

Metro School Boards Study

An Analysis of the Impact of the Renewed
Funding Framework

May 2005

Acknowledgements

A steering committee consisting of representatives from each of the metro boards provided guidance and direction for the conduct of the study. The members of the steering committee were:

Calgary Catholic:	Lois Burke-Gaffney – Trustee Jeremy Simms – Chief Superintendent Deborah Achen – Secretary-Treasurer
Calgary Public:	Carol Bazinet – Trustee Don Dart – Secretary-Treasurer
Edmonton Catholic:	Ron Zapisocki – Designated Board Representative Andy Isbister – Treasurer
Edmonton Public:	Svend Hansen – Trustee Dean Power – Treasurer Edgar Schmidt – Executive Assistant to the Superintendent
ASBA	Maureen Kubinec, President of ASBA (Ex-officio)

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Direct any comments or questions to:
Alberta School Boards Association
Association Affairs
Suite 1200, 9925 – 109 Street
Edmonton, AB T5K 2J8

Telephone: 780.451.7123
Fax: 780.482.5659

This document is also available on the ASBA website at: www.asba.ab.ca

Throughout this document, the term “public boards” will refer to both separate and public school boards, unless otherwise specifically noted.

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Executive Summary

The *Metro Boards Study* is an attempt to examine funding issues, including the impact of the *Renewed Funding Framework* upon the four metro boards. The province increased the total funding for basic education in the 2004 – 2005 school year and distributed it to boards through a *Renewed Funding Framework*. The total increase in provincial funding for the 2004 – 2005 school year was estimated to be approximately \$187.5 million or 5.76% based upon a budget-to-budget comparison. The metro boards received a total increase of approximately \$76.9 million, or 40.9% of the total provincial dollar increase. With approximately **47%** of the total student population, the metro boards received a significantly lower percentage of the increase in funds than their student population alone would warrant.

The province also stated that no jurisdiction would receive less than a 2% increase in funding over the previous year if student enrollment stayed the same. Funds were to be allocated on the basis of a jurisdiction profile that would identify all those factors that were beyond the control of the board and which resulted in increased costs. The metro boards felt that their expectations were not met and their needs and circumstances were not sufficiently recognized in the differential funding component of the *Renewed Funding Framework* and, as a result, were not given equitable treatment, as the *Renewed Funding Framework* failed to recognize those factors inherent in large metro school boards serving the needs of a large and diverse community. With **47%** of the total provincial student body being served by the four metro boards, the challenges in meeting the wide range of educational needs are significant. In addition, the metro boards felt that there were components within the *Renewed Funding Framework* that should not have been included within it. An example would be the stabilization

grant and the manner in which it was calculated and implemented. It was also felt that some of the factors were, in fact, double funded. An example would be the northern allowance and the relative cost of the purchasing goods and services adjustment.

The Alberta School Boards Association (ASBA) undertook, with the assistance of a Steering Committee comprised of representatives from the metro boards, to examine the impact of the *Renewed Funding Framework* on the metro boards and to attempt to define those factors that were not identified in the jurisdiction profile and consequently not funded. The weighting given to those factors that were identified also needed to be examined to ensure that it was appropriate.

The original request for a metro boards study also included an examination of the relationship between the metro boards and the Alberta School Boards Association. However, the Steering Committee, at its meeting of December 16, 2004, determined that the examination of relationships should be a separate undertaking. The funding issues were judged to be the most urgent and needed to be given immediate attention. The study and examination of the relationships would be a separate document with a proposed fall completion date.

Although the funding for, and provision of, facilities is not a component of the *Renewed Funding Framework*, the Steering Committee decided that it was important to include it in the study. The provision of educational services is highly dependent upon the availability of adequate school facilities.

The information that was utilized in this study originated from a number of sources. Audited financial statements, budgets, the jurisdiction profiles prepared by Alberta Education on the impact of the *Renewed Funding Framework*, jurisdiction materials, information obtained from the provincial government, annual education reports and three-year plans were just a few.

However, it was extremely difficult to obtain comparable information as data collecting and reporting varies significantly from jurisdiction to jurisdiction. The *Renewed Funding Framework* is an allocation model, therefore the reporting on the components that are used to secure funding are accurate and comparable from jurisdiction to jurisdiction. Alberta Education also does verification audits on various components from time to time. However, there is no such incentive to report on program expenditures. Each jurisdiction gathers and reports information that is necessary for the decisions that are made at the local level.

The following areas were considered and, based upon the analysis that was done, the following recommendations* are put forward for the consideration of the ASBA Board of Directors.

*Please see the detailed reports for an explanation for each.

Recommendations: *Renewed Funding Framework*

It is recommended that the Alberta School Boards Association lobby the provincial government to:

1. Include a metro factor within the *Renewed Funding Framework* that would address the complexities and issues facing metro boards.

2. Review the factors currently included in the *Renewed Funding Framework* to ensure that these are still valid and contribute toward achieving the principles of the *Renewed Funding Framework*.
3. Allocate an appropriate weighting to each of the factors identified in the *Renewed Funding Framework* as resulting in significant cost variances in order that the appropriate funding is provided.
4. Review the amount of funding allocated to each of the factors identified in the *Renewed Funding Framework* to ensure that it is sufficient to address the cost variances between jurisdictions in an equitable manner.
5. Revise the *Renewed Funding Framework* to ensure the “save harmless implementation provision” does not undermine the framework's principle of equity. One way to achieve equity could be to provide an additional equitable allocation to those boards which did not receive stabilization funding. Alternatively, should this not be possible to implement in a single year, it is recommended that the stabilization grant be removed from the *Renewed Funding Framework* and be viewed as a separate and distinct grant and that incremental increases be made to those boards which did not receive stabilization funding until equity in the framework is achieved.

Recommendations: Funding For English as a Second Language

It is recommended that the Alberta School Boards Association request:

1. That the province provide additional financial support to school boards to provide the necessary services necessary to assist refugee students and their families to make successful transitions into Alberta schools and society.
2. That the five-year cap be removed on the funding of ESL and the decision to determine when a student is no longer in need of ESL support be assigned to the school jurisdiction and its professional staff.
3. That the overall funding for ESL programs be increased and this be done by increasing the weighting factor from its current level of .6235.

Recommendations: Funding for First Nations, Métis and Inuit Education

It is recommended that the Alberta School Boards Association lobby the provincial government to:

1. Increase the funding for First Nations, Métis and Inuit education. The weighting factor should be increased from its current level of .6235.
2. Work with school boards to determine the best method to identify students that would be eligible for funding.

Recommendations: Student Transportation

It is recommended that the Alberta School Boards Association request that:

1. The province immediately undertake a thorough review of the metro transportation allocation formula. It is evident that simply increasing the amount per student will not fully address the shortcomings of current formula. The difference in costs and service between the metro boards is too significant to be remedied by a uniform increase in the per student amount. The formula is no longer responsive to the needs and circumstances of the metro boards in the provision of student transportation services and a complete review is necessary.
2. The review take into account the wide range of factors that impact upon the cost of the transportation system.
3. The review must also take into consideration advances in technology that may make it possible to develop a transportation allocation system based upon the specific needs and circumstance of each of the metro boards.
4. The province reconsider its position on the funding of transportation services to programs of choice and the additional cost of transporting students to these sites be recognized.

Recommendations: Facilities

A. Infrastructure Expansion

It is recommended that the Alberta School Boards Association request the provincial government to:

1. Provide sufficient school capital funding to metro boards for the infrastructure expansion needs of new communities in Calgary and Edmonton.
2. Increase funding rates for new school construction that address inflation and reflect current market conditions in metro areas.
3. Recognize the facility costs associated with the *Small Class Size Initiative* in determining building capacity, utilization of school space, and the capital needs of all boards.
4. Address the facility needs of all boards as new initiatives are implemented with space implications such as junior kindergarten or full-day kindergarten.
5. Recognize the educational, social, economic, recreational, and cultural value of having new schools in the developing areas of Calgary and Edmonton.

B. Infrastructure Preservation

It is recommended that the Alberta School Boards Association request the provincial government to:

1. Provide infrastructure preservation funding annually to all boards that is equivalent to the industry standard of two percent of school facility replacement cost.
2. Block fund school modernization for metro boards once the backlog of major upgrading of school facilities is addressed.
3. Continue with the Infrastructure Maintenance Program at funding rates that reflect current costs.
4. Replace portable and relocatable classrooms that have reached the end of their life expectancy.

C. Plant Operations and Maintenance

It is recommended that the Alberta School Boards Association request the provincial government to:

1. Increase Plant Operations and Maintenance funding for all boards to a level that is sufficient to address higher utility costs and the general maintenance of school facilities.
2. Remove the punitive effects of reduced plant operations and maintenance funding for all boards with lower school facility utilization rates.
3. Take into account the Learning Commission's recommendations on class sizes, the facility needs of students with mild/moderate disabilities and gifted and talented, the anomalies of older school buildings, and core schools without portables in determining the capacities of school facilities.
4. Fund the utility costs that municipalities have downloaded on metro boards from the property tax base to utility fees.

D. Space Reduction Initiatives

It is recommended that the Alberta School Boards Association request the provincial government to:

1. Provide capital funding to all boards for the specific purpose of right-sizing school facilities where student enrolments and building conditions warrant and building design permits.

2. Exclude the small schools by necessity that all boards must operate when calculating school system utilization.

Recommendation: Instructional Costs to Metro Boards

It is recommended that the Alberta School Boards Association request the provincial government to critically examine the province-wide distribution of mildly/moderately disabled and gifted/talented students, with a view to providing appropriate funding to meet the costs associated with these students. The *Renewed Funding Framework* assumes that the number of mildly/moderately disabled and gifted/talented are uniformly distributed uniformly across the province. This may not be the case.

Metro Boards Study

Background

At the 2004 Spring General Meeting (SGM) of the Alberta School Boards Association (ASBA), the Metro Caucus requested that a study be undertaken to examine educational issues impacting upon the metro boards. In particular, the study was to assess the impact of the *Renewed Funding Framework* upon the metro boards and to examine the relationships between the metro boards and the ASBA. Specifically, the study was directed to:

1. Identify the impact of the recent changes to the fiscal framework,
2. Identify recommendations for further changes to the fiscal framework (e.g., special education, complexity, administrative costs),
3. Identify how the ASBA can advocate for metro boards,
4. Consider metro representation (voice) option within the ASBA, and
5. Identify the advantages of ASBA membership for metro boards.

The ASBA agreed to undertake the study and have it brought before the Board of Directors upon completion. A Steering Committee, consisting of two representatives from each of the metro boards, was put into place to guide the conduct of the study and to ensure that the objectives were met. The selection of the board representatives was left to the boards themselves. The ASBA President attended as ex-officio, as is provided for in ASBA Bylaw 6, section 6.

The report was to be completed by December 31, 2004 in order that it could be tabled with the ASBA Board of Directors for the development of policy directives that would then be

submitted to the Spring General Meeting (SGM) in June 2005 for discussion, ratification and the development of policy positions.

At its meeting of October 8, 2004, the Steering Committee reviewed the timelines and supported a revised completion date for the study of April 2005. This would permit the Board of Directors to consider policy directives at its May meeting and have these considered and policy directions ratified at the 2005 SGM. The Steering Committee also agreed that the study should focus immediately upon the financial implications and issues dealing with the relationships between the metro boards and the ASBA could be referred to the Fall General Meeting (FGM). The two areas identified in the financial portion for immediate attention were student transportation and facilities. Other issues were included as the study proceeded.

In addition to the specific areas of study requested by the Metro Caucus noted above, it was decided by the Steering Committee that a section dealing with facilities should be added to the study. It was recognized that facilities are not a component of the *Renewed Funding Framework* and is the responsibility of Alberta Infrastructure and Transportation. However, the impact of facilities on the provision of educational services to students in the metro areas was viewed as being critical.

There was a desire to develop a “unique metro context” or factor. This would serve to identify a number of components which, when considered in aggregate, would set the metro boards apart from other school jurisdictions in the province. A “unique metro context” is essential in that each of the metro boards is distinct. Issues faced by one board may not be

as much of a consideration in another. Examples would be transportation, English as a Second Language (ESL), special education and First Nation, Métis and Inuit (FNMI). English as a Second Language is a greater consideration for the Calgary boards in that they have the vast majority of immigrant students in the province that require ESL programs. First Nations, Métis and Inuit are a greater consideration for the Edmonton boards in that they have a higher percentage of this cultural and language group than do the Calgary boards.

Purpose

The motivating factors for requesting the study by the metro boards were a belief that:

1. The *Renewed Funding Framework* failed to sufficiently recognize the needs of the metro boards and to provide the financial resources necessary for them to be able to continue to provide a quality education reflecting the needs of students, parents, society, and to meet provincial mandates, and
2. Metro boards do not always perceive they have sufficient voice in the actions taken by the ASBA.

The study was to result in bylaw, policy or directive for action proposals by the ASBA to address these factors.

Demographics

There has been a steady shift in the provincial population base from the rural areas of the province to the urban centres. Based upon the latest census (2003 Official Population List, Municipal Affairs), 52.4% of all Albertans reside within the cities of Edmonton and Calgary.

The student enrollment in Edmonton and Calgary is approximately 47% of the provincial total. This means that just slightly less than one out of every two provincial students is educated by one of the four metro boards. This concentration of students within the two metro areas provides a number of unique and significant challenges related to the resources necessary to develop, coordinate and provide for the delivery of educational programs to a large and diverse student population.

As the provincial funding for the provision of educational services is primarily student driven, it might be assumed that the total provincial revenue for basic education would be distributed on the same basis as the ratio of students in metro areas to the total provincial total. According to information provided by Alberta Education, the metro boards received 44.9% of total basic education dollars for some 47% of the students for the 2003/2004 fiscal period. The total increase in provincial funding for the 2004 – 2005 school year was estimated to be approximately \$187.5 million based upon a budget-to-budget, year-to-year, comparison. The metro boards received a total increase of approximately \$76.9 million or 40.9% of the total provincial dollar increase. With approximately 47% of the total student population, the metro boards received a significantly lower percentage of the increase in funds than their population alone would warrant. Of the 77 school authorities, the top metro board in province placed 36th in terms of the percentage increase received and the lowest placed 61st.

A major problem is that some of the factors unique to metro boards have not been appropriately recognized for funding in the *Renewed Funding Framework*. This places the metro boards at a fiscal disadvantage in providing educational services to its student body. The

metro boards believe that the *Renewed Funding Framework* was not implemented in an equitable manner. The rest of this report shows why this is, in fact, the case.

Renewed Funding Framework

Background

In the spring of 2002, the Minister of Learning undertook an examination of the funding framework that was in place at that time. It was felt that the funding framework, which was developed in the mid 90's, was no longer responsive to the needs of Alberta school authorities or the province and required extensive revision.

A Review Committee, comprised of representatives from the various education groups in the province, was established by the Minister to review the funding formula and bring forward suggestions for change. The identified groups having representation were:

1. Alberta School Boards Association (ASBA)
2. College of Alberta School Superintendents (CASS)
3. Association of School Business Officials of Alberta (ASBOA)
4. Alberta Home and School Councils' Association (AHSCA)
5. Francophone School Jurisdictions

An expert in the field of budget and distribution models, as well as staff members of Alberta Education were also added to the Committee.

The Committee's role was to "focus the review on the funding distribution mechanism for Basic Learning." The Committee was to ensure that the funding formula distributed available financial resources in a fair and equitable manner that provided school jurisdictions with the flexibility they required to meet student needs and local priorities. The Committee

was directed to focus on how funds would be distributed to school jurisdictions. Adequacy was not to be a consideration in the review.

The Committee met four times during the period from June 13, 2002 to December 1, 2003. The Committee decided upon a “jurisdiction profile funding allocation model that would recognize and account for differential costs that are out of the control of school jurisdictions”.

The Minister announced the implementation of the *Renewed Funding Framework* for the 2004 – 2005 school year in an Alberta Education news release – March 25, 2004. The news release contained the following statements:

The intention of the new funding framework is to simplify the funding process, ensure equitable funding to all jurisdictions and provide jurisdictions flexibility in addressing their local needs and priorities. The new framework provides funding to school boards based on the premise that, over and above the base costs of operations, jurisdictions should receive funding for significant cost factors that are beyond their control and which vary across jurisdictions.

Description

The *Renewed Funding Framework* is based upon a jurisdiction profile concept, which outlines the characteristics of each jurisdiction. The *Renewed Funding Framework* is an allocation model. It does not mandate expenditures or levels of service but provides a pool of funds for the

use of school jurisdictions. Boards are given the flexibility to use the funds provided to meet the needs of their students and communities with few limitations.

Funds are allocated in the following manner:

1. Base Funding

In this component, funds are allocated equally to all jurisdictions based upon the same rate and criteria. The bulk of the funding for basic education is distributed in this manner. Examples of funding in this category would be the per-student instructional grant, Credit Enrollment Unit (CEU) and Early Childhood Services (ECS) funding.

2. Differential Cost Funding

The differential cost funding component of the *Renewed Funding Framework* allocates funds to jurisdictions based on specific criteria. This is the component that is designed to provide jurisdictions with the necessary funds to cover costs that are beyond their control and to provide financial equity.

