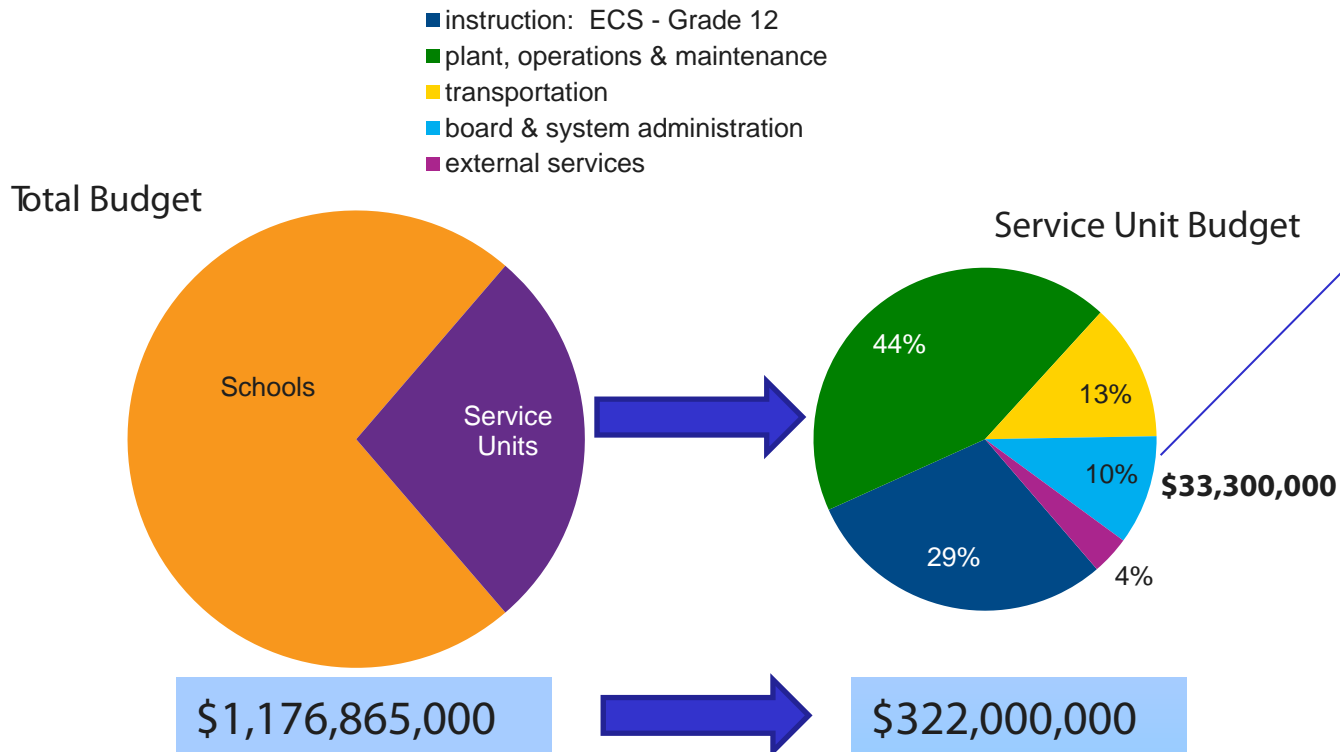
**Fact** | The CBE has slightly more than 9,107 full-time equivalent (FTE) staff

**Fact** | A total of 90.6 per cent of staffing dollars are school based.

# Service Unit Spending

Service Units are allocated just over 27 per cent of the CBE's total expenditure budget. The chart below shows how that \$322M is allocated to the various program categories.

Service Unit expenses by program/block



**Fact** | Just 2.8 per cent of total CBE spending of \$1,177M is allocated to board and system administration.

**Fact** | "Administration" costs make up just 10 per cent (\$33.3M) of service unit spending or 2.8 per cent of total CBE spending.

**Fact** | "Administration" includes:

- Financial services
- Human resources
- Legal services
- Technology services
- Communications
- Board of Trustees
- Chief's Office