Examples of some of the grants included in the differential cost portion are:

- 2.1 Students with Severe Disabilities
- 2.2 Early Childhood – Mild or Moderate, Gifted and Talented
- 2.3 English as a Second Language (ESL)
- 2.4 Enhanced ESL and Support Services for Immigrant Students
- 2.5 Socio-Economic Status – based upon the following:

- 2.5.1 Percent of families living below the Low Income Cutoff
- 2.5.2 Average number of years of education of mothers
- 2.5.3 Transience rate, based upon student mobility rate
- 2.5.4 Percentage of families headed by a lone parent
- 2.5.5 Stability, based on the percentage of households that rent living space
- 2.6 Relative Cost of Purchasing Goods and Services Adjustment
- 2.7 First Nations, Métis and Inuit Education
- 2.8 Northern Allowance
- 2.9 Small Board Administration
- 2.10 Transportation
- 2.11 Changes in Enrollment
- 2.12 Stabilization
- 2.13 Small Schools by Necessity
- 2.14 Intra-Jurisdiction Distance

3. Provincial Priorities

Funding allocated through this component is given to support and maintain provincial goals and priorities. Examples of provincial initiatives that are supported are:

- 3.1 The Alberta Initiative for School Improvement (AISI)
- 3.2 Student Health and High Speed Networking
- 3.3 Class Size Initiative
- 3.4 Student Health Initiative
- 3.5 Children and Youth with Complex Needs

Analysis

The basic underlying premise of the *Renewed Funding Framework* is sound. School jurisdictions should be provided with funds to address factors that are beyond their control and contribute to additional costs in providing educational services.

In order for the *Renewed Funding Framework* to be successful in meeting its goal of ensuring equitable funding to all jurisdictions, the following conditions must exist:

1. All of the factors, which are beyond the control of the jurisdiction and result in increased costs in the provision of educational services that meet the needs of students and provincial mandates, must be identified and funded. This means that the jurisdiction profile must be correct in identifying all of those factors contributing to significant cost variances between school jurisdictions.
2. The appropriate dollar amount must be allocated to the differential cost component of the *Renewed Funding Framework* in order to address the cost variances between jurisdictions in an equitable manner.
3. An appropriate weighting must be allocated to each of the factors identified in the *Renewed Funding Framework* as resulting in significant cost variances in order that the appropriate funding is provided.
4. Funding allocations that do not meet the principles and goals of the *Renewed Funding Framework* should not be included within it.

Based upon our analysis of the *Renewed Funding Framework* and the manner in which it was implemented, it is our belief that these four conditions have not been met. In particular, this is the case with the four metro boards that educate some 47% of the total student population of the province and receive a lower percentage of the available funds.

The *Renewed Funding Framework* appears to have:

1. Some factors, such as the stabilization grant, that mitigate against the equity principle.
2. Some factors, such as the northern allowance and the relative cost of purchasing goods and services adjustment, that appear to double fund certain conditions.
3. Some factors there were missed entirely.
4. Some factors that are inappropriately weighted.
5. Certain authorities receiving funds that they should not. Such as charter schools receiving funding for First Nations, Metis and Inuit when they do not have these students in its school(s).

Metro boards have specific factors beyond their control, which result in increased costs and that are not included in their funding profiles. For example, none of the factors that have

been identified in the differential cost component address the characteristics of large organizations serving the needs of a large and diverse student populations.

Some examples would be:

1. human resource management
2. varied demands from a large and diverse population – parents’ demands for educational opportunities
3. communication, both within the organization and with a wide range of stakeholder groups
4. necessity of legal assistance on a wide range of issues that face large organizations
5. dealing with the demands of an ever present and multiple media outlets
6. need for inter-agency cooperation
7. establishing partnerships
8. the need for complex computer networks and required upgrades – to gather, process and manage information
9. the wide range of needs that must be met within a large student population
10. competition with other educational providers, such as private schools and charter schools, for students and resources

The factors that have been identified in the *Renewed Funding Framework* at this time appear to be generally valid and should continue to be a consideration in the distribution of funds to school jurisdictions. There is a concern, however, in that some of the factors appear to unduly overlap each other. For example, northern allowance and the relative cost of

purchasing goods and services factors seem to address the same issue. If the reason for providing a northern allowance is to cover the increased costs of providing educational services, then the relative cost of purchasing goods and services should address this.

We also believe that the listing is not complete and factors impacting upon the metro boards have not been identified and included in the *Renewed Funding Framework*. This must be done if the *Renewed Funding Framework* is to achieve its goals. The metro boards believe that additional work should be done by the province in an effort to identify factors that should be included in the *Renewed Funding Framework* and would be prepared to participate in any further study to identify these.

The funds allocated to a number of the differential cost factors may not be sufficient to address the cost variances between jurisdictions on an equitable basis.

Grants, such as stabilization, should not be considered as a component of the *Renewed Funding Framework* and are contrary to the stated goals and principles. Stabilization funding is not provided to address those factors beyond the control of the jurisdiction receiving it. It is based solely on the difference in the amount received the previous year under the funding framework that was in place and the amount provided under the *Renewed Funding Framework*. The manner in which it has been implemented is contrary to the principle of equity. Funds allocated to the stabilization component are denied to other jurisdictions and continue to maintain the inequity that the *Renewed Funding Framework* was designed to eliminate.

Impact of the *Renewed Funding Framework* Upon Metro Boards

When the *Renewed Funding Framework* was being developed, the metro boards were led to believe that they would be accorded equitable treatment and that their issues and concerns would be addressed. A metro complexity factor had been proposed that would recognize the incrementally higher costs for the development and replacement of information data systems in large jurisdictions. It was recognized during the development of the *Renewed Funding Framework* that the needs of both the smallest and largest boards in the province needed to be addressed. The small board administration grant was retained when the revised funding framework was finalized, but the complexity grant for the metro boards was deleted.

An amount of \$6.00 per student was originally considered for support of the metro complexity factor. This would have generated a total of approximately \$1,541,736 for the four metro boards. While this amount may not have been sufficient to cover the increased costs, it would have provided some additional funds for the metro boards and a recognition that the metro boards did have issues and costs as a result of size.

Alberta Education distributed “Jurisdiction Profiles” that identified the funding that would be received by school jurisdictions under the *Renewed Funding Framework* and did a comparison with the amount that would have been received had the framework been implemented the previous year. An analysis of the amounts received through the *Renewed Funding Framework* based upon this comparison reveals the impact upon the metro boards. The province increased basic education funding to its 77 school jurisdictions in 2004 – 2005 by approximately \$187.5 million or approximately 5.76%. Each of the metro boards received an increase of approximately:

- Edmonton Catholic – 4.68%
- Calgary Catholic – 4.81%
- Edmonton Public – 4.98%
- Calgary Public – 6.0%

In total, the metro boards received approximately \$76.9 million or 40.9% of the total dollar increase. With approximately 47% of the total student population, the metro boards received a significantly lower percentage of the increase in funds than their population alone would warrant.

For 2004 – 2005, assuming no change in enrolment, the four metro boards would receive \$1.524 billion of funding or approximately 44.24% of the total provincial basic education funding provided to all of the school jurisdictions and charter schools. Prior to the introduction of the *Renewed Funding Framework*, in the 2003 – 2004 school year, the metro boards received approximately 44.41% of the provincial total. Therefore under the *Renewed Funding Framework*, the metro boards received a lower percentage of the provincial funding than they received under the previous funding plan. While the differences appear to be slight, there is a significant difference in terms of dollars. In this case, the difference is \$6.8 million.

The median percentage increase – that point where half of the jurisdictions are above and half are below – provided to boards through the *Renewed Funding Framework*, was 5.639. Of the four metro boards one, Calgary Public, was above the median increase and the remaining three below it.

Percentage increases for jurisdictions ranged from a high of 25.646% to a low of 3.362%. A rank ordering of the jurisdictions, from 1 to 77, based upon the percentage increases received showed that the metro boards were at the bottom end of the range. The rank order of the metro boards was:

- Calgary Public – 36th
- Edmonton Public – 51st
- Calgary Catholic – 56th
- Edmonton Catholic – 61st

Based upon the evidence provided in the analysis of the jurisdiction profiles provided by Alberta Education, the metro boards were disadvantaged by the introduction of the *Renewed Funding Framework*. They received a lower percentage of the total provincial funds than they would have had the *Renewed Funding Framework* not been introduced. The percentage increases they received, with the exception of Calgary Public, were lower than the majority of the jurisdictions in the province received. Three of the four metro boards are below the median percentage increase of 5.639.

Stabilization Funding

When the *Renewed Funding Framework* was introduced, the province made a commitment that no school board would receive less than a 2% increase in funding due to the implementation of the framework. Stabilization funding was provided to ensure this commitment. Charter schools and the two Lloydminster boards did not qualify for stabilization funding.

Based upon the jurisdiction profile information, \$17,823,238 was allocated for stabilization funding. Twenty-eight boards qualified for funding, but none of the metro boards did. A number of the boards had higher total percentage increases than the metro boards and still qualified for funding. For example:

- 5 boards that qualified had higher percentage increases than Calgary Public and 23 had lower percentage increases
- 12 boards that qualified had higher percentage increases than Edmonton Public and 16 had lower percentage increases
- 14 boards that qualified had higher percentage increases than Calgary Catholic and 14 had lower percentage increases
- 16 boards that qualified had higher percentage increases than Edmonton Catholic and 12 had lower percentage increases

The established 2003-2004 base amount used to determine the amount of stabilization funding would be subject to annual adjustments for enrolment declines and funding rate changes only.

Conclusion

The principles upon which the *Renewed Funding Framework* is based are sound and supportable. Unfortunately, some of the elements of the *Renewed Funding Framework* are not consistent with those principles. All of the factors which impact on the cost of providing educational services specific to metro jurisdictions have not been identified. If the *Renewed Funding Framework* is to achieve its goal, then these must be identified and included in the differential funding component.

Some of the factors that impact on the metro boards that have not been noted previously in this study, or included in the *Renewed Funding Framework* are as follows:

Communication

The media is concentrated in the metro areas. The major newspapers, radio stations and media corporate offices are located there. Therefore, anything that might become an issue is quickly brought to the attention of the public. The media can be at any location within the city in a very short time. Boards are required to expend time, resources and energy to ensure that responses are made in a timely and professional manner. There is a price in dealing with the media in a prompt and effective manner.

Government

Many of the MLAs are from the metro areas; this requires the boards to exert extra effort in communication and contact with provincially elected politicians. Of the 83 provincial MLAs, 41, or approximately 50%, are from Edmonton and Calgary. Calgary has the largest contingent at 23. This number exceeds the total number of elected school trustees.

Safety Considerations

Concern for student and staff safety is a significant consideration for the metro boards. Additional financial and human resources are required to provide security and counseling services. Smaller jurisdictions do not have the same range or complexity of problems as that faced by the metro boards.

Programs of Choice

The metro boards provide a wide range of educational programs and services to its student body. Parents demand a choice. There is an increasing expectation that the boards will meet those demands. The end result is increased costs. The metro boards have an increasing percentage of their students that do not attend their neighborhood school. The provincial government encourages choice and the provision of alternatives, yet it is reluctant to financially support the costs that result.

Complexity of Governance

In the metro boards, trustees have a much larger constituency to deal and interact with. Each trustee has a large number of schools to liaise with. This results in increased costs.

Recommendations:

It is recommended that the ASBA lobby the government to:

1. Include a metro factor within the *Renewed Funding Framework* that would address the complexities and issues facing metro boards.
2. Review the factors currently included in the *Renewed Funding Framework* to ensure that these are still valid and contribute to achieving the principles of the *Renewed Funding Framework*.

3. Allocate an appropriate weighting to each of the factors identified in the *Renewed Funding Framework* as resulting in significant cost variances in order that the appropriate funding is provided.

4. Review the amount of funding allocated to each of the factors identified in the *Renewed Funding Framework* to ensure that it is sufficient to address the cost variances between jurisdictions in an equitable manner.

5. Revise the *Renewed Fiscal Framework* to ensure the “save harmless implementation provision” does not undermine the framework's principle of equity. One way to achieve equity could be to provide an additional equitable allocation to those boards that did not receive stabilization funding. Alternatively, should this not be possible to implement in a single year, it is recommended that the stabilization grant be removed from the *Renewed Funding Framework* and be viewed as a separate and distinct grant and that incremental increases be made to those boards which did not receive stabilization funding until equity in the framework is achieved.

English as a Second Language

Background

The *Renewed Funding Framework* brought about some significant changes to the manner in which funds are provided to support English As A Second Language Programs (ESL). These were:

1. Extended the program to include ECS – “funded children”
2. Funding for a maximum of 5 years unless there are mitigating factors – this does have the effect of reducing funding for ESL
3. Increased financial support for ESL – from \$736 per qualified student in 2003 – 2004 to \$1,020 in 2004 – 2005
4. Provided an additional \$357 per eligible FTE funded child/student to provide for immigrant students (foreign born)

Immigration to Alberta

Alberta receives approximately 7.1% of the total number of immigrants to Canada. Over the past three years, the total coming to Alberta was:

1. 2002 – 6,515 individuals
2. 2003 – 6,947 individuals
3. 2004 – 7,068 individuals

The majority of immigrants, 62.5%, came from China, Philippines, India, Pakistan, U.K., Korea, U.S., Afghanistan, Colombia and the Sudan. Of the total number of immigrants to Alberta, 57.6% came to Calgary and 28.8% to Edmonton.

In 2003, 3,288 immigrants coming to Alberta were of school age and the majority was recorded as not having adequate English Skills.

Numbers Claimed For ESL

1. Provincial total = 32,000 (14,000 foreign born) Alberta Education does not have exact data at this time but this is an estimate.
2. Calgary Catholic = 4,750 (2,724 foreign born)* - estimated 433 refugee**
3. Calgary Public = 15,346 (7,493 foreign born)* - estimated 331 refugee**
4. Edmonton Catholic = 2,188 (1017 foreign born)* - estimated 60 refugee**
5. Edmonton Public = 3,517 (2,140 foreign born)*

* information provided by jurisdictions

** these are estimated numbers only as jurisdictions do not keep exact numbers of refugee students at this time, but this could be done quite easily should funding for these students be provided.

Alberta Education has also provided ESL incidence levels. This may be another way of looking at the number of ESL students in each of the metro systems and the impact of ESL students upon the jurisdiction.

1. Provincial average incidence rate for ESL is 6.25%
2. Calgary Catholic = 13.43%
3. Calgary Public = 16%
4. Edmonton Catholic = 5.5%
5. Edmonton Public = 4.5%

Conclusion

The five-year cap on funding for ESL students reduces resources available to jurisdictions providing the program. In addition, it requires jurisdictions to engage in additional administration to track and identify students that have been provided an ESL program for a period of five years. The burden is increased in that the five-year cap does not mean the number of years taken must be consecutive. For example, a student might be provided an ESL program for a period of two years, then leave Alberta for two years and then return. Upon the student's return, the enrollment in an ESL program would need to indicate the third year. Boards should be given the responsibility for determining when a student has achieved the skills necessary to leave the program.

The province has recognized that there is an extra cost of providing ESL programs to immigrant students moving into Alberta. Additional funds provided for foreign-born students do offer some relief. However, there is no enhanced financial recognition for students who emigrate to the province from refugee camps. These students place an additional burden on the educational system as fluency in English is just one of the factors that needs to be considered in ensuring the student experiences success in the education system. Many of these students have not been in school for a number of years and have had a number of unpleasant experiences.

Considerable support must also be provided to refugee families. The jurisdiction staff must work with other community agencies to assist parents in accessing the services and supports they require. For many refugee parents and students, language barriers are significant. Many come from nations where there is a plurality of language groupings and dialects.

Calgary Public has noted that the largest challenges facing the jurisdiction arise from the need to accommodate immigrant children and their families and the necessity to provide services for students identified as being mild or moderately disabled.

The ASBA has recognized the challenges faced by school boards to meet the needs of students requiring ESL programming. Directive for Action 4.D.16: ESL Funding, states:

The Alberta School Boards Association urges Alberta Learning to undertake a comprehensive revision of funding related to English as a Second Language students in view of the recent dramatic increase in the number of ESL students registering with boards and as a result of the increasingly complex learning profile demonstrated for a portion of the ESL student population who enter Canada as a result of refugee status and that the revision of funding include the consideration of provincial funding for ESL Kindergarten services as well as funding for assessment and placement of students requiring ESL services. (Amended 2002)

Each year, the ASBA provides a progress report relative to each Directive for Action. The 2004 progress report stated, in part, regarding Directive for Action 4.D.16 that,

ASBA's advocacy for improved funding for ESL has been successful. However, ESL issues are predominantly a Metro issue. ESL students being received in our Metro system are non-schooled and/or traumatized. Their needs are not linguistic needs alone. Currently, ASBA is engaged in a Metro

study. Despite recent advocacy success relative to ESL funding, this directive should be retained pending the completion of the Metro study.

Recommendations

It is recommended that the ASBA request:

1. That the province provide additional financial support to provide the necessary services in order to assist refugee students and their families to make successful transitions into Alberta schools and society,
2. That the five-year cap on the funding of ESL be removed and the decision to determine when a student is no longer in need of ESL support be assigned to the school jurisdiction and its professional staff.
3. That the overall funding for ESL programs be increased and this be done by increasing the weighting factor from its current level of .6235.

Analysis

An analysis of an impact of the grant on the metro boards is attached as Appendix 1 to this study.

First Nations, Métis and Inuit Education

Background

The *Renewed Funding Framework* introduced funding for First Nations, Métis and Inuit Education (FNMI) for the 2004 – 2005 school year. This was a new grant and was designed to provide financial support to jurisdictions to provide educational services and programs FNMI students.

Jurisdictions receiving funding are required to report FNMI student achievement and high school completion rates in their Annual Education Results Report. It is anticipated that increased funding will be reflected in increased achievement.

The funding was provided on a per student basis for identified students at a rate of \$1,020.00 for each full time equivalent student.

Numbers Claimed For FNMI Funding

For the 2004 – 2005 school year, Alberta Education estimated the number of FNMI funding within a jurisdiction by using the Statistics Canada 2000/2001 census data. If a jurisdiction could show that the number of students that were self identified as being an FNMI student was higher than the estimated number, then that number would be used.

It is anticipated that over a five-year period the funding would be moved away from an estimated based upon census data to that based solely upon self-identification.

The estimated number of FNMI students by metro jurisdiction is:

- Calgary Catholic – 1,805
- Calgary Public – 3,325
- Edmonton Catholic – 2,155
- Edmonton Public – 5,705

Conclusion

The Edmonton boards have the highest percentages of FNMI students in their student population. An increase in the per-student grant would benefit the Edmonton Boards.

It is essential that FNMI students experience success in our educational systems. Aboriginal education and issues have been highlighted as priorities for both the provincial and federal governments. If these students are to find success, then adequate financial support is a necessity.

Recommendations

It is recommended that the Alberta School Boards Association lobby the provincial government to:

1. Increase the funding for First Nations, Métis and Inuit education. The weighting factor should be increased from its current level of .6235.
2. Work with school boards to determine the best method to identify students that would be eligible for funding.

Analysis

An analysis of the impact of the FNMI grant on the metro boards is included in this study as

Appendix 2.

Metro Transportation

The full transportation report is included as Appendix 3 to this study and a brief summary is provided here.

Background

Funding for student transportation is the only component of the *Renewed Funding Framework* that is based solely upon the characteristic of the jurisdiction in which the students reside.

There is a rural, an urban and a metro plan. The metro student transportation plan allocates a per student dollar amount based upon an estimated number of students eligible for transportation funding. There is no need for the board to identify individual students or their place of residence. A formula provides an estimated number of students that provides the basis for transportation funding. In addition to the funding determined by the formula, the metro boards were provided with an additional five million dollars in the 2001 – 2002 school year in order to assist in the funding of the transportation system. These additional funds were distributed to the boards on the same ratio as the funds distributed through the formula, and the five million dollars has not been increased since 2001-2002.

It should be noted that it was very difficult to compare expenditures on transportation services among the metro boards. The boards do not always report expenditures and revenues in exactly the same way. Also circumstances vary significantly from board to board.

Findings

The present funding to the metro boards for the transportation of students is not sufficient to support the transportation system as it is currently being operated. All of the metro

boards rely upon fees and other revenue sources to supplement the amount received from the province. As allowed by Alberta Education, Calgary Catholic does not record the revenue received from the sale of bus passes as transportation fees but rather as revenue from other sales and services.

In addition, there is an increasing reliance on transportation fees to fund the system. The amount raised through transportation fees increases annually. In the case of Edmonton Catholic and Edmonton Public, the total dollars raised between 2002 – 2003 and 2003 – 2004 increased by 11.4% and 13.7% respectively. In the case of Calgary Public the amount raised through transportation fees increased by approximately 30%.

In the 2002 – 2003 school year, the transportation fees charged by the three metro boards that levy fees raised the following amounts:

1. Calgary Public

Total amount - \$2,662,561 or 12% of the total cost of providing transportation

2. Edmonton Catholic

Total amount - \$2,062,043 or 20.6% of the total cost of providing transportation

3. Edmonton Public

Total amount - \$4,646,637 or 21.9% of the total cost of providing transportation

As noted above, while Calgary Catholic did not report revenue from transportation fees, it did report revenue of \$1,798,807 from other sales and services for the sale of subsidized bus passes for students in grades 7 – 12. In 2004 – 2005, transportation fees were introduced for alternative programs/programs of choice, and it is anticipated all other remaining students will also pay fees in 2005 – 2006, which is consistent for all metro boards.

The per student transportation expenditure varies among the metro boards. The trends are toward higher costs, lower levels of service and/or increased student fees.

The current formula for allocating funds for transportation does not take into account such factors as:

1. needs and requirements of special education student transportation
2. location of magnet schools
3. urban sprawl – need to transport students from high growth areas on the periphery of the cities into the lower growth areas in older neighborhoods
4. traffic complexities and impact on ride times
5. student safety – traffic patterns, school bus drop off bypasses, major traffic routes and the nature of the areas that students must pass through
6. need to utilize a wide range of transportation service providers – from taxies to yellow busses
7. increasing costs of accessing public transit
8. needs of students and demands of parents
9. costs of securing, training and maintaining qualified drivers and other personnel
10. programs of choice

11. small schools by necessity
12. school closures
13. service carrier contracts

All of the metro boards identified special education, student choice and school locations as significant issues impacting on the cost of providing transportation.

Approximately 40% of the boards in Alberta do not charge student transportation fees.

Observations

Based upon an analysis of the student transportation system in the metro boards, the following observations may be made:

1. It is recognized that providing additional funds to support the transportation system may not provide the metro boards with additional funds to provide other services. It will however, permit the boards to address increasing costs, improve the deteriorating quality of the transportation system and to address areas that are currently in some difficulty or not being provided.
2. Additional funds should serve to reduce or eliminate transportation fees for students. This in itself has merit. Alberta may be the only province that relies on student fees to support basic educational services such as transportation and provision of instructional resource materials.

3. A simplistic analysis of costs of transportation as recorded in the audited financial statements of the metro boards does not in itself demonstrate cost pressures or funding needs.
4. The elimination of student fees would remove the administrative burden on school-based and central office staff in the collection, tracking and application of fees.

Recommendations

It is recommended that the Alberta School Boards Association request that:

1. The province immediately undertake a thorough review of the metro transportation allocation formula. It is evident that simply increasing the amount per student will not fully address the shortcomings of current formula. The difference in costs and services between the metro boards is too significant to be remedied by a uniform increase in the per student amount. The formula is no longer responsive to the needs and circumstances of the metro boards in the provision of student transportation services and a complete review is necessary.
2. The review take into account the wide range of factors that impact on the cost of the transportation system.

3. The review take into consideration advances in technology that may make it possible to develop a transportation allocation system based upon the specific needs and circumstance of each of the metro boards.

4. The province reconsider its position on the funding of transportation services to programs of choice and the additional costs of transporting students to these sites be recognized.

Facilities

The entire report that was prepared on metro boards school facilities is attached to this study as Appendix 4 and a brief summary is provided here.

Background

The expansion, preservation, operations, and maintenance of metro boards' school facilities were examined using information supplied by Alberta Infrastructure and Transportation, Alberta Education, Statistics Canada, and Alberta's four metro school boards.

School Facility Expansion

Metro boards continued to have many subdivisions without adequate school facilities and in their capital submissions for 2005/06 to 2007/08 requested \$286.8 million for 35 new construction projects. Sufficient capital funding from the provincial government is required to address significant student population growth in 27 new communities in Calgary and Edmonton.

The lack of public schools in new subdivisions encourages the growth of private schools in those areas. This enables private schools to attract students and resources because most parents would prefer to have their children attend school in their neighborhood. The metro boards are placed at a disadvantage due to their inability to secure funding for new schools in new subdivisions.

The absence of schools in new neighborhoods places an increased burden on the student transportation system, as students need to be bussed to other communities that have student

spaces. It also impacts on the sense of community, as the neighborhood school is often the centre of the community and a source of pride. In their annual report, Edmonton Public stated that one out of every five elementary students resides in a community without a school.

The provincial government must recognize the educational, social, economic, recreational, and cultural value of new schools in the developing areas of Calgary and Edmonton.

The funding rates for new construction set by the provincial government in January 2001 have not kept pace with current costs because of inflation and Alberta's booming economy. Funding rates for new construction must be increased to reflect actual market conditions in Calgary and Edmonton.

The facility costs of the *Small Class Size Initiative* has not been addressed for metro boards. Additional capital funding by the provincial government is necessary to accommodate the space requirements of small classes and other initiatives, such as full-day kindergarten, that might be implemented in the future.

School Facility Preservation

The metro boards have not received adequate funding from the provincial government to maintain and modernize their school facilities. Preservation projects have often been put on hold because of funding shortfalls with the result that deferred maintenance on metro boards' active school facilities has grown to an estimated \$923 million.

Metro boards have requested \$173.4 million for 42 modernization projects from 2005/06 to 2007/08. This amount combined with roughly \$60 million in Infrastructure Maintenance Program funding that metro boards anticipate receiving over the next 3 years would total \$77.8 million annually – about two percent of metro boards' school facility replacement costs.

The provincial government *Report on a New Facilities Capital Plan* in 1999 recommended that school facility preservation should be funded at two percent of building replacement cost - the amount metro boards are requesting. Metro boards should be block funded for school modernization once their backlog of major upgrading projects is addressed.

Fifty-six percent of metro boards' portable and relocatable classrooms are at least 20 years old and will need to be replaced over the next five to ten years as they reach the end of their life expectancy.

School Facility Operations and Maintenance

The general maintenance of metro boards' school facilities has suffered since 1995/96 because provincial government funding has not kept pace with inflation and extraordinary cost increases in electricity and natural gas. The additional \$30 million the provincial government provided to boards over 2002/03 and 2003/04 for increased utility costs did not continue into 2004/05, resulting in metro boards having reduced funding for school facility maintenance.

The provincial government must increase plant operations and maintenance funding sufficiently to address metro boards' general maintenance and higher utility costs, including fees that some municipalities have downloaded from the property tax base.

The provincial government must also remove the punitive effects of reduced plant operations and maintenance funding for metro boards with lower school facility utilization rates and take into consideration other factors that directly affect school facility capacity.

Space Reduction Initiatives

Metro boards have reduced surplus space through school closures, right-sizing larger facilities by demolishing obsolete sections, lease agreements, and offering alternative programs.

The provincial government should provide capital funding to metro boards for the specific purpose of right-sizing school facilities where student enrolments and building design permits. Small schools by necessity that metro boards must operate should be excluded when calculating school system utilization for purposes of funding and eligibility for new construction.

Downloading of Municipal Costs

It was noted that there has been a downloading of certain municipal costs on to the metro boards. This has occurred recently in Edmonton where the Edmonton Public School Board was assessed approximately \$320,000 to cover the cost of land drainage. Edmonton Catholic has experienced similar City of Edmonton assessments. Prior to the creation of a utility for

land drainage, this service was funded through the tax base and schools were exempt. Now a user fee is charged and the costs are passed on to the Edmonton boards.

Comparison Between Metro and Non-Metro Boards

The following table has been prepared in order to compare the student population and school facilities between metro and non-metro boards.

	Metro Boards	Non-Metro Boards
Alberta's Student Population	47%	53%
Alberta's School Facilities	42%	58%
Alberta's School Facility Area	41%	59%
Funding for New School Construction (2002/05)	42%	58%
Funding for School Preservation (2002/05)	38%	62%
Funding for Plant Operations and Maintenance (2002/05)	45%	55%
Utilization of School Facilities	76%	73%

It's quite apparent from the above table that metro boards are efficient on all counts, considering that they educate 47% of Alberta's students and have received less than a proportionate share of Infrastructure resources.

Recommendations

Infrastructure Expansion

It is recommended that the Alberta School Boards Association request the provincial government to:

1. Provide sufficient school capital funding to metro boards for the infrastructure expansion needs of new communities in Calgary and Edmonton.
2. Increase funding rates for new school construction that address inflation and reflect current market conditions in metro areas.
3. Recognize the facility costs associated with the Small Class Size Initiative in determining building capacity, utilization of school space, and the capital needs of all boards.
4. Address the facility needs of all boards as new initiatives are implemented with space implications such as junior kindergarten or full-day kindergarten.
5. Recognize the educational, social, economic, recreational, and cultural value of having new schools in the developing areas of Calgary and Edmonton.

Infrastructure Preservation

It is recommended that the Alberta School Boards Association request the provincial government to:

1. Provide infrastructure preservation funding to all boards annually that is equivalent to the industry standard of two percent of school facility replacement cost.

2. Block fund school modernization for metro boards once the backlog of major upgrading of school facilities is addressed.
3. Continue with the Infrastructure Maintenance Program at funding rates that reflect current costs.
4. Replace portable and relocatable classrooms that have reached the end of their life expectancy.

Plant Operations and Maintenance

It is recommended that the Alberta School Boards Association request the provincial government to:

1. Increase Plant Operations and Maintenance funding for all boards to a level that is sufficient to address higher utility costs and the general maintenance of school facilities.
2. Remove the punitive effects of reduced plant operations and maintenance funding for all boards with lower school facility utilization rates.
3. Take into account the Learning Commission's recommendations on class sizes, the facility needs of students with mild/ moderate disabilities and gifted and talented, the

anomalies of older school buildings, and core schools without portables in determining the capacities of school facilities.

4. Fund the utility costs that municipalities have downloaded on metro boards from the property tax base to utility fees.

Space Reduction Initiatives

It is recommended that the Alberta School Boards Association request the provincial government to:

1. Provide capital funding to all boards for the specific purpose of right-sizing school facilities where student enrolments and building conditions warrant and building design permits.
2. Exclude the small schools by necessity that all boards must operate when calculating school system utilization.

Instructional Costs of Metro Boards

2001/02 – 2003/04

The full report on the instructional costs of metro boards is included as Appendix 5 to this report and only a brief summary is presented here.

Background

An effort was made to compare instructional costs for certain educational programs provided by metro and non-metro boards. The areas selected for analysis were:

- total instructional costs
- cost of mild/moderate and gifted/talented programs
- instructional personnel costs
- the number of severely disabled students included in jurisdiction profiles

Due to the extreme difficulty in securing comparable data in these areas; no definitive conclusions could be drawn. However, two areas of concern were identified for further study and analysis.

Mild/Moderate and Gifted/Talented Programs

Many school jurisdictions have reported the increased costs of providing educational services to students that have been identified as being mildly/moderately disabled or gifted/talented. Calgary Public identified the costs of providing for this group of students as one of the main pressure points on the District's budget.

In June 2004, Alberta Education amended *The Standards for Special Education*. As a result, school boards must:

1. Use a number of assessment strategies and data to determine eligibility for special education programming and services.
2. Report results of assessments to parents, teachers and others involved with the students' programming.
3. Use results of assessments to make decisions, develop Individualized Program Plans (IPPs), assign support services and/or determine adapted or modified programming for students.
4. Use assessment data to develop, implement and evaluate the effectiveness of programming and services provided to students with special education needs.

The implementation of these requirements has placed an additional financial burden upon boards.

The funding for students identified as being mildly/moderately disabled or gifted/talented is included within the basic instructional per pupil grant. In the case of Early Childhood Funding, funding is provided on an identified child basis having these characteristics. The *Renewed Funding Framework* assumes that the number of students having mild/moderate

disabilities or being gifted/talented is evenly distributed throughout the province. This may not be the case and needs to be verified.

Severely Disabled Students in Jurisdiction Profiles

Funding is provided to school boards on the established severe disabilities profile for the jurisdiction that includes historical data on the number of students with severe disabilities, provincial patterns of overall student enrollment growth, and projections for growth of the numbers of students with severe disabilities.

Alberta Education provides school jurisdictions with the opportunity to request an audit of their severe disabilities profiles if there have been significant increases or decreases to the number of students with severe disabilities. It was felt that boards that have had significant decreases would not request an audit, as they would lose funding. Therefore it is believed that the numbers reported in some profiles are not accurate.

Recommendation

It is recommended that the Alberta School Boards Association request the provincial government to critically examine the province-wide distribution of mildly/moderately disabled and gifted/talented students with a view to providing appropriate funding to meet the costs associated with these students. The *Renewed Funding Framework* assumes that the number of mildly/moderately disabled and gifted/talented are distributed uniformly across the province. This may not be the case.

Appendix 1

Analysis of Impact of ESL Funding on Metro Boards

Exact data is still difficult to come by as information for the 2004 - 05 school year is being consolidated. However, for the purposes of this comparison, the jurisdiction profiles that were distributed by Alberta Education last fall will be used, which is consistent with much of the other data being used in this study.