# Where the money goes

	2013-14 Budgeted Expenditures										Total
	Schools & Areas	Office of the Chief Supt	Legal Services	Comm Services	Learning Innovation	Learning Services	Human Resources <sup>1</sup>	Finance & Supply Chain Services	Facilities & Environ Services	Board of Trustees Office	Budget 13-14
(all figures in \$ thousands)											
<b>Spending by category</b>											
salaries, wages & benefits	785,026	998	1,771	2,592	20,939	27,709	9,875	7,218	62,640	661	919,429
contracted serv, supplies and other expenses <sup>2</sup>	67,287	144	115	145	746	4,974	4,499	1,129	2,111	849	82,000
amortization	5		13	4	6,827	287	595	8,445	34,528		50,705
corporate responsibility <sup>3</sup>		929			4,073	1,413	5,132	1,754	5,411		18,712
transportation <sup>4</sup>									40,360		40,360
utilities					3,953				19,933		23,886
infrastructure, maintenance & renewal									14,946		14,946
education centre lease and op costs									12,764		12,764
insurance									2,867		2,867
maintenance and repair	143	2	2	5	19	222	10	9	2,653		3,066
minor equipment	2,140	4	17	11	4,434	307	30	50	161		7,154
legal fees			936							40	976
	<b>854,602</b>	<b>2,077</b>	<b>2,853</b>	<b>2,758</b>	<b>40,992</b>	<b>34,912</b>	<b>20,142</b>	<b>18,606</b>	<b>198,374</b>	<b>1,550</b>	<b>1,176,865</b>
% of total	72.6%	0.2%	0.2%	0.2%	3.5%	3.0%	1.7%	1.6%	16.9%	0.1%	100.0%
<b>Full time equivalents (FTEs)</b>											
Superintendents	-	2	1	1	1	1	1	1	1	-	9
Staff (incl ATA, Staff Assn, CUPE, trades)	7,711	-	3	11	136	164	43	43	788	-	8,899
Union exempt staff	5	3	8	11	29	21	40	23	57	2	199
<b>Total FTEs</b>	<b>7,716</b>	<b>5</b>	<b>12</b>	<b>23</b>	<b>166</b>	<b>186</b>	<b>84</b>	<b>67</b>	<b>846</b>	<b>2</b>	<b>9,107</b>

<sup>1</sup> Human Resources FTE count is net of 52.9 FTEs budgeted for professional improvement leaves and secondments.

<sup>2</sup> These include all other expenses such as rentals, supplies, textbooks, school generated funds, interests etc.

<sup>3</sup> These expenses are held within the Service Units but are for the benefit of the entire organization. Examples include interest and bad debt expenses, costs for staff seconded or on professional leaves, software licenses

<sup>4</sup> Transportation costs shown here include charter, calgary transit and special education transportation costs

## The 2014-15 funding gap

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>
Actual increase in revenue	44,400,000
<b>Funding gap</b>	<b><u>(27,700,000)</u></b>



# 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

Funding gap	(27,700,000)
Use of available reserves	20,318,000
<b>Un-funded deficit</b>	<b><u>(7,382,000)</u></b>

For reference, \$7.4 million is the budget of 2 large Junior High Schools

\* \$7.4 million is the choice between NEEDS and NEEDS \*

# Budget Assumptions

## Strategic Assumptions |

- Financial
- Economic
- Programmatic
- Service Levels



# Budget Assumptions - General

The budget will support:

- Mega Result / Expectations / Core values
- Inspiring Education / 3-Year Education Plan / the CBE's strategic imperatives
- School-based resource allocations – flexible / responsive
- Healthy and Safe environments
- Needed capital projects – investments for tomorrow
- Attracting and retaining the best people – 13,000+ staff
- A balanced budget – it's the law.

# Budget Assumptions - Revenue


- Operating reserves will be fully committed (\$20.3M)
- Funded for enrollment growth, 2 per cent increase in Inclusive Education and Small Class Size Initiative, 0.41 per cent for ATA Collective Agreement
- Targeted funding to specified purposes
- Funding received for user-pay services (transportation, etc.) will be fully applied to those purposes. No core budget contribution for Transportation, Noon Supervision, ISM
- Explore opportunities to grow other revenue
- Lease revenue from Charter Schools restricted
- Facility rental rates to cover costs
- No CBE owned property available for sale. Joint Use Agreement
- Recover flood-related costs
- Investment returns at long-term average

# Budget Assumptions - Expenses

- Collective agreements and long-term contracts funded
- Other salary adjustments considered
- No salary increase for Superintendents team (second year)
- Enrolment linked expenses funded (at a reduced rate)
- No overall inflation adjustment
- Anticipate costs related to accommodation challenges (bussing, moves, etc.)
- System administration to remain below 3.6% per cent cap (target is 3.1 per cent)

# Budget 2014-15 Timeline

Date	Event
Late 2013	Preliminary 2014-15 budget preparation
February 28, 2014	Media budget briefing
March 6, 2014	Provincial budget announced - \$31M gap
March 11, 2014	Preliminary budget impact assessment – Public comment through CBE website. (45 responses to-date)
March 12, 2014	Budget engagement – CBE Principals
April 1, 2014	Budget assumptions and Reserve Request to Board – approval to use reserves
April 4, 2014	Budget briefing to unions, associations and exempt staff
April 9, 2014	Budget engagement – CBE Principals (part 2)
March 6 through May 6, 2014	Working to identifying plans and strategies that align with our values and will deliver a balanced budget. Many factors and considerations.
May 6, 2014	Budget Report to Board – for information
May 20, 2014	Budget Report to Board – for approval
May 31, 2014	2014-15 Budget to Alberta Education

 We are here



# Calgary Board of Education

# Budget Briefing 2014-15

1. How should we negotiate between competing values when making budget decisions?



# Budget Briefing 2014-15

2. What needs to be considered to support the learning of each student?