English as a Second Language and Foreign Born

- \$38,249,592 was allocated provincially in the 2004/05 school year
 - ESL - \$32,870,971
 - Foreign born - \$5,378,621
- \$29,346,400 (76.7%) was allocated to the metro boards
 - Calgary Catholic \$5,300,044
 - Calgary Public \$17,837,885
 - Edmonton Catholic \$1,917,754
 - Edmonton Public \$4,290,717
- per student amount:
 - ESL - $\$1637 \times .6235 = \$1,020$
 - Foreign Born (enhanced) - $\$1637 \times .2182 = \357
- an increase in this grant would favor the Calgary boards as they have the largest incidence level. The Edmonton boards have a lower incidence level and are below the provincial average. However an average here is not that meaningful – the average is really made up of Edmonton and Calgary values
 - Provincial average incidence rate – 6.25
 - Calgary Catholic – 13.43
 - Calgary Public – 16
 - Edmonton Catholic – 5.5
 - Edmonton Public – 4.5
- it is recognized that ESL funding is based upon a per student identified – however the incidence level does provide a reasonably good number from which to work
- the incidence numbers above show the number of students in each 100 that qualify for funding calculation
- if the amount of the funding per student increased by \$100, from \$1,020 to \$1,120:
 - Calgary Catholic would receive an additional \$13,430 per 1000
 - Calgary Public would receive an additional \$16,000 per 1000
 - Edmonton Catholic would receive an additional \$5,500 per 1000
 - Edmonton Public would receive an additional \$4,500 per 1000

➤ based upon current enrollments:

Calgary Catholic - $\$13,430 \times 43.9 = \$589,577$

Calgary Public - $\$16,000 \times 99.5 = \$1,592,000$

Edmonton Catholic - $\$5,500 \times 31.6 = \$173,800$

Edmonton Public - $\$4,500 \times 81.2 = \$365,400$

Appendix 2

Analysis of the Impact of First Nations, Métis and Inuit Education Funding

Exact data is still difficult to come by, as information for the 2004/05 school year is not yet complete. However, for the purposes of this comparison, the jurisdiction profiles that were distributed by Alberta Education last fall will be used, which is consistent with other data used in this study.

First Nations, Métis and Inuit Education Funding

- \$32,600,810 was allocated provincially for the 2004/05 school year
- \$13,242,249 (40.6%) was allocated to the metro boards – this would indicate that the metro boards are not over represented in this category. However, Edmonton Public would benefit from an increase in this component, as would Edmonton Catholic.
- total funding by system:
 - Calgary Catholic - \$1,839,830
 - Calgary Public - \$3,389,304
 - Edmonton Catholic - \$2,196,537
 - Edmonton Public - \$5,817,569
- percentage of total provincial dollars:
 - Calgary Catholic – 5.64%
 - Calgary Public – 10.3%
 - Edmonton Catholic – 6.73%
 - Edmonton Public – 17.84%
- what this illustrates is that if the amount per student were increased – Edmonton boards would benefit compared to their metro counterparts – however, most of the increase would go to non-metro boards – about 59.4%. For example, assume that the province would allocate an additional \$10,000,000 for First Nations – of this amount:
 - Calgary Catholic would get \$564,000
 - Calgary Public would get \$1,030,000
 - Edmonton Catholic would get \$673,000
 - Edmonton Public would get \$1,784,000
 - The metro boards in total \$4,051,000
 - The non-metro boards in total \$5,949,000
- per student amount - $\$1637 \times .6235 = \1020

Appendix 3

Student Transportation

Metro Transportation Funding

1. Funding is provided on the basis of a formula that estimates the number of students eligible for transportation funding – the rate is \$445 per eligible student and \$2,365 for a severely disabled student for the 2004 – 2005 school year. In the case of a severely disabled student, funding is provided for 80% of the number of severely disabled students in the jurisdiction profile

2. The metro formula is based upon:
 - 2.1 Benchmark (school size) for student grade levels
 - 2.2 Number of schools
 - 2.3 Number of funded students and ECS funded children
 - 2.4 Residential area
 - 2.5 Number of funded students with severe disabilities – 80% of the students in the severe special needs jurisdiction profile are eligible for funding

3. In calculating the number of schools, the following are excluded:
 - institutions, outreach, special needs schools and schools with less than 75 students

4. Commencing in 2001 – 2002, an additional grant of \$5,000,000 has been given to the metro boards over and above the amount provided by the formula – these funds are distributed to the boards based upon the same ratio as the funds determined by the formula for each board with no increases since 2001 – 2002.

Eligible Passengers and Funding (2002 – 2003)

1. Calgary Catholic
 - Eligible passengers = 18,846*
 - Percentage of eligible passengers = 44% of total board enrollment
 - Transportation funding = \$9,940,935

2. Calgary Public
 - Eligible passengers = 37,360*
 - Percentage of eligible passengers = 39.3% of total board enrollment
 - Transportation funding = \$21,859,926

3. Edmonton Catholic
 - Eligible passengers = 14,689*
 - Percentage of eligible passengers = 46% of total board enrollment
 - Transportation funding = \$7,959,082

4. Edmonton Public
 - Eligible passengers = 26,229*
 - Severely disabled = 24
 - Percentage of eligible passengers = 31% of total board enrollment
 - Transportation funding = \$16,542,426

* obtained from Alberta Learning – determined upon the basis of the formula and represents the expected number of eligible passengers. Financial information for the school jurisdictions was obtained from the AFS.

Jurisdiction Specifics (2002 – 2003 AFS)

1. Calgary Catholic
 - Revenue Alberta Learning = \$9,940,935
 - Reallocated to instruction = \$1,165,166
 - Other = \$1,798,807 (from other sales and services)
 - Total revenue = \$10,574,576
 - Total expenditure = \$10,574,576
 - Number transported = 18,310
 - Total enrollment = 42,792
 - Percentage of total pupils transported = 42.7
 - Cost per pupil = \$578
 - Transportation fees = 0% (bus pass revenue shows under Other, above)
 - Transportation costs = 3.68% of total board expenditures

2. Calgary Public
 - Revenue Alberta Learning = \$21,859,926
 - Revenue other school authorities = \$32,274
 - Revenue transportation fees = 2,622,561
 - Total Revenue = \$24,516,192
 - Total Expenditure = \$25,187,023
 - Difference (\$670,831)
 - Number transported = 36,860
 - Total enrollment = 95,012

- Percentage of total pupils transported = 38.8
- Cost per pupil = \$683
- Transportation fees contribute 12% of total transportation revenue
- Transportation costs = 3.65% of total board expenditures

3. Edmonton Catholic

- Revenue Alberta Learning = \$7,959,082
- Revenue transportation fees = \$2,062,043
- Total revenue = \$10,021,125
- Total expenditure = \$10,174,755
- Difference (\$153,630)
- Number transported = 15,000*
- Total enrollment = 29,774
- Percentage of total pupils transported = 50.4
- Cost per pupil = \$678.3
- Transportation fees contribute 20.6% of total transportation revenue
- Transportation costs = 4.5% of total board expenditures

* number provided by system – number reported on the AFS was not accurate

4. Edmonton Public

- Revenue Alberta Learning = \$16,542,426
- Revenue transportation fees = \$4,646,637
- Total revenue = \$21,189,063
- Total expenditure = \$21,875,231
- Difference = (\$668,168)*
- Number transported = 27,301
- Total enrollment = 78,200
- Percentage of total pupils transported = 34.9%
- Cost per pupil = \$801
- Transportation fees contribute 21.9% of total transportation revenue
- Transportation costs = 3.8% of total board expenditures

* This amount was recovered from a surplus that existed in the transportation program. The surplus was realized in 1999-2000 when the grant calculation was adjusted retroactively. The surplus was used to smooth out transportation fees.

Observations

1. The formula does come pretty close to estimating the number of students that are transported. In the case of the Calgary Boards, the eligible number (in 2 above) is slightly more than the number actually transported (in 3 above). The Edmonton Boards transport slightly more than the eligible number determined by the formula.
2. All four metro boards rely on transportation fees to fund their transportation systems.
3. While there are some variations among boards – on the whole there is a lot of commonality. The trends are for higher costs, lower levels of service and increased fees.

Findings

Provincial funding for metro transportation does not provide sufficient funds to operate the system, as it is currently constituted.

1. Transportation fees are not levied by 40% of the boards in Alberta. There is obviously a discrepancy in the manner in which funds are allocated throughout the province for transportation – some students are provided transportation service at no cost while others are required to pay a fee.
2. The provincial grant per transported pupil at \$445 in the metro boards is less than the cost of providing the service. The 2001 – 2002 cost incurred by the metro boards ranges from a high of \$801 in Edmonton Public to low in Calgary Catholic of \$578.
3. The current transportation formula does not take into account the circumstances and complexity of the metro systems. For example:
 - urban sprawl
 - traffic complexities and impact on ride times
 - access to specialized educational programs
 - student safety – busy roadways and neighborhoods that student have to pass through
 - access to specialized programs
 - schools clustered in older neighborhoods where enrollment is low
 - the need to utilize a wide range of services to get students to programs – public transit, yellow busses, taxies, vans and automobiles
 - new residential areas without schools requiring all students to be transported out of that community
 - wide range of student needs
 - increasing costs of accessing public transit – recent notice from City of Calgary indicating intent to increase fares – should result in an increased cost to boards and an increase in transportation fees
 - programs of choice

- alternative programs
- closure of schools
- small schools by necessity

Possible Remedy

1. Additional funds are required from the province to support transportation – parents should not be required to pay fees to get their children to school – in order to access an education the student must get to a school and this should not depend upon the parents ability to pay transportation fees.
2. The formula needs to be revisited and revised as simply increasing the grant amount per student will not resolve the problems – there is too large a difference in the transportation costs and services by the boards in Edmonton and in Calgary. The metro boards do not record the subsidy for bus passes or expenditures for ECS in a consistent manner. While findings based on Audited Financial Statements should not be relied upon to draw final conclusions on cost per student (and thus, grant increases required), the following examples serve to illustrate the overall need to increase metro transportation grants.

For example:

Calgary Catholic would need an increase in the grant rate of \$34 per student eligible for transportation funding to replace the \$633,641 contributed from the “other sales and services.”

Edmonton Public would need an increase in the grant rate of \$203 per student eligible for transportation funding to totally fund the transportation system. Edmonton Public:

- 2.1 has a large number of schools (203) – decreases the number of students eligible for transportation funding
- 2.2 school clustered in older neighborhoods – low enrollments and students from newer subdivisions where there is growth need to be transported in – long distances to transport students
- 2.3 special needs students require supervision – teacher assistants placed upon busses – resulting in extra costs
- 2.4 wide range of programs – few charter schools (2) – (in the case of Calgary a number of students attend charter schools and are transported by those authorities) – also offer some 30 alternative programs

A look at the charter schools in Calgary might provide some insight into the costs of transporting students to programs that are provided in one location and in one school.

<u>School</u>	<u>Number</u>	<u>Cost</u>	<u>Total Cost</u>
Almadina	412	942	388,250
Calgary Science	234	788	184,386
Foundations	911	826	752,169
Westmount	681	515	350,609

Edmonton Catholic has some 84 schools – this serves to increase the number of eligible students – 46% of total enrollment compared to 31% for Edmonton Public.

Both of the Catholic Boards have a higher percentage of students eligible for transportation support than the Public Boards. This is a result of having fewer schools within the same geographic area.

3. An area that may need to be explored will be the use of technology to determine which children are transported and to where.
4. Choice needs to be supported financially within the metro areas – students should be able to access educational programs within a metro board that meet their needs when these are available – with the large number of students in the metro areas the range of programs that can be developed and offered is far greater than that is smaller centres – consequently the same issues regarding choice do not exist.
5. The following are necessary to correct the reliance on transportation fees for transportation:
 - 5.1 Additional funds
 - 5.2 Revised formula
 - 5.3 Support for student choice

Metro systems provide, and are required to provide, open access providing there is space, sufficient resources and appropriate programs

Historical Information

<u>Calgary Catholic</u>	<u>2000-2001</u>	<u>2001-2002</u>	<u>2002 – 2003</u>
Alberta Learning	8,443,500	9,608,477	9,940,935
Total Cost	8,075,219	9,950,477	10,574,576
Number Transported	19,310	18,803	18,310
Cost Per Pupil	418	529	578

While Calgary Catholic has been able to reallocate funds from transportation to instruction in each of the three years of \$1,830,021, \$1,780,615 and \$1,165,166, services have, however, declined significantly over this period. In 2003 – 2004, the transportation surplus declined to \$117,031 and, with an increase in fees in 2004 – 2005, it is budgeted to break even.

<u>Calgary Public</u>	<u>2000-2001</u>	<u>2001-2002</u>	<u>2002 – 2003</u>
Alberta Learning	17,081,152	21,170,868	21,859,926
Total Cost	21,401,085	22,836,620	25,187,023
Number Transported	34,978	35,339	36,860
Cost Per Pupil	612	646	683

In 2000 – 2001, Calgary Public was required to reallocate funds from other Alberta Learning funds to transportation.

<u>Edmonton Catholic</u>	<u>2000-2001</u>	<u>2001-2002</u>	<u>2002-2003</u>
Alberta Learning	6,824,872	7,778,319	7,959,082
Total Cost	8,463,099	9,610,578	10,174,755
Number Transported	12,900	13,793	15,000
Cost Per Pupil	656	689	683

<u>Edmonton Public</u>	<u>2000-2001</u>	<u>2001-2002</u>	<u>2002-2003</u>
Alberta Learning	12,861,398	15,501,166	16,542,426
Total Cost	17,194,907	18,963,134	21,875,231
Number Transported	24,597	25,975	27,301
Cost Per Pupil	699	730	801

One of the problems in dealing with transportation data is that it does not appear to be consistent from document to document, or from year to year. Variations in allowable reporting requirements specified by Alberta Education is one of the reasons given for this. Another reason is because of different ways of providing transportation such as differences in how Calgary Catholic and Calgary Public administer the subsidy provided for public transit passes.

Although the audited financial statements have been used as the primary source of information when doing comparative cost analysis the data in the AFS unfortunately does not provide direct comparability.

Revenue From Alberta Education as a Percentage
of Total Expenditures of Student Transportation

<u>2003/04</u>	<u>Alberta Education</u>	<u>Total Cost</u>	<u>Percentage</u>
Calgary Catholic	9,770,379	11,679,357	83.7
Calgary Public	22,684,000	26,624,000	85.2
Edmonton Catholic	8,162,314	11,113,110	73.4
Edmonton Public	17,028,666	23,860,693	71.4
 <u>2002/03</u>			
Calgary Catholic	9,940,935	10,574,576	94.0
Calgary Public	21,859,926	25,187,023	86.8
Edmonton Catholic	7,959,082	10,174,755	78.2
Edmonton Public	16,542,426	21,875,231	75.6
 <u>2001/02</u>			
Calgary Catholic	9,608,477	9,950,477	96.6
Calgary Public	21,170,868	22,836,680	92.7
Edmonton Catholic	7,778,319	9,610,578	80.9
Edmonton Public	15,501,166	18,963,134	81.75

Observation

The percentage of the total transportation expenditures supported by Alberta Education has steadily declined during the three-year period 2001/02 to 2003/04 for all of the metro boards.

Board-to-board comparisons are inappropriate as the information presented above does not reflect the:

1. Decreased level of service
2. Higher costs
3. Increased Fees

Appendix 4

Metro Boards' Facilities

This report on metro school board facilities includes information supplied by Alberta Infrastructure and metro boards to January 31, 2005 and the advice and ideas of Steering Committee members who attended the Steering Committee Meeting on January 26, 2005.

The following topics in this report focus mainly on funding or issues related to funding for metro board facilities:

- Infrastructure Expansion
- Infrastructure Preservation
- Plant Operations and Maintenance
- Space Reduction Strategies
- Partnership Initiatives
- Non-School Facilities

Each topic has a Summary of Findings and Recommendations or Directions to Consider based on feedback provided by the Steering Committee and/or the consultant's analysis. The Recommendations and Directions to Consider are intended for action approved by the Steering Committee.

For interpretation purposes metro boards have about:

- 47 percent of Alberta's student population
- 42 percent of Alberta's school facilities
- 41 percent of Alberta's school facility area.

1. Infrastructure Expansion

In the school capital plan years from 2002/03 to 2004/05, the provincial government committed \$137.3 million or an average of \$45.8 million each year to metro boards for new schools, portable classrooms, school additions, and replacement schools. Capital funding for metro boards, including \$14.2 million for modernization projects, totaled \$151.5 million.

Metro Board Funding for New Construction (in millions)

	<u>2002/03</u>	<u>2003/04</u>	<u>2004/05</u>	<u>Total</u>
Calgary Catholic	\$0.0	\$9.8	\$23.0	\$32.8
Calgary Public	0.0	41.9	24.5	66.4
Edmonton Catholic	0.4	0.1	0.1	0.6
Edmonton Public	<u>1.5</u>	<u>36.0*</u>	<u>0.0</u>	<u>37.5</u>
Total	\$1.9	\$87.8	\$47.6	\$137.3

*While this amount is shown as funding for new construction, it has been used for the modernization of Victoria School and not new construction, as the amount is not adequate for a new facility.

It should be noted in the foregoing table that provincial government funding for new construction is for given program years. The capital revenues and expenditures metro boards reported in their Audited Financial Statements are usually different from these amounts because of when projects were started and completed.

Capital Funding for Metro and Non-Metro Boards

A comparison of capital funding for metro boards and non-metro boards in the following table shows that from 2002/03 to 2004/05 metro boards received 42 percent and non-metro boards 58 percent of the capital funding provided by the provincial government for school facility expansion.

A Comparison of Capital Funding (in millions) for Metro and Non-Metro Boards

	<u>Metro Boards</u>		<u>Non-Metro Boards</u>		<u>Total</u>
	<u>Amount(\$)</u>	<u>Percent</u>	<u>Amount(\$)</u>	<u>Percent</u>	
2002/03	\$1.9	15%	\$10.7	85%	\$ 12.6
2003/04	87.8	44%	111.0	56%	198.8
2004/05	<u>47.6</u>	41%	<u>67.2</u>	59%	<u>114.8</u>
Total	\$137.3	42%	\$188.9	58%	\$326.2

When capital projects approved over the past 3 years were broken-down into the categories of new schools, replacement schools, additions, and portables some differences between metro boards and non-metro boards became evident.

The table below shows that while funding for new schools was about the same: 53 percent for metro boards and 47 percent for non-metro boards; metro boards received only 36 percent of the capital funding for replacement schools, 6 percent for additions, and 31 percent for portables. Excluding portables, from 2002/03 to 2004/05 metro boards were funded for 20 new construction projects and non-metro boards for 45 new projects.

Comparing Capital Project Categories and Amounts (in millions) for Metro and Non-Metro Boards

	<u>Metro Boards</u>			<u>Non-Metro Boards</u>			<u>Total</u>	
	<u>No.</u>	<u>Amount</u>	<u>Percent</u>	<u>No.</u>	<u>Amount</u>	<u>Percent</u>	<u>No.</u>	<u>Amount</u>
New Schools	13	\$93.2	53%	11	\$81.9	47%	24	\$175.1
Replacement Schools	1	36.0	34%	11	69.1	66%	12	105.1
Additions	6	1.6	6%	23	23.1	94%	29	24.7
Portables	55	<u>6.5</u>	31%	102	<u>14.8</u>	69%	157	<u>21.3</u>
Total		\$137.3	42%		\$188.9	58%		\$326.2

Metro Boards Capital Plan Requests for New Construction, 2005/06 to 2007/08

In 2004, metro boards submitted three-year capital plans to Alberta Infrastructure. As the table below shows, metro boards requested 35 new school construction projects.

Number of New School Construction Projects in Metro Boards Capital Plans
2005/06 to 2007/08

	<u>2005/06</u>	<u>2006/07</u>	<u>2007/08</u>	<u>Total</u>
Calgary Catholic	5	2	2	9
Calgary Public	6	3	2	11
Edmonton Catholic	2	2	1	5
Edmonton Public	<u>6</u>	<u>2</u>	<u>2</u>	<u>10</u>
Total	19	9	7	35

In their capital plan priorities submitted to Alberta Infrastructure, metro boards requested new school construction in rapidly growing suburban areas to provide students in those outlying communities with equity of access to educational programs.

Metro boards in the City of Calgary submitted plans for new schools or additions to serve growing student populations in the following suburbs or adjacent communities:

- Rocky Ridge, Royal Oak, Arbour Lake, Hamptons, Tuscany (northwest)
- Coventry Hills (north)
- Taradale, Saddle Ridge (northeast)
- Mackenzie Towne (southeast)
- Bridlewood, Somerset, Shawnessy, Cranston, Evergreen (south)
- Airdrie, Chestermere (outside of Calgary)

Metro boards in the City of Edmonton requested new schools to serve growing student populations in the following new suburban areas:

- Castle Downs, Pallisades (northwest)
- Lake District, Pilot Sound (north)
- Burnewood, Meadows (southeast)
- Ellerslie (south)
- Riverbend, Terwilliger, Heritage Valley (southwest)
- West Edmonton (west)

The metro boards in Calgary were generally able to meet the 85 percent minimum utilization criteria set by Alberta Infrastructure to support their requests for new capital projects. Metro boards in Edmonton typically did not meet the minimum 85 percent utilization requirement in those sectors that required new schools, but based their capital needs on rapid growth in the communities to be served by the new schools.

Edmonton Public used resident student enrolment instead of school student enrolment to determine utilization rates in sectors that were deserving of new school facilities. When utilization rates were based on resident student enrolment, six out of ten sectors in Edmonton Public exceeded the minimum utilization rate requirement of 85 percent. A similar approach was used by Calgary Public, who had four out of nine sectors qualifying for new schools using resident student enrolments, and three out of nine qualifying with utilizations based on school enrolments.

In their 2005/06 to 2007/08 capital plans, metro boards detailed their requests for new construction, modernization, and portables. As shown in the table below, for the next three years, metro boards have requested \$286.8 million for new construction and \$13.2 million for relocating portable classrooms - for a total of \$300 million.

Metro Boards New Construction and Portable Classroom Requests
for 2005 to 2008 (in millions)

	<u>2005/06</u>	<u>2006/07</u>	<u>2007/08</u>	<u>Totals</u>
Calgary Catholic				
New construction	\$31.7	\$15.0	\$15.5	\$62.2
Portables	0.7	0.7	0.7	2.1
Calgary Public				
New construction	\$61.2	\$21.1	\$29.7	\$112.0
Portables	2.8	2.8	2.8	8.4
Edmonton Catholic				
New construction	\$9.7	\$20.8	\$5.1	\$35.6
Portables	0.5	0.5	0.5	1.5
Edmonton Public				
New construction	\$45.7	\$11.7	\$19.6	\$77.0
Portables	0.4	0.4	0.4	1.2
Total Metro Boards				
New Construction	\$148.3	\$68.6	\$69.9	\$286.8
Portables	<u>4.4</u>	<u>4.4</u>	<u>4.4</u>	<u>13.2</u>
Grand Total	\$152.7	\$ 73.0	\$ 74.3	\$300.0

Utilization of School Space

Metro boards are unique in the province in how their student populations are distributed. Although their overall utilization rate of school space in 2003/04 at 76 percent was only modestly higher than 73 percent for non-metro boards (see table on the following page), their speed of student growth has been most significant in the new suburbs located on the outer fringes of Calgary and Edmonton.

Unlike their non-metro counterparts, many students in the new suburbs are without reasonable access to school facilities in their communities. It should be noted that while there is not access to public schools in many of these communities, in Calgary there has been a proliferation of new private schools. This compounds the problems faced by not having new schools in new metro communities.

Comparing Utilization Rates of Metro and Non-Metro Boards in 2003/04

	<u>Net Capacity</u>	<u>Adjusted Enrolments</u>	<u>Utilization</u>
Metro Boards	328,266	248,448	76%
Non-Metro Boards	399,618	291,041	73%
Province	727,884	539,489	74%

Metro Board Requests for New Construction Exceed Provincial Capital Plans

Alberta Infrastructure and Transportation's current business plan for 2004/05 to 2006/07 is under-funded with only metro boards' capital requests for new construction taken into account. As the table below shows, metro board requests alone exceed available funding by \$73.6 million in 2005/06 and \$43.6 million in 2006/07. Capital funding for 2007/08 has not yet been announced.

Metro Boards Requests for New Construction and Available Provincial Funding 2005 to 2008 (in millions)

	<u>2005/06</u>	<u>2006/07</u>	<u>2007/08</u>	<u>Total</u>
Metro Board requests	\$148.3	\$68.6	\$69.9	\$286.8
Provincial funding	74.7	25.0	unknown	99.7
Funding shortfall	(\$ 73.6)	(\$43.6)	unknown	unknown

When the capital requests submitted by Alberta's 58 non-metro boards, and metro board requests for portable relocations are added on, the shortfall in provincial capital funding budgeted for school facilities is much worse.

Provincial Capital Funding for Education, Health, and Transportation

A review of Alberta Infrastructure and Transportation's business plans for 2004 to 2007, shown in the following table, revealed that Alberta's K to 12 education system averaged about 16.6 percent of the capital funding the provincial government provided or intends to provide for infrastructure preservation and expansion between 2002/03 to 2006/07. This compares to 11.6 percent for Advanced Education, 19.1 percent for Health, and 52.7 percent for Transportation for the five-year period.

The Provincial Government's Capital Investment by Program
2002/03 to 2006/07 (in millions)

	<u>2002/03</u>	<u>2003/04</u>	<u>2004/05</u>	<u>2005/06</u>	<u>2006/07</u>	<u>Total</u>
Education (K-12)	\$80.8	\$109.7	\$220.8	\$201.2	\$79.0	\$691.5
(% of capital)	19.1%	13.1%	17.4%	21.4%	11.1%	16.6%
Advanced Education	\$2.2	\$124.8	\$214.8	\$87.9	\$53.7	\$483.4
(% of capital)	0.5%	14.9%	17.0%	9.4%	7.6%	11.6%
Health	\$26.1	\$211.5	\$344.2	\$153.6	\$64.0	\$799.4
(% of capital)	6.2%	25.2%	27.2%	16.3%	9.0%	19.1%
Transportation						
Prov. Highways	\$158.0	\$144.4	\$165.7	\$121.6	\$137.0	\$726.7
Corridor Initiative*	119.6	218.7	290.2	345.8	346.3	1,320.6
Water Mgmt.	<u>37.4</u>	<u>29.0</u>	<u>30.0</u>	<u>30.0</u>	<u>30.0</u>	<u>156.4</u>
Total	\$315.0	\$392.1	\$485.9	\$497.4	\$513.3	\$2,203.7
(% of capital)	74.3%	46.8%	38.4%	52.9%	72.3%	52.7%
Grand Total	\$424.1	\$838.1	\$1,265.7	\$940.1	\$710.0	\$4,178.0
(% of capital)	10.2%	20.0%	30.3%	22.5%	17.0%	100.0%

*The Corridor Initiative or 'Strategic Economic Corridor Investment Initiative' as it is called in Transportation's current business plan, refers to the twinning of the north-south trade corridor and related projects such as the southeast ring road in Edmonton, and the Stoney Trail in Calgary.

The above table further shows that only capital allocations for Transportation increased steadily from 2002/03 to 2006/07, reflective of Alberta's economic growth. Such stability was not the case for Education, Advanced Education, and Health. Capital investment by the provincial government for these programs has fluctuated widely from year-to-year, providing little continuity for the public boards planning capital programs.

New Construction Funding Rates Have Not Kept Pace With Costs

Metro boards pointed out that current construction costs exceed the funding rates Alberta Infrastructure and Transportation established in January 2001 to support new construction projects.

- One metro board estimated annual inflationary increases in the construction industry at about 10 percent based on the Consumer Price Index.
- Another metro board engaged a construction cost management consultant to review the Alberta market and construction costs effective January 2004. This consultant reported that construction costs at that time exceeded Alberta Infrastructure's funding rates by about 10 to 11 percent.

As a result of funding rates being four years old, many school facility projects have had to undergo significant cost-reductions during planning to demonstrate to Alberta Infrastructure that they can proceed to tender. This has often resulted in project delays.

Impact of Small Class Size Initiative

The Small Class Size Initiative introduced by Alberta Education in 2004/05, in response to the Learning Commission's recommendations, has had a marked impact on student space requirements in metro schools, particularly those with high utilization rates.

- Calgary Catholic, with a current utilization rate of 88 percent, will have major problems implementing class size reductions without an advanced building program. While a number of schools might accommodate smaller class sizes with portables, 11 schools were already "maxed out" with portables.
- Calgary Public has about 20 schools that will have difficulty accommodating smaller class sizes over the next three years without new student space. Renovations to resize classrooms and the addition of portable classrooms will help some, but not all schools.
- Edmonton Catholic estimated that close to \$5 million in renovations, portable relocations, new portables, and expansions will be required to support the small class size initiative.
- Edmonton Public has had to relocate eight portable classrooms and complete several interior modifications to meet the maximum class sizes stipulated.

Metro boards believed that changing attendance area boundaries to address the class size initiative had limited possibilities because of geographic and political constraints. Metro boards expressed the need for Alberta Education to communicate directly with Alberta Infrastructure and Transportation before introducing any new initiatives that impacted school space such as junior kindergarten or full day kindergarten programs.

Advantages of Building Over Busing

Metro boards have documented with Alberta Infrastructure the financial advantages of building new schools over busing students to neighbouring schools. A submission by one metro board concluded that annual transportation costs of \$300,000 to remove 500 students from their home community was not a viable option to building a new school.

In their capital plan submissions to Alberta Infrastructure, metro boards pointed out the following educational, economic, and social benefits of having new schools in closer proximity to student populations in the growth areas of Calgary and Edmonton.

- Student quality of life, health, and safety are improved and busing costs, student travel time, and traffic congestion are reduced.
- Parents become more involved in their children's education and school activities when schools are located in their neighbourhoods.
- Schools in new neighbourhoods become the hub of community recreational, cultural, and social activities.

Summary of Findings

1. Provincial government funding for new school capital projects has varied widely from year to year, making it difficult for metro boards to plan new space requirements and accommodate rapidly expanding student populations in the new suburbs.
2. Metro boards continue to have many subdivisions without adequate school facilities. In their current capital plans, Calgary Public and Calgary Catholic have 16 communities and Edmonton Public and Edmonton Catholic have 11 communities where significant growth rates warrant new schools over the next 3 years.
3. Metro boards have requested \$286.8 million for 35 new construction projects in their capital plans over the next three years to address student population growth in new communities.
4. Provincial government funding for all new school construction in the province, although not announced for 2007/08, totals only \$99.7 million for the 2005/06 and 2006/07 program years.
5. Provincial government capital investment in Transportation from 2002/03 to 2006/07 has been predictable and consistent with Alberta's economic growth, averaging about \$500 million per year. Over the same five-year period, provincial government capital investment in Kindergarten to Grade 12 education has been unpredictable and insufficient, averaging only \$138 million per year.
6. Today's construction costs exceed the funding rates for new construction set by Alberta Infrastructure in January 2001. Funding rates have not kept pace with higher construction costs attributable to increases in the Consumer Price Index and the effect of Alberta's booming economy on labour and material costs.
7. The Small Class Size Initiative, arising from the Learning Commission's recommendations, has increased the utilization of space in metro schools and metro boards' need for new space above and beyond the capital plans they submitted in 2004 before the initiative was announced.
8. The implications of future initiatives such as junior kindergarten and full-day kindergarten on utilization of school space must be fully considered by Alberta Education and Alberta Infrastructure and Transportation before being implemented.
9. The presence of a school in developing neighbourhoods is a 'public good' that improves quality of life, health, and safety for students, increases parent participation in schools, and facilitates community development.
10. The shortfall in provincial government funding for infrastructure expansion is of paramount importance to metro boards because it prevents them from providing new schools in rapidly expanding communities.

Recommendations

It is recommended that the Alberta School Boards Association request the provincial government to:

- provide sufficient school capital funding to metro boards for the infrastructure expansion needs of new communities in Calgary and Edmonton
- increase funding rates for new school construction that address inflation and reflect current market conditions in metro areas
- recognize the facility costs associated with the Small Class Size Initiative in determining building capacity, utilization of school space, and the capital needs of metro and non-metro boards
- address the facility needs of all boards before implementing new initiatives with space implications such as junior kindergarten or full-day kindergarten
- recognize the educational, social, economic, recreational, and cultural value of having new schools in the developing areas of Calgary and Edmonton

2. Infrastructure Preservation

From 2002/03 to 2004/05, the provincial government committed \$74.2 million, or an average of \$24.7 million per year to metro boards for infrastructure preservation. The Infrastructure Maintenance Program (IMP) received \$60.0 million and school facility modernization (MOD) received \$14.2 million of this amount. The table below provides a yearly breakdown of the two programs.

Metro Board Funding for the Infrastructure Maintenance Program
and Modernization (in millions)

	<u>2002/03</u>		<u>2003/04</u>		<u>2004/05</u>		<u>Total</u>
	<u>IMP</u>	<u>MOD</u>	<u>IMP</u>	<u>MOD</u>	<u>IMP</u>	<u>MOD</u>	
Calgary Catholic	\$3.1	\$0.0	\$4.0	\$0.0	\$3.2	\$0.0	\$10.3
Calgary Public	7.1	0.2*	8.9	1.3*	7.2	0.7*	\$25.4
Edmonton Catholic	2.3	0.0	2.9	0.0	2.3	0.0	\$7.5
Edmonton Public	<u>5.9</u>	<u>0.0</u>	<u>7.3</u>	<u>12.0</u>	<u>5.8</u>	<u>0.0</u>	<u>\$31.0</u>
Total	\$18.4	\$0.2	\$23.1	\$13.3	\$18.5	\$0.7	\$74.2

*All modernization funding provided to Calgary Public from 2002/03 to 2004/05 was for upgrading facilities leased to charter schools

A comparison of IMP and modernization funding for metro and non-metro boards in the next table shows that from 2002/03 to 2004/05 metro boards received 38 percent and non-metro boards 62 percent of the provincial government funding for preserving school facilities.

A Comparison of Preservation Funding For Metro and Non-Metro Boards
(in millions)

	<u>Metro Boards</u>		<u>Non-Metro Boards</u>		<u>Total</u>
	<u>Amount(\$)</u>	<u>Percent</u>	<u>Amount(\$)</u>	<u>Percent</u>	
2002/03	\$18.6	46%	\$21.7	54%	\$40.3
2003/04	\$36.4	40%	\$54.3	60%	\$90.7
2004/05	\$19.2	29%	\$46.9	71%	\$66.1
Total	\$74.2	38%	\$122.9	62%	\$197.1

The Physical Condition of School Facilities

The School Facility Evaluation Project conducted in 1999/00 found 51 percent of metro school facilities to be in good condition, 43 percent in fair condition, and 6 percent in poor condition. By comparison, 44 percent of schools operated by non-metro boards were in good condition, 44 percent in fair condition, and 11 percent in poor condition.

Comparing the Condition of School Facilities for Metro and
Non-Metro Boards In 1999/00 (in percent)

	<u>Condition of School Facilities</u>		
	<u>Good</u>	<u>Fair</u>	<u>Poor</u>
Calgary Catholic	74%	23%	4%
Calgary Public	43	48	9
Edmonton Catholic	59	36	3
Edmonton Public	<u>47%</u>	<u>47%</u>	<u>6%</u>
Metro Boards	51%	43%	6%
Non-Metro Boards	44	44	11
Province	47%	44%	9%

Alberta Infrastructure plans to evaluate the condition of all schools again, but this time over a five-year period. About 20 percent of schools are expected to be evaluated each year, starting with those in poor and fair condition. The results of these evaluations will take into account any building deterioration in the five years since the last evaluation and provide a more up-to-date assessment of school facility condition.

The Cost of Upgrading School Facilities

Alberta Infrastructure's School Facilities Evaluation Project report in November 2000, based on the assessments of 1,463 school facilities, estimated that \$1.197 billion in base costs or about \$1.8 billion in total costs, including soft and program expenses, would be required over five years to bring school facilities that were in critical, poor, or marginal condition up to an acceptable standard. To meet this requirement, the provincial government would have had to commit about \$360 million annually.

Average yearly funding of \$65.7 million over the past three years for all provincial schools indicates that provincial government funding for school facility preservation has fallen far short of the funding amount identified by the School Evaluation Facility Project.

A review of Alberta Infrastructure and Transportation’s business plan from 2002/03 to 2006/07 indicates that \$257.3 million will be committed to school infrastructure preservation. This averages out to only \$51.5 million each year, or about \$35,000 annually for each of Alberta’s 1,478 school buildings – far short of the \$360 million annual requirement identified by the School Facilities Evaluation Project.

Metro boards estimate the deferred maintenance on their active school facilities at approximately \$923 million: Calgary Catholic - \$100 million, Calgary Public - \$348 million, Edmonton Catholic - \$125 million, and Edmonton Public - \$350 million.

The provincial government’s “Report on a New Facilities Capital Plan” in 1999 used an industry standard of two percent of building replacement cost to determine what should be allocated annually for school facility preservation. Based on an estimated cost of \$9.6 billion to replace Alberta’s school board facilities, school jurisdictions would require \$192 million (\$9.6 billion x 2%) annually or triple what the government has in its business plan to preserve Alberta’s school facilities.

Considering that the area of metro school facilities is about 41 percent of the area of school facilities in the province, using the industry standard of 2 percent of replacement costs, metro boards would require about \$78.7 million (\$192 million x 41%) annually to adequately preserve their school infrastructure.

Metro Boards Capital Plan Requests for School Modernization

In their 2005/06 to 2007/08 capital plans, metro boards requested 42 modernization projects, costing a total of \$173.4 million. The table that follows provides a breakdown of modernization requests by board and program year

Number of School Modernization Projects in Metro Boards Capital Plans
2005/06 to 2007/08

	<u>2005/06</u>		<u>2006/07</u>		<u>2007/08</u>		<u>Total</u>	
	<u>No.</u>	<u>Fund.</u>	<u>No.</u>	<u>Fund.</u>	<u>No.</u>	<u>Fund.</u>	<u>No.</u>	<u>Fund.</u>
Calgary Catholic	4	\$12.5	3	\$5.9	3	\$12.8	10	\$31.2
Calgary Public	3	48.0	1	6.7	0	0.0	4	54.7
Edmonton Catholic	4	15.0	1	4.8	2	10.3	7	30.1
Edmonton Public	<u>6</u>	<u>26.1</u>	<u>8</u>	<u>21.3</u>	<u>7</u>	<u>10.0</u>	<u>21</u>	<u>57.4</u>
Total	17	\$101.6	13	\$38.7	12	\$33.1	42	\$173.4

The \$173.4 million modernization funding requested by metro boards over 3 years combined with the \$60.1 million in Infrastructure Maintenance Program funding they received over the past 3 years would provide metro boards with \$233.5 million or \$77.8 million annually – about 2 percent of their facility replacement cost.

Metro Board Requests for School Preservation Exceed Provincial Capital Plans

Alberta Infrastructure and Transportation’s current business plan for 2004/05 to 2006/07 is under-funded with only metro boards’ requests for new school modernization taken into account. As the following table shows, metro board requests alone exceed available funding by

\$15.1 million in 2005/06 and \$24.7 million in 2006/07. The shortfall in funding is much worse when school modernization requests from non-metro boards are included. School preservation funding for 2007/08 has not yet been announced.

Metro Boards Requests for School Modernization and Available Provincial Funding
2005 to 2008 (in millions)

	<u>2005/06</u>	<u>2006/07</u>	<u>2007/08</u>	<u>Total</u>
Metro Board requests	\$101.6	\$38.7	\$33.1	\$173.4
Provincial funding	86.5*	14.0*	unknown	100.5*
Funding shortfall	(\$ 15.1)	(\$ 24.7)	unknown	unknown

* Note: In the above table, \$40 million that Alberta Infrastructure budgeted in each of 2005/06 and 2006/07 for infrastructure preservation has been set aside for the Infrastructure Maintenance Program (IMP) - the amount the provincial government allocated to Alberta's school boards in 2004/05. For example, in 2005/06 Alberta Infrastructure budgeted \$126.5 million for preservation, which leaves \$86.5 million for modernizations after \$40 million is used for IMP. Alberta Infrastructure has yet to decide the actual amount for IMP in 2005/06 and 2006/07.

In spite of being under-funded, Alberta Infrastructure's current business plan foresees an improvement in the condition of Alberta's school facilities as a result of provincial government support for infrastructure preservation. As the table below shows, Alberta Infrastructure forecasts that by 2006/07, 55 percent of school facilities will be in good condition, 40 percent in fair condition, and 5 percent in poor condition.

Alberta Infrastructure's Rating of the Condition of School Facilities
Actual and Targeted, 1999/00 to 2006/07

Condition of Schools	Actual		Target
	1999/00	2002/03	2006/07
Good	47%	52%	55%
Fair	44	42	40
Poor	9%	6%	5%

A target of 55 percent of provincial school facilities in good condition by 2006/07 might be overly optimistic. One metro board reported that as a result of demolitions, modernizations, and construction of new schools over the past four years, only 60 percent of their facilities are now in good condition compared to 59 percent in 1999/00. The reason being that the rest of their facilities have continued to deteriorate over time.

The Physical Condition of Education, Health Facilities and Highways

A review of Alberta Infrastructure and Transportation's business plan for 2004 to 2007, summarized in the following table, shows the physical condition of school facilities in 2002/03 to be marginally better than post-secondary facilities but somewhat less favourable than health facilities. Transportation reported that it would cost \$60 million to improve provincial highways in poor condition by 1 percent.

Physical Condition of Alberta's Infrastructure
2002/03 (in percent)

	<u>Good</u>	<u>Fair</u>	<u>Poor</u>
School Facilities	52%	42%	6%
Post-Secondary Facilities	46	45	8
Health Facilities	57	36	7
Govt.-Owned Facilities	50	47	3
Provincial Highways	66%	23%	11%

Condition of Portable and Relocatable Classrooms

The condition of metro boards' 1,408 portable and relocatable classrooms was not assessed during the School Facilities Evaluation Project. However, using the age of these classrooms as an indicator of their condition, 56 percent of metro board's portables and relocatables are at least 20 years old and reaching the end of their life expectancy.

The table below shows that portables and relocatables in Calgary Catholic and Edmonton Public are newer, while those in Calgary Public and Edmonton Catholic are older.

Age of Metro Boards' Portable and Relocatable Classrooms

	<u>Less than 20 years</u>		<u>20 years or older</u>		<u>Total</u>
	<u>Number</u>	<u>%</u>	<u>Number</u>	<u>%</u>	
Calgary Catholic	384	69%	174	31%	558
Calgary Public	97	19%	404	81%	501
Edmonton Catholic	48	20%	197	80%	245
Edmonton Public	90	87%	14	13%	104
Metro Boards	619	44%	789	56%	1408

Block Modernization Funding

Alberta Infrastructure's method for allocating funding as a block for the Infrastructure Maintenance Program (formerly BQRP) has remained constant over many years, but this has not been the case for school facility modernization. For the 1999/00, 2000/01 and 2001/02 program years, metro boards received modernization funding as a block and were given flexibility in deciding how those funds would be allocated to preservation projects. The next table shows that metro boards received a total of \$51.4 million in Block Modernization funding in the three-year period from 1999/00 to 2001/02. Although provisions for block funding remain in the School Infrastructure Manual, Block Modernization funding for metro boards was discontinued after the 2001/02 program year. Since then, modernization projects for metro boards have been funded on a project basis.

Block Modernization Funding Allocated to Metro Boards
1999/00 to 2001/02 (in millions)

	<u>1999/00</u>	<u>2000/01</u>	<u>2001/02</u>	<u>Total</u>
Calgary Catholic	\$ 3.6	\$ 1.8	\$ 1.9	\$ 7.3
Calgary Public	8.6	5.3	5.1	19.0
Edmonton Catholic	2.8	2.4	2.4*	7.6
Edmonton Public	<u>6.7</u>	<u>5.4</u>	<u>5.4</u>	<u>17.5</u>
Total	\$21.7	\$14.9	\$14.8	\$51.4

*Edmonton Catholic used the modernization funding in 2001/02 to fund the balance of the St. Joseph High School modernization.

Metro boards cited advantages to returning to block funding for modernization once the current backlog of school facilities requiring major upgrading was addressed. High cost projects such as the modernization of large high schools would have to be completed before block funding for modernization was re-introduced because on their own would consume most of the block modernization funding that metro boards might receive over a number of years.

Once implemented block funding for modernization would have to be sufficient and take into account inflation, the hidden costs of upgrades, and bringing school facilities up to modern day standards. Funding would need to be based on factors such as facility condition, deferred maintenance, long-term viability of programs, and health and safety of students.

Block funding for school modernization would particularly benefit metro boards if annual funding for school preservation was based on the private sector rate of 2 percent of the replacement value of school facilities. This would amount to about \$79 million annually, or more than three times what metro boards averaged for school preservation in each of the last three years.

Summary of Findings

1. The short-term prospect of increased funding for preserving Alberta's school facilities does not look promising. Alberta Infrastructure's current business plan indicates that the provincial government will commit about \$257.3 million in the five-year period from 2002/03 to 2006/07 to infrastructure preservation, averaging only \$51.5 million each year.
2. Funding for school facility preservation based on the industry standard of two percent of building replacement costs would provide metro and non-metro boards with \$192 million - triple what the government has in its current business plan to preserve Alberta's school facilities.
3. The area of metro school facilities is about 41 percent of the area of school facilities in the province. Using the industry standard of two percent of replacement costs, metro boards would require about \$78.7 million (\$192 million x 41%) annually to adequately preserve their school infrastructure.
4. Funding to maintain and modernize school infrastructure has been inadequate and has fallen far short of the targets set by the School Facility Evaluation Project in November 2000. Metro boards estimate costs of deferred maintenance on their active school facilities at \$923

million. School facility preservation projects have often been put on hold because of funding shortfalls.

5. Metro boards requested \$173.4 million for 42 modernization projects in their School Capital Plan requests for 2005 to 2008. This funding, coupled with the \$60 million in Infrastructure Maintenance Preservation funding metro boards received over the past three years, totals \$233.4 million or \$77.8 million annually - roughly equivalent to the industry standard of two percent of replacement costs.
6. Fifty-six percent of metro boards portables and relocatables are at least 20 years old and will need to be replaced over the next five to ten years.
7. Metro boards accessed block funding for modernization from 1999/00 to 2001/02, but since then have been project funded by Alberta Infrastructure. Metro boards prefer block funding for modernization, but only after the backlog of school facilities requiring major upgrading is addressed.
8. The shortfall in Infrastructure Maintenance Program and modernization funding affects metro boards and non-metro boards alike and should be addressed province-wide.

Recommendations

It is recommended that the Alberta School Boards Association request the provincial government to:

- provide infrastructure preservation funding to all boards annually that is equivalent to the industry standard of 2 percent of school facility replacement cost
- block fund school modernization for metro boards once the backlog of major upgrading of school facilities is addressed
- continue with the Infrastructure Maintenance Program at funding rates that reflect current costs.
- replace portable and relocatable classrooms that have reached the end of their life expectancy

3. Plant Operations and Maintenance

From 2002/03 to 2004/05, the provincial government allocated the following funding (in millions) to metro boards for school plant operations and maintenance (POM):

	<u>2002/03</u>	<u>2003/04</u>	<u>2004/05</u>
Calgary Catholic	\$ 25.6	\$ 28.0	\$ 26.4
Calgary Public	56.4	63.7	60.2
Edmonton Catholic	17.9	19.6	18.2
Edmonton Public	<u>47.2</u>	<u>52.1</u>	<u>47.7</u>
Total	\$147.1	\$163.4	\$152.5

All boards benefited from the \$30 million in additional funding the provincial government provided over 2002/03 and 2003/04 for natural gas and electric power rate increases. Additional funding for high utility costs is not being provided in 2004/05.

Comparing Metro and Non-Metro Boards

A comparison of Plant Operations and Maintenance funding for metro boards and non-metro boards in the following table shows that from 2002/03 to 2004/05, metro boards received about 45 percent and non-metro boards about 55 percent of the funding provided by the provincial government for the operation and general maintenance of school facilities.

A Comparison of Plant Operations and Maintenance Funding (in millions)
for Metro and Non-Metro Boards

	<u>Metro Boards</u>		<u>Non-Metro Boards</u>		<u>Total</u>
	<u>Amount(\$)</u>	<u>Percent</u>	<u>Amount(\$)</u>	<u>Percent</u>	
2002/03*	\$147.1	45%	\$179.6	55%	\$ 326.7
2003/04*	\$163.4	44%	\$204.8	56%	\$ 368.2
2004/05	\$152.5	44%	\$191.5	56%	\$ 344.0
Total	\$463.0	45%	\$575.9	55%	\$1,038.9

*Plant Operations and Maintenance funding in 2002/03 and 2003/04 included a total one-time grant of \$30 million by Alberta Infrastructure to address higher natural gas and electric power costs.

Comparing how metro boards and non-metro boards allocated their Plant Operations and Maintenance revenues in 2003/04 revealed some differences. The following table shows that metro boards spent more on custodial services, less on general maintenance and utilities, and roughly the same on planning and administration services.

A Comparison of How Metro and Non-Metro Boards Allocated Their Plant
Operations and Maintenance Revenue in 2003/04 (in percent)

	<u>Custodial</u>	<u>Maintenance</u>	<u>Utilities</u>	<u>Plan./Admin.</u>
Calgary Catholic	44.9%	29.1%	23.0%	3.0%
Calgary Public	41.6	20.0	27.8	10.5
Edmonton Catholic	47.2	24.2	25.2	3.3
Edmonton Public	40.5	26.0	25.7	7.8
Metro Boards	42.4	24.1	26.0	7.5
Non- Metro Boards	37.1	26.0	28.3	8.6
Province	39.6%	25.1%	27.2%	8.1%

It should be noted that the foregoing table does not include expenses for the Infrastructure Maintenance Program, debt servicing, or amortization of capital assets. Insurance costs are included under planning and administration.

Plant Operations and Maintenance is Under-funded

An overall reduction of \$10.9 million in POM funding for metro boards this year is problematic because higher utility costs have persisted into 2004/05 in spite of the Natural Gas Price Protection Act. Province-wide, school board funding for plant operations and maintenance in

Alberta has decreased by \$24.2 million from last year. The provincial government has under-funded plant operations and maintenance of school facilities since the previous funding framework was introduced in 1995/96. In real dollars, using a CPI index of 131.5 percent since 1992, the \$344.0 million government is allocating to operate and maintain schools in 2004/05 is about \$43 million less than the \$295.5 million school boards committed to this program in 1992/93. As a result, the general maintenance of school facilities has suffered.

The Plant Operations and Maintenance Formula Penalizes Lower Utilization

The formula used to calculate POM funding takes into consideration metro boards' building capacities and utilization. The table below shows that in 2003/04, the metro board with the lowest utilization rate received \$13.24 less funding per square metre, or 25% less than the metro board with the highest utilization rate.

A Comparison of the Funding Per Square Metre Metro Boards
Received from Alberta Infrastructure in 2003/04

	Calgary <u>Catholic</u>	Calgary <u>Public</u>	Edmonton <u>Catholic</u>	Edmonton <u>Public</u>
Funded area (sq. m.)	423,367	1,064,126	370,715	983,784
Net capacity	49,946	123,037	44,105	111,178
Adjusted enrolment	43,687	97,409	30,580	76,772
Utilization rate (%)	87%	79%	69%	69%
POM funding (in millions)	\$28.0	\$63.7	\$19.6	\$52.1
Funding per sq. m.	\$66.08	\$59.87	\$52.99	\$52.96

Metro boards cited problems with the way capacity and utilization rates were calculated by Alberta Infrastructure, adversely affecting the Plant Operations and Maintenance funding they received and their qualifying for new school construction. These included:

- The Small Class Size Initiative significantly reduced the number of elementary students that could be accommodated in classrooms.
- Student with mild and moderate disabilities were counted as 1.0 for utilization purposes but often instructed in smaller groups, thereby requiring more space than regular students.
- Applying the capacity formula to older schools was not workable because in those buildings, classrooms orientated lengthwise to corridors, wide corridors, additional stairwells, and added mechanical rooms due to expansion all resulted in unrealistic capacities.
- The capacities of core schools were over-rated once portable classrooms were removed because of their oversized support areas such as gymnasiums, libraries, and offices.

Downloading Utility Costs by Municipalities

In 2004, Edmonton Catholic and Edmonton Public absorbed a total \$450,000 in service costs that the City of Edmonton has downloaded from the municipal property tax to utility charges. These added charges consist of: land drainage utility fees totaling \$425,400 and a local improvement levy of \$23,900.

The City of Edmonton may impose further utility charges for fire hydrant maintenance and an arterial roadway levy that could cost the Edmonton metro boards over \$300,000. All of these utility costs must be absorbed by the Edmonton metro boards, thereby reducing the funding they have available for school maintenance.

To date, the City of Calgary has not shifted any municipal service costs from property taxes to utility fees. However, ENMAX has received approval from the City of Calgary to impose additional tariffs on electric power for its Equity Fund for Capital Requirements that will cost Calgary Public alone about \$292,000 in 2005.

A related cost for metro boards are infrastructure improvements for roadways, school parking sites, drop off facilities, and playgrounds. The responsibilities of the provincial government, municipalities, and metro boards for making these infrastructure improvements has yet to be clarified.

Summary of Findings

1. The general maintenance of school facilities has suffered since 1995/96 – the year the former funding framework was initiated by the provincial government. In real dollars, the funding that metro boards have to operate and maintain an increased number of school facilities today is less than the funding available to them in 1992/93.
2. In 2004/05, POM funding for metro boards was reduced by \$10.9 million and for all boards in the province by \$24.2 million from the previous year. At the same, time utility costs for natural gas and electric power have remained relatively high.
3. The current POM funding formula is largely dependent upon capacity ratings and utilization - factors that reduce funding unreasonably for school boards with lower utilization rates.
4. Current methods of determining school capacities and utilization rates do not consider the Learning Commission's recommendations on class sizes, the facility requirements of students with mild/moderate disabilities, the anomalies of older school buildings, and core schools that are stripped of their portables.
5. In the City of Edmonton, municipal service costs have shifted significantly from the property tax base to utility fees, thereby reducing funding that Edmonton Catholic and Edmonton Public boards can use for school maintenance.
6. Most issues related to Plant Operations and Maintenance affect metro boards and non-metro boards alike and should be addressed on a province-wide basis.

Recommendations

It is recommended that the Alberta School Boards Association request the provincial government to:

- increase Plant Operations and Maintenance funding for all boards to a level that is sufficient to address higher utility costs and the general maintenance of school facilities.

- remove the punitive effects of reduced plant operations and maintenance funding for all boards with lower school facility utilization rates.
- take into account the Learning Commission's recommendations on class sizes, the facility needs of students with mild/ moderate disabilities, the anomalies of older school buildings, and core schools without portables in determining the capacities of school facilities.
- fund the utility costs that municipalities have downloaded on metro boards from the property tax base to utility fees.

4. Space Reduction Initiatives

Metro boards reported that most surplus space occurred in larger schools in older neighbourhoods. Edmonton Catholic, for example, identified 20 schools in mature communities whose utilization rates averaged 41 percent. Calgary Catholic cited seven small but viable elementary schools whose enrolment in 2003/04 averaged only 131 students. In 2004/05, the four metro boards qualified for a total of \$5.1 million in Small Schools by Necessity funding.

Metro boards have reduced surplus space through school closures, right-sizing larger facilities by demolishing obsolete sections, lease agreements, and offering alternative programs.

Metro boards have closed schools when school enrolments become too small and out-dated schools too expensive to upgrade:

- Calgary Catholic hasn't closed any schools in 20 years but, during the period 1972 to 1984, closed a total of 14 schools because of its relatively high utilization rate and extensive use of portables.
- Calgary Public approved the closure of five schools at the end of 2002/03 and three schools at the end of 2003/04.
- Edmonton Catholic closed two schools at the end of 2002/03 and replaced one demolished school.
- Edmonton Public closed five schools over the past three years.

School closures are seldom easy tasks for metro and non-metro boards. Even when student enrolments are small or a facility is in poor condition, parents will often try to 'save their school' from closure. On occasions, provincial or municipal politicians have sided with parents and undermined the position of school boards during the closure process. School closures are often accompanied by higher transportation costs for metro boards, resulting from assurances to parents that their children will be bused to neighbouring schools.

Right-sizing school facilities through partial demolitions is an integral part of Edmonton Public's three-year capital plan. Pending Alberta Infrastructure's approval of \$3.1 million, Edmonton Public plans to demolish wings and pods to reduce the capacities in eight schools. Where building design permits, right-sizing is a valuable tool because it preserves the neighbourhood school in a smaller facility with sizeable savings in plant operations, maintenance, and upgrading costs.

Metro boards with surplus space have leased out all or parts of school facilities, usually on a cost neutral basis, to non-profits agencies. Although leased-out facilities don't receive plant operations and maintenance funding, these facilities are not counted in capacity ratings when metro boards apply for new school construction.

Alternative programs and programs of choice are being offered with greater frequency in schools whose enrolments have dropped and with space to accommodate the programs. Edmonton Public has had a long history of offering alternative programs and giving parents choice in selecting their children's school or program. In 2004/05, Calgary Public is offering nine new alternative programs for a total of 44 alternative programs, six new centres for English as a Second Language, and six new special education programs at designated schools – all helping to make the best use of school space.

Summary of Findings

1. Metro boards with excess capacity have used effective measures to reduce surplus space such as school closures, right-sizing facilities, leasing-out all or parts of facilities, and offering alternative programs.
2. Right-sizing the capacities of school facilities to fit the student population served has had benefits. Neighbourhood schools are preserved and plant operations, maintenance, and upgrading costs are reduced.
3. The small schools that metro boards are required to operate typically have lower utilization rates that lessen the overall utilization of space within the districts, thereby reducing Plant Operations and Maintenance funding and eligibility for new construction.
4. Alberta Infrastructure provides for demolition and material removal costs as part of project costs, but does not specifically fund capital projects aimed at right-sizing school facilities where building design permits.
5. The issues related to space reduction initiatives mainly affect metro boards. However, school closures and right-sizing of school facilities also affect non-metro boards and should be addressed on a province-wide basis.

Recommendations

It is recommended that the Alberta School Boards Association request the provincial government to:

- provide capital funding to all boards for the specific purpose of right-sizing school facilities where students enrolments and building conditions warrant and building design permits
- exclude the small schools by necessity all boards must operate when calculating school system utilization.

5. Partnership Initiatives

Metro boards have had long-standing partnerships with municipalities through joint use of facilities agreements. In recent years, several metro boards have considered the merits of public-private partnerships and public-public partnerships as a means of acquiring new school facilities and making better use of existing school space.

The joint use agreements among metro boards and their municipalities appear to be working satisfactorily. Although such agreements increase the wear and tear on school facilities, Edmonton Catholic points out that the savings realized in grounds maintenance offsets this cost. The joint use agreement involving Calgary Catholic, Calgary Public, and the City of Calgary is also the mechanism used to acquire, plan, maintain, and dispose of reserve land. Calgary Public has had the most direct experience with public-private partnerships or P3s, as they are commonly known, having had discussions with the provincial government on this method of acquiring and upgrading school facilities. Calgary Public has invited the private sector to express interest in public-private partnerships to construct new schools and modernize existing schools. To date, Alberta Infrastructure has not released any definitive guidelines that would enable metro boards to pursue P3 projects. In its current business plan, Alberta Infrastructure appears dependent on P3 projects as a means of attaining its capital objectives.

Edmonton Public has public-public partnerships in place for school space with the North Central Francophone board and for the use of Victoria School by the Capital Health Authority and City of Edmonton. Calgary Public has accommodated the Student Health Initiative Partnership in one of its schools.

Summary of Findings

1. The joint use agreements involving metro boards and their municipalities appear to be working reasonably well. Any outstanding issues with the agreements are the purview of the joint use partners and do not appear to directly involve the provincial government.
2. The use of public-private partnerships to build and modernize school facilities has been considered by metro boards, but the advantages of this approach over conventional methods have not been demonstrated.
3. The use of public-public partnerships has the potential to provide common facilities, not only for schools, but also for health services, day care, recreation, and community activities.

Direction to Consider

None at this time. A resolution passed at the 2004 FGM requested that ASBA approach Alberta Infrastructure and Transportation about conducting a study of public-public partnership opportunities.

6. Non-School Facilities

The administrative, maintenance, and storage facilities owned by metro boards are not funded directly by Alberta Infrastructure for operating, preservation, and capital costs. The operating and capital costs for administrative buildings must currently be covered from base funding and maintenance and storage buildings from Plant Operations and Maintenance funding.

The table below shows the number and condition of metro boards' non-school facilities.

The Non-School Facilities Owned or Occupied by Metro Boards

	<u>Number</u>	<u>Condition of Facilities</u>
Calgary Catholic	5 (1 leased out)	5 good
Calgary Public	18	2 good, 12 fair, 4 poor
Edmonton Catholic	5	5 fair
Edmonton Public	<u>3</u>	<u>2 good, 1 fair</u>
Total	31	9 good, 18 fair, 4 poor

The deferred maintenance on non-school facilities operated by Calgary Public is about \$8.0 million. Edmonton Catholic and Edmonton Public reported essential repairs for non-school buildings at \$.646 million and \$.4 million respectively, but have not done detailed assessments on deferred maintenance costs. Calgary Catholic support facilities are presently in good condition.

Metro boards indicated that the efficient management of support facilities was integral to their systems and Alberta Infrastructure should fund their operating, preservation, and capital costs. Funding for these purposes should be in addition to current funding and 'enveloped' apart from funding for school facilities.

Edmonton Public pointed out that the definition of eligibility for funding might include criteria such as complexity and size of operation and other factors to justify certain types of facilities. The question of equity would also have to be addressed because of the varied ways that school boards managed their systems. Those that operated their own bus fleets, had large maintenance staffs, or large centrally-based instructional support staffs would require more support facilities than school boards that contracted out or decentralized these services.

Alberta Infrastructure is considering the possibility of provincial guidelines, standards, and funding for non-school facilities, having completed the data collection phase of its Non-School Building Project. A stakeholder committee is now reviewing the data collected from metro and non-metro boards, considering funding options for non-school facilities, and expected to make recommendations to the Minister of Infrastructure and Transportation. The final phase of the project would involve a facilities audit of non-school facilities.

Summary of Findings

1. Alberta Infrastructure and Transportation continues not to provide direct funding for non-school facilities such as board administration offices, transportation buildings, maintenance shops, and storage buildings.

2. Metro boards and non-metro boards must pay the operating, preservation, capital, and debt retirement costs of non-school facilities from base, transportation, and plant operations and maintenance funding.
3. The Non-School Building Project involving Alberta Infrastructure and Transportation, Alberta Education, and stakeholders is examining how the province might become directly involved in setting standards and funding non-school facilities.

Direction to Consider

Metro boards should keep fully apprised on any funding initiatives for non-school facilities through their stakeholder representatives on the Non-School Building Project.

Appendix 5

Instructional Costs of Metro Boards

The data for this report were collected from metro boards, Labor Relations – Alberta School Boards Association, and Alberta Education to February 4, 2005. The report's content, summary of findings, and directions to consider are intended for discussion at the Steering Committee Meeting, Metro Boards Study, on February 23, 2005.

The following topics in this report focus on metro boards' instructional costs, with particular emphasis on program expenses for special needs students with mild or moderate disabilities and students who are gifted and talented.

- Metro Boards' Base Instructional costs
- Costs of Mild/Moderate and Gifted/Talented Programs
- Instructional Personnel Costs

1. Metro Boards' Base Instructional Costs

Over the past three years, metro boards received basic instruction funding to cover the costs of:

- regular classroom instruction
- programs for students with mild and moderate disabilities and students who are gifted and talented
- school administration and instructional support services such as libraries, guidance and counseling, and family-school liaison
- system instructional support services such as district-wide testing psychologists and program specialists
- expenses for programs such as severe disabilities, AISI, and the Student Health Initiative, not fully covered by differential funding.

As the following table shows, from 2001/02 to 2003/04, metro boards incurred 45.8 percent of instructional costs in the province compared to 54.2 percent for non-metro boards.

The Instructional Costs (in millions) of Metro and Non-Metro Boards
2001/02 to 2003/04

	<u>2001/02</u>	<u>2002/03</u>	<u>2003/04</u>	<u>Total</u> Costs	%
Calgary Catholic	\$189.6	\$201.0	\$210.2	\$600.8	7.9
Calgary Public	440.1	457.4	467.5	1365.0	17.9
Edmonton Catholic	147.0	153.6	164.6	465.2	6.1
Edmonton Public	<u>327.3</u>	<u>365.5</u>	<u>377.5</u>	<u>1070.3</u>	<u>14.0</u>
Metro Boards	1104.1	1177.5	1219.7	3501.3	45.8
Non-Metro Boards	1300.6	1400.3	1440.1	4141.0	54.2
Province	\$2404.7	\$2577.8	\$2659.8	\$7642.3	100%

Note: The above costs include instruction salaries, benefits, services, contracts, and supplies but do not include amortization of capital assets, interest on capital debt, and costs of severely disabled, AISI, and Student Health Initiative programs not covered by differential funding.

Instructional Costs Vary for Metro Boards

When broken down by category, some instructional costs were found to vary among metro boards and between metro boards and non-metro boards.

The table on the following page shows that compared to the provincial average:

- Calgary Catholic spent more on special needs programs and system instructional support and about the same for regular classroom instruction and school administration and instructional support.
- Calgary Public spent somewhat less on regular classroom instruction, about the same for system instructional support and more on special needs programs and school administration and instructional support.
- Edmonton Catholic spent less on regular classroom instruction, about the same for special needs programs and more for school administration and instructional support and system instructional support.
- Edmonton Public spent less on school administration and instructional support and system instructional support and more on regular classroom instruction and special needs programs.

Instructional Costs by Category for Metro and Non-Metro Boards
2001/02 to 2003/04 (in percent)

	Regular <u>Instr.</u>	Mild/Mod. <u>Gift/Talent</u>	School Admin. <u>Instr. Support</u>	System Instr. <u>Support</u>
<u>Calgary Catholic</u>				
2001/02	74.2%	8.2%	14.0%	3.6%
2002/03	75.1	8.7	13.1	3.1
2003/04	75.0	9.3	12.6	3.1
<u>Calgary Public</u>				
2001/02	73.8	7.3	17.6	1.3
2002/03	74.5	7.4	16.7	1.4
2003/04	67.1	8.4	22.9	1.6
<u>Edmonton Catholic</u>				
2001/02	64.1	10.0	17.8	8.1
2002/03	61.9	5.3	20.8	12.0
2003/04	63.3	4.6	20.0	12.1
<u>Edmonton Public</u>				
2001/02	78.2	9.9	11.9	0
2002/03	76.0	11.6	12.4	0
2003/04	<u>77.5</u>	<u>9.1</u>	<u>13.4</u>	<u>0</u>
<u>Metro Boards</u>				
2001/02	73.9	8.6	15.3	2.2
2002/03	73.4	8.6	15.3	2.6
2003/04	71.1	8.3	17.8	2.8
<u>Non-Metro Boards</u>				
2001/02	78.5	6.4	13.8	1.4
2002/03	78.9	5.9	13.8	1.3
2003/04	78.6	5.9	13.8	1.7
<u>Province</u>				
2001/02	76.4	7.4	14.5	1.8
2002/03	76.4	5.9	13.8	1.3
2003/04	75.2	7.0	15.6	2.2

Compared to non-metro boards, the foregoing table shows that from 2001/02 to 2003/04, metro boards spent on average:

- less on regular classroom instruction
- more on special needs programs for students with mild or moderate disabilities and students who are gifted or talented
- more on school administration and instructional support
- more on system instructional support

Un-funded Costs Impact Metro and Non-Metro Boards Differently

Over the past three years, metro boards have not incurred significant un-funded costs for differentially funded programs such as severe disabilities, Alberta Initiative for School Improvement (AISI), and the Student Health Initiative (SHI). As the following table indicates, metro boards have managed to more than cover costs for these three programs using funds provided by Alberta Education.

The Un-funded Costs of Metro and Non-Metro Boards for Three Differentially Funded Programs (in millions), 2001/02 to 2003/04

	<u>Severe Disabilities</u>	<u>AISI</u>	<u>Student Health Initiatives</u>	<u>Total</u>
<u>Metro Boards</u>				
2001/02	+\$2.3	+\$1.3	+\$0.4	+\$4.0
2002/03	-8.0	+1.5	+0.1	-6.4
2003/04	<u>+0.3</u>	<u>+4.1</u>	<u>+1.7</u>	<u>+6.1</u>
Total	-5.4	+6.9	+2.2	+3.7
<u>Non-Metro Boards</u>				
2001/02	-20.2	+0.6	+0.2	-19.4
2002/03	-24.1	-0.2	+0.4	-23.9
2003/04	<u>-17.2</u>	<u>+0.2</u>	<u>-0.2</u>	<u>-17.2</u>
Total	-\$61.5	+\$0.6	+\$0.4	-\$60.5

Non-metro boards stayed within allotted funding for the AISI and SHI programs, but averaged deficits of over \$20 million annually in programs for students with severe disabilities. The cost over-runs in this program reduced the overall amount of funding that non-metro boards had to allocate to regular classroom instruction, special needs programs, school administration and support services, and system support services.

Summary of Findings

1. Over the past three years, metro boards incurred about 46 percent of basic instruction costs in the province.
2. Compared to non-metro boards, metro boards spent, on average, a smaller percentage of their budgets on regular classroom instruction and greater percentages on special needs programs for mildly/moderately disabled and gifted/talented students, school administration and instructional support, and system instructional support.
3. Metro boards were varied in their spending for regular classroom instruction, school administration and instructional support, and system instructional support, but generally spent more on special needs programs.

4. Metro boards' program costs for special needs students with mild or moderate disabilities and gifted and talented students were consistently more than costs incurred by non-metro boards for these programs.
5. Metro boards' costs for severe disability programs, the Alberta Initiative for School Improvement, and Student Health Initiative closely matched the funding received and did not require funding transfers from basic instruction.

Directions to Consider

Metro boards spent more than non-metro boards on programs for students with mild or moderate disabilities and for students who are gifted and talented. The reasons for this difference require attention.

2. Costs of Mild/Moderate and Gifted/Talented Programs

The funding framework in effect prior to 2004/05 included, under basic instruction, funding for the costs of programs for mildly and moderately disabled and gifted and talented students in grades 1 to 12. The *Renewed Funding Framework* currently in effect adopted the same approach, including the costs for special needs programs under base instruction funding.

Both the current and former funding frameworks are founded on the premise that students with mild or moderate disabilities and students who are gifted or talented are distributed uniformly across the province. Their underlying assumption is that there is no need to differentiate funding for this special needs category; therefore the required funding is incorporated into the basic (or base) instruction allocation provided for each student.

Former funding manuals issued by Alberta Education specified that a specific amount of the basic instruction grant, \$375 or 8.4 percent in 2003/04, was to be used for the differential costs of mild/moderate and gifted/talented programs. The *Renewed Funding Framework* is 'silent' on the amount of base instruction funding that should be set aside for special needs programs.

Differential funding for ECS children with special needs continues to be provided in addition to base instructional funding.

The Number of Mildly/Moderately Disabled and Gifted/Talented Students

Since 1995/96, Alberta Education has established codes and recorded special needs students on its central database. Although metro and non-metro boards do not receive any additional funding for special needs students, they registered 20,250 in 1995/96 and a high of 69,317 students in 2001/02. At last count in 2003/04, Alberta Education reported 55,929 mildly/moderately disabled and gifted/talented students for the province.

The following table shows that metro boards saw steady growth in the percentage of students with special needs, averaging from 10.3 percent in 2001/02 to 11.3 percent in 2004/05. The exception was Edmonton Catholic, who reported numbers that decreased from 12 percent to 8 percent, mainly as a result of Alberta Education's request that special needs students be tested individually for placement on the special needs registry. This metro board continues to provide special needs programs to about 12 percent of its student population, but opted not to spend about \$750 per student for individualized testing.

The Number and Percentages of Mildly/Moderately Disabled and Gifted/Talented Students Reported to Alberta Education, 2001/02 to 2004/05

	<u>2001/02</u>		<u>2002/03</u>		<u>2003/04</u>		<u>2004/05</u>	
	<u>No.</u>	<u>%</u>	<u>No.</u>	<u>%</u>	<u>No.</u>	<u>%</u>	<u>No.</u>	<u>%</u>
Calgary Catholic	2653	6.4%	3064	7.4%	3225	7.8%	3435	8.4%
Calgary Public	11,563	12.4	12,029	12.9	13,637	14.6	1380	15.1
Edmonton Catholic	3458	12.0	3248	11.3	2594	9.1	2344	8.0
Edmonton Public	<u>6887</u>	<u>9.0</u>	<u>7027</u>	<u>9.1</u>	<u>7124</u>	<u>9.3</u>	<u>7128</u>	<u>9.5</u>
Metro Boards	24,561	10.3	25,368	10.5	26,580	11.1	26,737	11.3
Non-Metro Boards	44,756	16.3	42,375	15.3	29,349	10.6	not available	
Province	69,317	14.5%	67,743	13.1%	55,929	10.8%	not available	

The above table also shows that non-metro boards, which reported 16.3 percent of their students having special needs in 2001/02, more recently reported only 10.6 percent with special needs in 2003/04. The reason for this decline in numbers of mild/moderate and gifted/talented students is not clear because the definitions for eligibility have not changed. One possible explanation is the change in monitoring that Alberta Education has initiated with its Programming Standards Reviews. As part of the review process, external special education teams have monitored student files and special needs programs in 20 jurisdictions, perhaps causing school personnel to reassess which students were placed in these programs.

Metro Boards Provide Higher Cost Programs for Special Needs Students

Over the past three years, metro boards have spent, on average, 8.5 percent of their instructional budgets for special needs programs, compared to an average 6.1 percent for non-metro boards. As the table below shows, metro boards consistently spent more per special needs student than non-metro boards, averaging \$3,889 for incremental costs from 2001/02 to 2003/04 compared to \$2,244 for non-metro boards.

The Cost Per Student for Mildly/Moderately Disabled and Gifted/Talented Programs

	<u>2001/02</u>	<u>2002/03</u>	<u>2003/04</u>	<u>Average</u>
Calgary Catholic	\$5,840	\$5,721	\$6,073	\$5,878
Calgary Public	2,774	2,812	2,895	2,827
Edmonton Catholic	4,268	2,482	2,902	3,217
Edmonton Public	<u>4,704</u>	<u>6,028</u>	<u>4,819</u>	<u>5,184</u>
Metro Boards	3,857	4,012	3,797	3,889
Non-Metro boards	1,852	1,966	2,913	2,244
Province	\$2,561	\$2,732	\$3,334	\$2,876

When special needs program expenses are broken down into costs for teachers, support staff, services, contracts, and supplies, the following table shows that metro boards have consistently spent more per mild/moderate and gifted/talented student than non-metro boards in each of those categories. Over the past three years, metro boards averaged \$2,707 per student for teacher costs, compared to \$1,502 per student for non-metro boards; \$891 per student for support staff costs, compared to \$645; and \$290 per student for services, contracts, and supplies, compared to \$97 per student.

Special Needs Program Costs for Teachers, Support Staff, and Services, Contracts, and Supplies, 2001/02 to 2003/04

<u>Metro Boards</u>	<u>2001/02</u>	<u>2002/03</u>	<u>2003/04</u>	<u>Average</u>
Teachers	\$2,662	\$2,861	\$2,598	\$2,707
Support Staff	914	861	899	891
Services, contracts, supplies	\$ 281	\$ 290	\$ 300	\$ 290
<u>Non-Metro Boards</u>				
Teachers	\$1,216	\$1,313	\$1,976	\$1,502
Support Staff	557	563	816	645
Services, contracts, supplies	\$ 79	\$ 90	\$ 121	\$ 97

Metro Boards Offer Special Needs Programs With Higher Service Levels

Service levels for special needs programs are measured by the ratio of mildly/moderately disabled and gifted/talented students to special education teachers and support staff providing those programs. A lower ratio of students to staff indicates a high level of special education services.

The following table shows that, on average, metro boards have provided higher service levels for mild/moderate and gifted talented students than non-metro boards. From 2001/02 to 2003/04, the ratio of special needs students to special education teachers in programs operated by metro boards has ranged from 23.2 to 28.4, compared to 41.2 to 55.7 for non-metro boards. The ratio of special needs students to support staff for metro boards has ranged from 34.1 to 38.1, compared to 34.9 to 50.1 for non-metro boards.

The Ratio of Special Needs Students to Teachers and Support Staff in Programs for Mildly/Moderately Disabled and Gifted and Talented Students, 2001/02 to 2003/04

	<u>2001/02</u>		<u>2002/03</u>		<u>2003/04</u>	
	<u>Teachers</u>	<u>Support</u>	<u>Teachers</u>	<u>Support</u>	<u>Teachers</u>	<u>Support</u>
Calgary Catholic	20.7	11.4	24.3	11.7	26.9	12.6
Calgary Public	30.3	84.4	32.4	122.5	32.6	76.4
Edmonton Catholic	20.7	33.6	18.0	-	27.5	-
Edmonton Public	<u>21.3</u>	<u>27.7</u>	<u>17.2</u>	<u>22.6</u>	<u>24.1</u>	<u>28.8</u>
Metro Boards	24.6	34.1	23.3	37.7	28.4	38.1
Non-Metro Boards	55.7	50.1	51.4	44.8	41.2	34.9
Province	38.5	42.9	35.4	41.9	34.0	36.3

Summary of Findings

1. The *Renewed Funding Framework* may be incorrect in its assumption that mild/moderate and gifted/talented students are distributed uniformly across the province. The data provided illustrates that the number of special needs students differs from jurisdiction to jurisdiction and from year to year. It may well be that some jurisdictions have increased numbers of special needs students.
2. The number of special needs students reported by metro and non-metro boards increased sharply from 20,250 in 1995/96 to 69,317 in 2001/02, declining to 55,929 in 2003/04. This may have been due to the introduction of the Student Health Initiative program.
3. From 2001/02 to 2003/04, metro boards spent, on average, 8.5 percent of their instructional budgets on special needs programs, compared to an average 6.1 percent for non-metro boards.
4. Metro boards' incremental costs for special needs programs over the past three years averaged \$3,889 per special needs student, compared to \$2,244 per student for non-metro boards.
5. Metro boards have typically spent more than non-metro boards on special needs teachers, support staff, and services, contracts, and supplies - resulting in higher service levels for mildly/moderately disabled and gifted/talented students.

Directions to Consider

The Alberta School Boards Association should request Alberta Education to critically examine the province-wide distribution of mildly/moderately disabled and gifted/talented students and financially compensate metro, and possibly non-metro boards, that incur higher costs for special needs programs.

3. Instructional Personnel Costs

Over the past three years, the average costs per student for teaching staff and for support staff were about the same for metro boards and non-metro boards. The following table shows some variation amongst metro boards on their average teaching and instructional support staff costs per student, however these were not sizable differences in relation to non-metro boards.

Metro boards teaching costs per student ranged from \$3,722 to \$4,104, compared to \$3,779 to \$4,218 for non-metro boards, and their instructional support staff costs per student ranged from \$659 to \$775, compared to \$806 to \$912 per student for non-metro boards.

Total Instructional Costs Per K to 12 Student for Teaching and Instructional Support Staff, 2001/02 to 2003/04

	<u>2001/02</u>		<u>2002/03</u>		<u>2003/04</u>	
	<u>Teaching</u>	<u>Support</u>	<u>Teaching</u>	<u>Support</u>	<u>Teaching</u>	<u>Support</u>
Calgary Catholic	\$3,695	\$599	\$4,067	\$577	\$4,207	\$645
Calgary Public	3,948	669	4,211	685	4,360	776
Edmonton Catholic	3,853	741	3,959	856	4,112	917
Edmonton Public	<u>3,419</u>	<u>648</u>	<u>4,047</u>	<u>771</u>	<u>3,753</u>	<u>790</u>
Metro Boards	3,722	659	4,103	714	4,104	775
Non-Metro Boards	3,779	806	4,104	884	4,218	912
Province	\$3,750	\$737	\$4,104	\$805	\$4,165	\$848

Notes:

1. Student enrolments for 2001/02 and 2002/03 are from metro boards' Audited Financial Statements and for 2003/04 from ASBA Labor Relations.
2. Non-metro boards include charter schools but not private schools.
3. ECS children are counted .5 FTE
4. Teaching and support staff costs are from metro boards' Audited Financial Statements and Alberta Education's consolidated Audited Financial Statements reports.

Metro Boards' Teaching Staff are More Experienced and Educated

The following table shows that in the 2004/05 school year, teaching staff employed by metro boards averaged 8.49 years of teaching experience compared to 8.09 years for non-metro boards. In the same year teaching staff with metro boards averaged 4.87 years of teacher education compared to 4.66 years for non-metro boards.

Comparing Metro and Non-Metro Boards Years of Teacher Education and Teaching Experience, September 30/04

	Number of <u>Teachers</u>	Average Years <u>of Education</u>	Average Years <u>of Experience</u>
Calgary Catholic	2,477.9	4.94	7.76
Calgary Public	5,506.3	5.02	8.75
Edmonton Catholic	1,811.7	4.67	8.48
Edmonton Public	<u>4,372.0</u>	<u>4.71</u>	<u>8.57</u>
Metro Boards	14,167.9	4.87	8.49
Non-Metro Boards	16,299.3	4.66	8.09
Province	30,467.2	4.75	8.27

Notes: Numbers of teachers and provincial average years of teaching experience and teacher education were provided by ASBA, Labour Relations.

All things being equal, metro boards could be expected to have higher teaching costs than non-metro boards because of their teachers having more years of experience and education. However, variation in teaching experience and education amongst metro boards and differences in board-teacher collective agreements province-wide make comparisons difficult unless done on a board-by-board basis.

Metro Boards' Teaching Service Levels Similar to Province

Teaching service levels are based on the number of students per teaching staff. The following table shows that the ratio of 17.4 students to teaching staff in metro boards is only moderately higher than the 17.2 ratio of students to teaching staff for non-metro boards.

Ratio of Teaching Staff to Students for Metro and Non-Metro Boards, 2003/04

	Number of <u>Students (K-12)</u>	Number of <u>Teaching Staff</u>	Ratio of Students <u>to Teaching Staff</u>
Calgary Catholic	42,749	2,477.9	17.3
Calgary Public	93,004	5,506.3	16.9
Edmonton Catholic	29,970	1,811.7	16.5
Edmonton Public	<u>80,919</u>	<u>4,372.0</u>	<u>18.5</u>
Metro Boards	246,642	14,167.9	17.4
Non-Metro Boards	281,149	16,299.3	17.2
Province	527,791	30,467.2	17.3

Notes:

1. Numbers of teaching staff in 2003/04 were provided by ASBA, Labour Relations.
2. Teaching staff includes all personnel paid on board-teacher collective agreements.
3. Numbers of students in K-12 were provided by ASBA, Labour Relations with ECS children counted as .5 FTE.

The foregoing table also shows that student-teaching staff ratios vary amongst metro boards, ranging from 16.9 to 18.5.

Summary of Findings

1. Over the past three years, metro boards' average teaching costs per student ranged from \$3,722 to \$4,103, moderately less than non-metro boards, whose average teaching costs per student ranged from \$3,779 to \$4,218.
2. Metro boards' average instructional support staff costs per student ranged from \$659 to \$775, somewhat less than non-metro boards, whose average instructional support staff costs per student ranged from \$806 to \$912.
3. On average, metro boards' teaching staff have 0.4 more years of experience and 0.21 more years of education than non-metro boards; however there is some variance among metro boards on these two measures.
4. The ratio of students to teaching staff over the past three years averaged 17.4 for metro boards, minimally higher than the ratio of 17.2 students to teaching staff for non-metro boards.

Directions to Consider

None. The differences in average teaching staff costs per student, average support staff costs per student, teacher costs attributable to grid placement, and ratios of students to teachers are too small, and the variance amongst metro boards too sizable, to warrant further action.

Points to Note

Caution must be taken in reaching any supportable conclusions from the data that has been provided. The *Renewed Funding Framework* is an allocation model – it is up to the boards and their staff to allocate those funds to the educational programs they provide. If a board chooses to spend more on a particular area than another board, this, in itself, does not mean that either one is over-funded or under-funded. If a board chooses to spend a greater portion of its budget on one area, then it will have less in another.

The data is also unreliable – as noted throughout this report – boards have made decisions on how the data is collected or reported. For example, Edmonton Catholic has noted that it has chosen to code fewer students, as they do not wish to expend the funds in necessary assessments; however, they provide services to all. Therefore the cost per coded student is higher than boards that code all students.

There are also severe discrepancies in the overall data – you will note on page 102 – the numbers of students from non-metro boards declined 30% from 2002/2003 to 2003/2004 – from 42,375 to 29,349. What happened to the 13,000 students that were coded as M/M or G/T in 2002/2003 and not in 2003/2004 with non-metro boards?

It should also be noted that the aggregation is very broad – metro vs. non-metro – 47% of the total student population to 53%.